

ANNUAL REPORT 2024

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The complete Annual Report is available on Railcare's website, www. railcare.se/en/. The printed version of the Annual Report is distributed only to shareholders who have ordered printed copies. The 2024 Annual Report was published in April 2025. All amounts are expressed in Swedish kronor. Kronor is abbreviated as "SEK", thousands of kronor are abbreviated as "SEK 000" and millions of kronor are abbreviated as "SEK million" or "SEK m". Figures in brackets refer to the preceding year, unless otherwise stated. This report contains forward-looking information based on Railcare's current expectations. No guarantee can be given that these expectations will prove to be correct. Actual outcomes may therefore differ substantially from what appears in the forward-looking information as a consequence of, for example, changes in economic, market and competition conditions, changes in legal requirements and other policy measures, exchange rate fluctuations and other factors. Data regarding the market and competitive situation reflects Railcare's own assessments unless a specific source is indicated. These assessments are based on the best and latest data available. The audited Annual Report includes pages 33-119.

This is a translation of the original Swedish annual report. In the event of any discrepancies or misunderstandings due to translation, the Swedish version shall prevail. RAILCARE GROUP AB ANNUAL REPORT 2024 / ABOUT RAILCARE

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We do things differently

Jonas Sääf, machine opera

> Railcare is an innovative company that adds value by working for more sustainable railways through committed employees and smart machines. As a railway specialist we offer services such as track maintenance using our proprietary machinery, transport with our own locomotives and drivers, locomotive and wagon workshops, as well as machinery and technology development.

> 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 our employees show – and are expected to show – a high degree of personal responsibility for everything from customer deliveries to embodying our values.

The year in brief

RAILCARE INCREASES ITS FINANCIAL TARGETS [Q1]

The Board of Directors of Railcare Group AB adopted new financial targets for the period up until the end of 2027. The new targets are net sales of SEK 1,000 million and an operating margin of 13 percent.

"Several key events have taken place that further reinforce our confidence in the future. We won a major contract relating to clearance 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 sharpened our focus on machine sales. Overall, this justifies more aggressive targets," Mattias Remahl, President and CEO of Railcare Group, commented.

RAILCARE ACQUIRED 40 PERCENT OF THE SHARES IN AC FINANCE AB AND SIGNED AN AGREEMENT RELATING TO LOAN FINANCING AND LOCOMOTIVES LEASING [Q2]

Railcare acquired 40 percent of the shares in the locomotive leasing start-up AC Finance. The purchase consideration totalled SEK 400,000. In connection with the acquisition, Railcare entered into a loan agreement for the provision of shareholder loans, as well as a lease agreement to lease nine locomotives from AC Finance AB for a period of five years.



RAILCARE SIGNS 5-YEAR AGREEMENT WITH LKAB MALMTRAFIK [Q4]

LKAB Malmtrafik signed a 5-year agreement with Railcare relating to raw materials transports in the period 2025-2029. The agreement is worth an estimated SEK 70 million annually, totalling SEK 350 million. The agreement also includes the option for LKAB to extend the agreement for a further three years with a potential value of SEK 210 million. Mattias Remahl, President and CEO comments:

"We are delighted that LKAB has shown us this confidence, after having had shorter assignments with them over the past few years. The long-term agreement offers confirmation that our customers prioritize delivery reliability in high-value transports, where the logistics are an important part of the value chain."

ENABLING INVESTMENT IN THE LOCOMOTIVE WORK-SHOP [Q4]

Railcare has signed an agreement to acquire Y-ettan AB, the company that owns the property where Railcare currently operates its locomotive workshop in Långsele. The acquisition is part of Railcare's long-term strategy to develop the locomotive workshop in Långsele to meet high market demand.





NEW CFO [Q4]

Johan Elveros was appointed new CFO of Railcare Group AB, starting in January 2025. Johan most recently comes from the Boliden Group, where he held various leadership roles, most recently as Head of Mines Controlling. He has extensive experience of financial reporting, analysis, strategy and leadership.

KEY PERFORMANCE INDICATORS RAILCARE GROUP IN SUMMARY 2024

Net sales

635^{SEK million}

Operating margin

10.4*

Operating profit

66^{SEK million}



Profit/loss for the year



Dividend per share







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Kajsa Andersson Junkka, train driver

Strong future prospects for Railcare

Over the past year, we continued our journey of steady growth and business development. Over the period, we secured several new long-term contracts. We now have more long-term visibility than ever in terms of signed contracts, providing a strong platform for reaching our strategic goals.

The margin was lower than in the previous year, primarily due to the UK operations not progressing as expected. It was also negatively affected by the ongoing efforts to build the organisation in preparation for future assignments. The need for robust and reliable railways has never been greater. This is especially true for Sweden's heavy industry, where such infrastructure is vital for maintaining competitiveness. The ongoing investments in the railway are both important and challenging. A historically high maintenance backlog needs to be addressed, while rail traffic is expected to increase rapidly. This provides a strong outlook for Railcare, as we remain at the forefront of both technological development and delivery reliability.

Historic investment in the railway

The Swedish government has adopted a new infrastructure bill encompassing historically high levels of investment. A total of SEK 1,171 billion will be invested during the period 2026–2037, of which SEK 210 billion has been earmarked for railway operations and maintenance. The starting point is that Sweden's roads and railways maintenance must be improved, while investment in new infrastructure is also needed. "Efficient infrastructure is essential for Sweden's functionality and economic growth," commented Infrastructure Minister Andreas Carlson. In October, the Swedish Railway Reform program (Omtag Svensk Järnväg) presented its report Clear Track for Increased Growth (Klart spår för ökad tillväxt), outlining the challenges faced by Swe-

"This provides a strong outlook for Railcare, as we remain at the forefront of both technological development and delivery reliability."

den's railways. It is clear that Sweden has the resources for removing the current obstacles to railway expansion, which are caused by neglected maintenance, and for creating the right conditions for business and future growth by ensuring efficient transport. For Railcare's part, this will hopefully lead to increased demand for the services we offer. This mainly relates to the preparatory work we carry out in the contracting operations: cable laying, and reballasting switches, bridges and railway yards ahead of major track renovations. But our hope is that the focus on drainage will also increase. When extreme weather occurs more frequently, drainage becomes an important function for ensuring the robustness of railways. Here, the Relining operations' offering includes inspections and relining of railway culverts.

New long-term contracts strengthen outlook

Historically, our operations have been characterised by short-term visibility with only a limited number of long-term contracts, which has made it challenging to plan and invest in operational resources. Recently, we have successfully signed several long-term contracts in the Transport and Contracting segments. This engenders long-term stability and allows us to focus more closely on acquiring new customers. "Recenty, we have successfully signed several long-term contracts in the Transport and Contracting segments.

This engenders longterm stability and allows us to focus more closely on acquiring new customers." In mid-October 2024, Railcare signed a 5-year agreement with LKAB Malmtrafik worth a total of approximately SEK 350 million. The fact that we have now received a long-term vote of confidence demonstrates that LKAB are very satisfied with our execution and high delivery reliability. The agreement includes an option to extend the contract for a further three years, corresponding to an order value of SEK 210 million. Even without the additional option, the new contract is Railcare's third largest after the agreements with Kaunis Iron and the Swedish Transport Administration's contingency assignment.

At the end of January 2025, we also signed a new snow clearance contract with the Swedish Transport Administration, which will commence in October 2025. The agreement spans a 6-year period, including a 2-year extension option, with a total value of just over SEK 350 million. The snow clearance contract is crucial for maintaining capacity utilisation during the winter season. It is also a prerequisite for ensuring the profitability of the contracting operations year-round. The long-term contract we have been awarded highlights the Swedish Transport Administration's continued strong demand for our proprietary snow melters and snow ploughs. Several years ago, we identified access to locomotives with the right environmental performance as a pre-requisite for the transition to green railways, and for generating attractive business opportunities. This was confirmed when the Swedish Transport Administration, in line with its new environmental targets, introduced stricter requirements for locomotives in its two most recent procurement processes for contingency clearance assignments. Through our co-ownership in AC Finance and secured access to EffiShunter locomotives, we are well positioned to win new contracts that meet equally high environmental standards.

Well-equipped to drive vision and strategy

With the strongest year in the company's history behind us, a major new standby clearance locomotive contract, and a positive outlook for the future, the Railcare Board decided to raise the bar and adopt new, higher targets as early as February 2024. The financial targets adopted by Railcare's Board of Directors in February 2023 were hence only valid for one year. Like the previous targets, our new targets are to be achieved by 2027. The sales target was raised from SEK 800 million to SEK 1,000 million, while the operating margin target was raised from 10% to 13%. This means profit growth of just over 60% if the targets are met.

As previously mentioned, this growth journey requires us to prepare and expand the organisation. It is a process that takes time and requires resources initially, but that creates growth opportunities in the long term. This needs to take place while we actively work to preserve our highly successful corporate culture. With responsible, solution-oriented, and committed employees, we deliver high reliability and create value for our customers. We have a clearly positive outlook for the future, supported by our continued growth despite recent global challenges.

Market outlook

In many respects, the railway industry is resilient to economic fluctuations. So far, the need for a robust and reliable railway has become increasingly evident. This is particularly true from a national security perspective, further underscoring the need for increased maintenance measures. However, it is difficult to predict how the current geopolitical unrest will affect the industry in the long term.

The historically high levels of investment in the railway will, in practice, lead to a gradual increase in maintenance measures over the coming years. Planned volumes will be higher than ever before, which is absolutely necessary to address the maintenance backlog in the railway system. Both the Swedish Transport Administration and maintenance contractors agree that transparency and long-term planning are key success factors for enabling companies to invest in expanded staffing, maintenance machinery, and new technology. How these measures will be implemented — and when — has yet to be clarified.

A new control period has begun in the UK, which has historically been associated with low volumes at the outset. Roughly a year into the control period, volumes are still not at the levels they should be. We are in dialogue with Network Rail and will, in parallel, review our strategy for the UK.

In the Transport segment, our high delivery reliability is the most important factor behind our success. This is made possible by responsible, flexible, and agile employees who go above and beyond to ensure that transport operations continue according to the customer's needs. To an outsider, transport from A to B may sound simple, but when customer planning and production volumes change at short notice, a flexible setup and agile, responsible employees are essential. Here, I dare say we are industry leaders. "The historically high levels of investment in the railway will, in practice, lead to a gradual increase in maintenance measures over the coming years.

Planned volumes will be higher than ever before, which is absolutely necessary to address the maintenance backlog in the railway system. " We continue to see strong demand for the services we offer at the Locomotive Workshop in Långsele. Industry demands are increasing, particularly in terms of environmental performance and the implementation of a new signalling system. We already provide these services at the Locomotive Workshop, and high demand has led us to explore the possibility of expanding the workshop to ensure continued growth. In the machinery workshop in Skelleftehamn, the focus has been on development of maintenance machines for proprietary operations. We recently increased our focus on machine sales in order to capitalize on the knowledge we have accumulated over the years. Therefore, we are delighted to have recently won an order for a Railvac machine from Norwegian company Baneservice.

With newly signed long-term contracts in place, we have established a solid foundation for achieving our financial goals, and our work to continue to take the business to the next level is already in full swing. This encompasses both development of the organisation and introduction of new and enhanced products and services for our customers.

Mattias Remahl CEO Railcare Group AB

The Swedish railway in numbers

Source: The Swedish Transport Administration (2024)

15,600

km of railway track

78 %

of the railway network is electrified

10,600

537

stations

178

tunnels



530 freight trains a day

3,200 passenger trains a day CONTENTS ABOUT RAILCAR OPERATIONS SHARES

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> Charlie Majstedt, mechanic

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External environment and market trends

Effective railways are the foundation for sustainable transport in our society. Railways, with their long life span and low emissions, are an important element of future infrastructure.

Railcare works to keep railways running smoothly by performing niche track maintenance with the help of vacuum technology in our **Contracting Operations**. The company has been designing, developing and building proprietary machines in the **Machines and Technology** segment since the early 1990s. Railcare also offers freight, contracting and specialist transport and provides clearance locomotives as part of its **Transport Operations**. In this segment, the company also has locomotive workshops both for in-house use and external customers.

Railcare primarily operates in Sweden, where the company performs contracting as well as transport assignments. Some contracting assignments are also performed in the UK. The Machine and Technology operations develops machines both for in-house use and for sale in the international market. Railcare's operations are impacted to varying degrees by a number of external factors, which are described on the following pages. Major investments are being carried out to improve the railways. Of the total of SEK 1,171 billion allocated to Sweden's transport infrastructure in the period 2026–2037, SEK 210 billion is earmarked for railway operations and maintenance. Key projects include capacity-enhancing measures on the Malmbanan line, such as the extension of passing stations, aimed at boosting Sweden's competitiveness and contingency preparedness. The EU climate package Fit for 55, with measures in the areas of climate, energy and transport, aims to reduce EU countries' greenhouse gas emissions by at least 55 percent by 2030 and make Europe climate-neutral by 2050. The Swedish Transport Administration has announced that all work with and on railways must be completely climate-neutral by 2040. Successive milestones are being implemented by setting climate requirements in procurement for investment and maintenance projects.

According to the International Transport Forum (ITF), global demand for passenger transport is expected to increase by 2.3 times and freight transport by 2.6 times by 2050, driven by population growth and rising prosperity.

According to the Swedish Transport Administration's national plan for transport infrastructure, freight and passenger rail transport will both increase by approximately 50 percent by 2040.

+50%

SEK 210 bn

-55 %

External factors

EXTERNAL FACTOR	IMPACT ON EXTERNAL ENVIRONMENT	IMPACT ON RAILCARE	EXTERNAL FACTOR	IMPACT ON EXTERNAL ENVIRONMENT	IMPACT ON RAILCARE
Railways are once again in focus as a sustainable infrastructure, which strengthens industry competitiveness and ties people closer to- gether.	The railway infrastructure, both nation- ally and internationally, is subjected to heavy stress by increasing volumes of goods and passengers. An increase that shows no signs of abating. This places growing demands on railways, which al- ready have a severe maintenance deficit, not least in Sweden. In 2024, the Swedish government decid- ed on a new infrastructure bill involving historically large investments. A total of SEK 1,171 billion will be invested in the period 2026-2037. The starting point is that Sweden's roads and railways maintenance must be improved, while investment in new infrastructure is also needed. As a NATO member, it is also of high priority for Sweden to have an adequate transport infrastructure that meets the needs for total defence and military mobility. Here, Sweden's railway does not meet the requirements set by NATO.	 Railcare is a niche provider of preparatory railway maintenance services such as cable laying, drainage or reballasting, which are often performed prior to track replacement or major track renovations. In winter, this technology is used for clearing snow from important railway sections and routes. The vacuum technology and Railcare's unique niche, mean that the company works on a contract basis for infrastructure administrators, and as a subcontractor for major maintenance providers in Sweden and the UK. Exports of Railcare's products and services are an important complement to our core operations. The international maintenance deficit, in combination with the sustainable transition, creates strong opportunities for Railcare's proprietary battery-powered machine to reach the international market. Increased focus on preparedness also means that Railcare's transport operations are taking on critical public service assignments. The clearance locomotives are a prime example of how Railcare contributes to a more accessible railway, operating 24/7, 365 days a year. 	Reduction of climate impact by lowering CO2 emissions in the con- tracting and transport sectors, with the aim of becoming fossil-free.	The EU climate package Fit for 55, with measures in the areas of climate, energy and transport, aims to reduce EU countries' greenhouse gas emis- sions by at least 55 percent by 2030 and make Europe climate-neutral by 2050. At the same time, the Swed- ish Transport Administration has announced that Swedish railways must be climate neutral by 2040. Railways are, intrinsically, a more environmentally friendly option for transporting large volumes of goods and people than, for example, trucks. However, many routes are not elec- trified, and alternatives are needed during contracting works when over- head lines are de-energised. Reducing emissions through improved engines, alternative fuels or battery power are becoming important areas. Needless to say, this places high requirements on everyone who works with and on railways, especially in an industry with high levels of investment in machinery and vehicles.	The recently developed battery-powered MPV (Multi Purpose Vehicle) is currently used in Railcare's con- tracting operations, and the second-generation MPV is now being built. It is equipped with a pantograph, which enables batteries to charge directly from overhead lines This machine is the world's first and largest 100% bat- tery-powered railway maintenance machine, and pro- vides important proof to the whole industry that large railway maintenance machines can be run sustainably. Electric locomotives are currently used in Railcare's transport operations to transport ore for Kaunis Iron and LKAB. Railcare uses proprietary and leased diesel locomotives for contracting, specialist and contingency transport. The latest locomotive, EffiShunter, equipped with Stage V engines for improved environmental per- formance, has been actively advocated by Railcare for deployment in Sweden. Railcare's locomotive workshop will play an important role in this area, both now and in the future. The loco- motives, both for in-house operations and for external customers. This means that locomotives can gain a new lease of life and be used for even longer, e.g. through engine replacement, exterior and interior refurbish- ment and installation of new digital onboard systems, something that generally reduces climate impact.

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External factors

operators.

EXTERNAL FACTOR	IMPACT ON EXTERNAL ENVIRONMENT	IMPACT ON RAILCARE	EXTERNAL FACTOR	IMPACT ON EXTERNAL ENVIRONMENT	IMPACT ON RAILCARE
Railway transport expected to increase significantly due to growing volumes of goods and passengers.	The Swedish Transport Administra- tion's analysis indicates that both pas- senger transport and freight transport will increase by approximately 50 per- cent by 2040. In northern Sweden, for example, extensive industrial develop- ment is currently taking place as new green industries in fossil-free steel, battery manufacture, renewable ener- gy, etc. are established. The market is the driving factor here, with customers demanding sustainable transport as a key part of their value chain. The multi-billion SEK initiatives also entail societal transformation with increased transport needs, both for businesses and inhabitants. The increase in rail transport will happen at a time when there are al- ready many congested sections, which makes it difficult to gain track time and access. Moreover, there is a large main- tenance deficit in the infrastructure while works need to be performed in parallel with increased traffic volumes, and extreme weather is a further im-	The market's shift from road to rail transport, and the increased demand for freight transport, will create opportunities for Railcare in its transport operations as a flexible and reliable supplier of freight, contracting and specialist transport. The company has good relationships with business partners, ensuring a supply of locomotives, as well as a strong employer brand that enables it to retain and recruit drivers. Our transport operations also perform work under a stand-by clearance contract with the Swedish Transport Administration. This means that a number of locomotives are stationed around Sweden, ready to quickly move traffic that has stopped on the track for some reason. This work is crucial for keeping railways accessible and free from congestion. The increase in transport also holds potential for Railcare's contracting operations. With track time in scarce supply while railways need more maintenance than ever, the company's efficient and gentle machines will be able to perform crucial operations akin to Formula 1 pit stops. These operations also reduce the risk of stoppages occurring in connection with subsequent major track replacement, thus minimising the duration of traffic disruption. This is the type of resource efficiency that the Swedish government has also set as a requirement	A standardised Europe- an rail traffic manage- ment system.	 Work has been under way for several years to build a uniform rail network in the EU. The aim is to increase railway efficiency and competitiveness compared to other modes of transport. This has resulted in major investments throughout Europe, including the ERTMS (European Rail Traffic Management System) digital signalling system. When the new ERTMS signalling system is introduced on Swedish railways, locomotives will also need to be upgraded with the new on-board system ETCS (European Train Control System). In February 2025, the government decided to task the Swedish Transport Administration with designing a support program for investments in onboard equipment for ERTMS. This benefits the train operators and, consequently, the passengers. 	Railcare will need to upgrade its own locomotives, but is well prepared for this as the locomotive workshop has the necessary knowledge and experience to install the ETCS on-board system. Installation of the on-board system is offered to, and already widely used by, both domestic and international customers, and demand is high. The Swedish government's decision to offer support for investments in onboard ETCS equipment accelerates the system transition and provides excellent conditions for the Locomotive Workshop to continue its expansion.

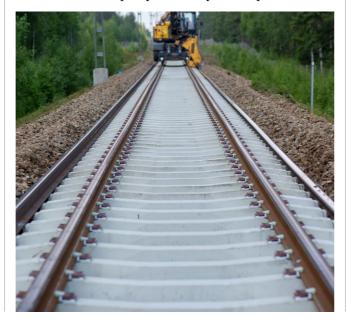
Customers and competitors

Railcare's market comprises various areas of the railway industry. During 2024, at Group level, private sector customers accounted for approximately 57 percent of consolidated net sales. Public sector customers represented approximately 43 percent.

CONTRACTING OPERATIONS IN SWEDEN AND ABROAD

Railcare perform contracting operations in areas where vacuum and battery-powered machines are needed. The public sector customers are public infrastructure administrators and railway operators in Scandinavia and the UK. Railcare has a framework agreement with the Swedish Transport Administration for track maintenance, and is also a supplier to Network Rail in the UK.

Our private customers are primarily contractors who manage basic maintenance for the Swedish Transport Administration, such as Infranord and NRC Group. However, they may also include other companies that own their railway infrastructure and therefore need reliable infrastructure, such as mining companies that manage certain routes adjacent to facilities. Railcare's main competitors in contracting operations are other railway contractors with excavators, since there is nothing comparable to vacuum technology and its capacity. To some extent, major maintenance contractors, who may be our customers, such as Infranord, NRC Group and Infrakraft, may also be our competitors if instead of Railcare's vacuum technology, they use excavation techniques provided by other operators.



TRANSPORT OPERATIONS

Private customers in our transport operations include mining companies and other companies with a need for reliable transport of heavy and valuable freight, such as Kaunis Iron and LKAB, for which Railcare is an important part of the logistics chain. Railcare also carries out contracting transport, e.g. of railway sleepers and macadam for major track replacements, for customers such as NRC Group and Infrakraft. The Locomotive Workshop's largest customers include railway operators and locomotive leasing companies, such as Infranord, Nordic Re-Finance, and Beacon Rail.

Another customer in Railcare's transport operations is the Swedish Transport Administration, for whom Railcare provides contingency clearance locomotives in selected locations in Sweden to enable the removal of any stationary traffic on the railway.

Competitors in the area of transport include Green Cargo, Hector Rail and ProTrain.





MACHINES AND TECHNOLOGY

Railcare primarily sells its machines in markets where the company does not perform contracting assignments. Private customers here include those that own and manage railway infrastructures outside Sweden and the UK. The American railway operator Loram and Norwegian BaneNor are two examples. The Swedish Transport Administration has been a key partner over the years in the development of snow melters and flexible snow ploughs, and will continue to be an important customer in this area in the future.

Our machine and technology operations in recent years have largely been dedicated to the development and testing of new battery-powered machines. Battery technology combined with powerful vacuum technology has a potential market worldwide, but its characteristics make it particularly attractive for operators who manage many stretches of railway that are difficult to access, such as tunnels and bridges. The experience that Railcare has amassed over the years with regard to battery and vacuum technology is unique. There are companies that use simple vacuum technology based on a fan concept, but their capacity is significantly lower than the method developed by Railcare. For this reason, no direct competitors really exist in this area.



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 efficient and sustainable services, products and methods for the railway industry's various segments. We achieve this through a strong safety culture, competent staff, high quality, and reliable delivery.

Strategy

Our interest in doing things differently will continue to be a success factor for Railcare in the future.



Focus on our employees, who are by far our most important asset

Railcare aims to be an attractive employer for employees today and in the future. Each employee contributes to our corporate culture, and it is only together that we create the energy that so often characterises Railcare's employees. This is a success factor for high-quality deliveries to our customers. We believe that our energy is created through a high level of personal responsibility, with safety always coming first, by building a strong team spirit and by showing respect for everyone.



Efficient contracting assignments that contribute to more sustainable railways

An increased focus on efficient railway maintenance means that Railcare's machines, niche vacuum technology and working methods will be in demand from customers. Railcare also has the first battery-powered maintenance machine for the railways in operation. This is already creating benefits for customers and the business, and future requirements will further increase demand for electrified machines.

Strategy



Provide reliable, sustainable transport

There is a solid foundation for this because Railcare is agile, flexible and easy to work with. In the transition to more sustainable transport, our locomotive workshop has a central role to play with regard to our customers and our fleet of locomotives. It enables us to renovate and upgrade worn-out locomotives with new, lower emission engines and future technologies. With regard to Railcare's own locomotive fleet, future requirements regarding fossil fuel emissions and ETCS equipment will require a transition to secure future business opportunities.



Embodying the entrepreneurial spirit

Railcare's success is rooted in its origins as an entrepreneurial company. The strength of an agile, high-energy and solutions-oriented organisation is something we value and aim to continue nurturing. It involves being able to make fast but well-balanced decisions that can create business opportunities, within the framework of our vision and targets. It requires us to create new methods, innovations and working methods in parallel with building machines and the organisation. Doing things differently will continue to be a success factor in the future.



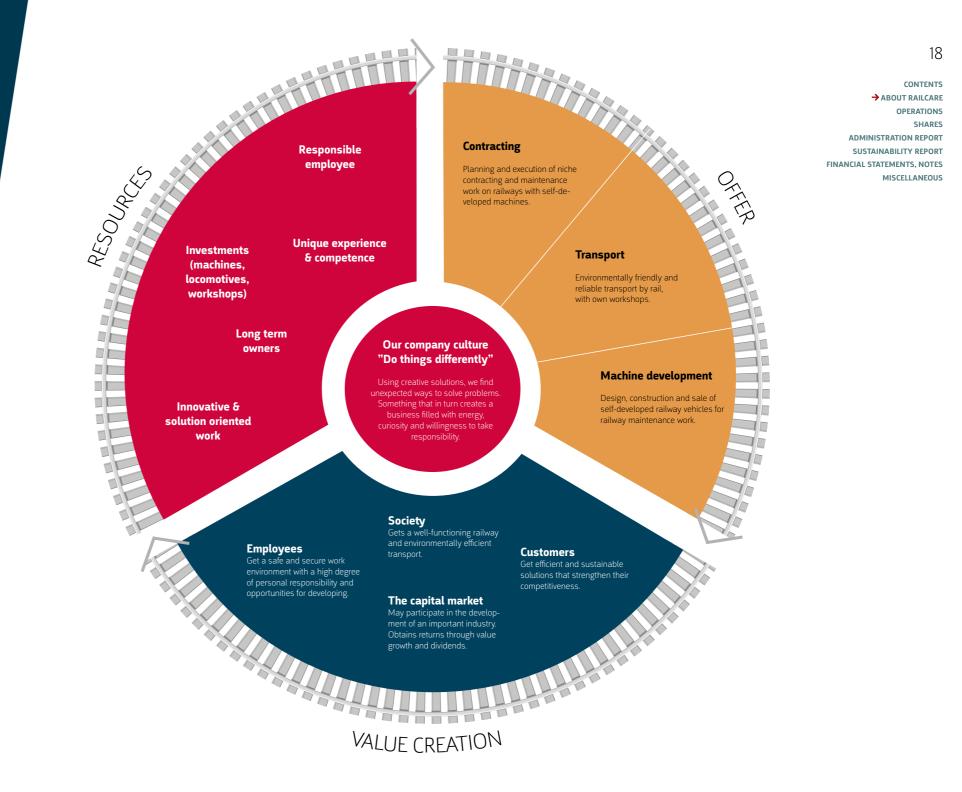
Driving progress towards more sustainable railways

Increasingly strict requirements will be imposed for climate-neutral transport and contractors. In this transition, Railcare is committed to being a role model and realising its visions. We do this both by developing new electric machines and by updating our own fleet of machinery and vehicles with better alternatives. Our first electric-powered machines are now in operation, an innovation through which we have built a valuable knowledge base in battery technology, opening up the possibility to convert more diesel-powered machines in the railway sector. From a long-term perspective, Railcare is also actively working to upgrade and/or replace the locomotives used in our operations. The company has already taken the first step by investing in new locomotives with Stage V engines, which offer better environmental performance than standard diesel engines. This marks a valuable first step for both our business and the environment.

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Business model

Our business model is based on the customers' need for well-functioning railways and transport. Railcare's technological and logistics expertise provides innovative, specially adapted solutions for a sustainable railway sector and environmentally friendly transport to customers in a global market.



TARGETS

The objective is to maintain positive growth and to develop continuously as a niche innovative company. For its shareholders, Railcare shall be an energetic and profitable company.

Everyone who interacts with our operations – employees, customers, suppliers and business partners – shall share our basic view that all human beings are equal, have high ethical and moral standards, and prevent and reduce any negative environmental impact. We will reduce fossil fuel emissions by 40 percent by 2025.

As we build Railcare for the future, people are our main asset, as are the innovations that drive us forward.

FINANCIAL TARGETS

Net sales

1,000 sek m

Operating margin



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

DIVIDEND

Dividend policy

30-40*

The company's dividend policy is to distribute 30-40 percent of the Group's profit after tax, while maintaining an equity/assets ratio of 25 percent after dividends.

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Railcare's electric vacuum machines are particularly well-suited for hard-to-reach areas such as tunnels, bridges, and railway yards.

Our operations

Our operations are carried out in the following segments:

Kurt Boström, installation engineer Proportion of Group



CONTRACTING ABROAD

Proportion of Group

TRANSPORT SCANDINAVIA

Proportion of Group



MACHINES AND TECHNOLOGY

Proportion of Group



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→ OPERATIONS



CONTRACTING SWEDEN

Our contracting operations in Sweden carry out maintenance contracts on the railways using our own personnel and our own machinery. With the help of vacuum technology in our Railvac and Ballast Feeder machines, we perform various types of track maintenance, such as cable relocation, cable laying, reballasting and snow clearing.

Vacuum technology is a gentle and efficient method that does the job with minimal impact on the track structure. The same technology can now be found in our electricity-powered MPVs (Multi Purpose Vehicle), which means the work can be carried out emission-free and with a better working environment for our machine operators and less noise for local residents.

Relining

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

Net	Operating	Operating
sales	profit	margin
272 ^{SEK m}	28 ^{SEK m}	10 [%]

CONTRACTING ABROAD

Net

sales

23

SEK m

We also offer services with vacuum technology on the railways in the UK, where railway maintenance largely involves reballasting beneath tracks and switches. Our 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.

Operating

-7 SEK m

profit

Operating

margin

-31

TRANSPORT SCANDINAVIA

In the transport business, we offer railway transport with our own locomotives, wagons and personnel. We provide freight, contracting and specialist transport, with transportation licenses in Sweden and Norway.

For major maintenance contracts, we are on hand to provide a complete solution or solely to supply individual resources Transport services can include transporting sleepers and macadam, and providing the track replacement train itself. We transport ore on behalf of the mining industry using round trips. Furthermore, we also provide clearance locomotives for the Swedish Transport Administration that can be used at short notice for vehicle recovery and, in exceptional cases, evacuation.

Locomotive workshop

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 ISO certified and certified as a unit responsible for maintenance (ECM) for railway vehicles.

Net	Operating	Operating
sales	profit	margin
369 SEK m	44 SEK m	12 [*]

MACHINES AND TECHNOLOGY

We design, build, develop and sell maintenance machines with vacuum technology. The latest machine we have developed is the electric Multi Purpose Vehicle (MPV) – the world's first and largest maintenance machine of its kind that can both operate and charge its battery via a pantograph connected to the overhead line.

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 clearance machines: clear or melt snow into water which is stored in large tanks - effectively removing large volumes of snow and the associated problems. The machines are exported to countries where Railcare does not carry out its own contracting operations.

The machines operation also develops existing machines and vehicles. This may include new technology and new operational methods, as well as service and maintenance.

58 SEK m	O ^{SEK m}	0 %
 let	Operating	Operating
ales	profit	margin

Contracting Sweden

Successfully completed reballasting "pit stop"

In 2024, Railcare carried out a major project on behalf of the Swedish Transport Administration on the Västerås-Ålsäng and Kolbäck-Eskilstuna lines. The project involved ballast replacement on a total of 24 bridges and 18 switches, with the work carried out by Railcare using its proprietary machines and dedicated personnel.

"This project has truly demonstrated our ability to carry out efficient railway maintenance. From the



meticulous planning phase, where we laid the foundation in close collaboration with all stakeholders, to the execution, where innovative machines and dedicated employees delivered the result," commented Daniel Bolin, Operations Manager, Contracting at Railcare.

Railcare's vacuum machines are used to remove the existing ballast, followed by material wagons that precisely refill the track with new ballast. Track alignment is then carried out by Infranord, acting as subcontractor. All work is scheduled during non-operational hours, which minimizes disruption to rail traffic.

"The advantage of the method Railcare uses is that it's a bit like an assembly line - by carrying out several tasks simultaneously, we save time. Thanks to the vacuum technology, we don't need to remove the track. We also avoid the risk of damaging the troughs, and at the same time we can inspect the bridges and assess their condition."

commented Johan Paby Söderkvist, Deputy Project Manager at the Swedish Transport Administration, Investment Division

Drainage crucial for the railway

With increasingly extreme weather, drainage is becoming ever more critical to the stability of the railway. In recent years, Railcare has seen growing demand for drainage services and condition assessments.

Marcus Näslund, Project Manager at the Swedish Transport Administration:

"We've found that drainage measures on the railway embankment are an effective maintenance solution for improving track geometry in the long term. In recent years, we've also seen that the railway's drainage systems are having to handle significantly larger volumes of water. To prevent natural hazards on or near the railway, effective drainage systems that redirect water are essential. Just as the overall maintenance needs of the railway are substantial, there is also a significant need to upgrade drainage systems, clear ditches, and renew culverts.

It's often said that the drainage systems are underdimensioned."We see that excellent results can be achieved by maintaining the existing system, where many culverts and ditches are currently overgrown," commented Andreas Larsson, Operations Manager at Railcare Lining.

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A good example of this is the Swedish Transport Administration's investment in the Dala Line, where drainage has been an integral part of the railway upgrade. When parts of the line were subjected to severe stress in 2023, surrounding roads and communities were flooded, but the railway held up surprisingly well thanks to preventive drainage measures.

Contracting Abroad

Vacuum technology minimizes traffic disruptions In 2024, Network Rail carried out major track upgrades on the West Coast Main Line, which runs between London and Glasgow. It is a key route in the UK rail network, serving both passenger and freight traffic.

Railcare was commissioned to carry out ballast replacement in switches near Stoke-on-Trent, using vacuum machines adapted for the UK. Over two weekends of complete track closures, ballast was replaced in a total of five switches. With Railcare's method, neither the track nor its components need to be removed. The work could therefore be carried out in a time-efficient and productive manner, minimizing disruption for passengers along the route.

"We are delighted to be part of these important improvement works on the UK rail network,"

commented Hayley Massey, Business Manager UK.









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Sheffield Station

The Christmas holidays are a key time for railway maintenance in the

UK. This past Christmas was no exception at Sheffield Station, where Railcare carried out ballast replacement using Railvac machines.

On this project, ballast was replaced in straight track and switches using two Railvacs working in tandem. The vacuum machines removed the old, muddy material. A geotextile fabric was then laid on the ground beneath the track before Railcare's Ballast Feeder System refilled it with new ballast. Despite challenging ground conditions and the added complexity of a tunnel, the 320-meter ballast replacement was completed ahead of schedule. Network Rail also took the opportunity to replace 80 sleepers during the course of the work.

"Projects like these require effective collaboration and communication between all teams to ensure that the work is carried out as safely as possible and to achieve the best possible results. That's where Railcare's staff truly excel," commented Johan Örnfjäll, Project Manager at Railcare.

Transport Scandinavia

More clearance locomotives on standby

At the beginning of 2025, standby assignments were launched in two additional locations, as Railcare took on responsibility for clearance locomotives in Nässjö and Älmhult. In July 2025, Railcare will also take over the standby assignments in Ånge and Gävle, and will finally establish a clearance locomotive in Hallsberg in January 2026. At that point, Railcare will be responsible for 10 of the 13 locations where the Swedish Transport Administration maintains standby operations.



Locomotive workshop upgrades historic engines Railcare's locomotive workshop in Långsele has begun a collaboration with Grenland Rail to upgrade eight of the classic 1144 locomotives, formerly operated by the Austrian ÖBB, for use in freight traffic in both Sweden and Norway.

The powerful four-axle 1144 locomotives were manufactured in Austria from the late 1970s to the mid-1990s, and even then, they were inspired by Swedish railway technology—particularly in optimizing the balance between power and reliability, an area where Scandinavia had valuable experience. Patrik Söderholm, Operations Manager at Railcare's Locomotive Workshop, explains:

"By adapting the locomotives for the Scandinavian market—where winter conditions and high demands on reliability are standard—we are closing the circle between the 1144 locomotives' history and their future role on Nordic tracks."

The assignment given to the Locomotive Workshop in Långsele involves upgrading the eight locomotives in three stages. First, an assessment of the main com-

ponents is carried out to ensure the locomotives are in good condition, while the driver's environment is upgraded with a more ergonomic and modern cab. The locomotives are then adapted to withstand the harsh Nordic climate, including an overhaul of the pantographs and the installation of climate protection features. They are also painted in Grenland Rail's colours. Finally, modern onboard systems are installed. Four of the locomotives will be equipped with ATC (Automatic Train Control), while the remaining four will be fitted with the European safety system ETCS (European Train Control System). All locomotives will also be equipped with radio remote control. Railcare is responsible for the entire process - from design and integration to managing approval with ERA (the European Union Agency for Railways).

"We take full responsibility for ensuring that the locomotives meet all requirements for operating on the railway networks in both Sweden and Norway. It's great to put all our expertise and dedication to use in extending the service life of these reliable and proven locomotives," commented Patrik.

> The historic 1144 locomotive upon arrival at the Locomotive Workshop in Långsele for its upgrade.

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Machines and Technology

Test drive of MPV with pantograph

A look back at the test run of our fully electric MPV in autumn 2024. An impressive 120-ton maintenance machine, powered entirely by electricity. The machine draws its power from the overhead line and the pantograph, which can be seen at the rear. The built-in battery takes over when there is no overhead line.

"It's a pleasure to operate and has delivered exceptional performance. As expected, it operates very quietly and, thanks to power supplied via the overhead line, it can run around the clock. This truly is the future," commented Kjell Dahlqvist, operator at Railcare.



Inspiring encounters at InnoTrans

From 24–27 September, Railcare participated in InnoTrans in Berlin – the leading trade fair and key meeting point for the transport and railway industry.

Held every two years, the fair brought together over 2,900 exhibitors and nearly 140,000 visitors – providing a fantastic opportunity for us to network and showcase Railcare's expertise. Over the four days, we met with both existing and potential customers, suppliers, and partners, discussing challenges and opportunities within the industry. Our representatives shared their expertise in battery technology, locomotive life extension, sustainable transport, and railway contracting.

InnoTrans also gave us the opportunity to explore the latest technology and new innovations in the industry. We look forward to building on the insights and connections gained from the event!

Railcare has been an innovator in the railway industry since 1992.

We developed the first vacuum machine and the world's first snow melter, and now the first and largest fully electricity and battery-powered maintenance machine on the railways.

We want to continue to lead this development, and are therefore steadfastly working towards even more sustainable railways.

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More sustainable railways

A safe work environment, high delivery reliability and quality, and a culture where all employees are encouraged and empowered to contribute ideas form the foundation of our long-term sustainability efforts. Railcare also works towards reducing its fossil fuel emissions.

The company seeks to ensure that everyone who participates in our operations – employees, customers, suppliers and collaboration partners – all share our basic sustainability values. A strong safety culture, respect for the equal value of all people, high ethical standards, and a focus on preventing and reducing negative environmental impact should permeate everyone who in any way interacts with our operations.

In 2023 and 2024, Railcare adopted a new approach to sustainability management, as the company will be covered by the EU's new CSRD directive from the financial year 2025 onwards. Railcare sees the new requirements as an opportunity to more clearly structure the sustainability efforts, make reporting even more transparent, and ultimately improve the company's contribution to more sustainable railways.

Read more about our sustainability efforts, goals and follow-up work in our Sustainability Report.

SUSTAINABILITY FOCUS

Target: Reduce fossil fuel emissions from our own machinery and locomotives by 40% by 2025.

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Target: Innovation and development minimum 3 percent of sales on average in most recent three-year period.



Target: Vision zero approach to railway accidents according to the Swedish Transport Agency's definition.

cases



Our corporate culture is our greatest delivery asset

Our corporate culture is to do things differently. Our flat organisational structure enables us to retain a family feel. Being closer to one another allows us to make faster and better decisions. It also makes it easier to act in line with the Railcare spirit:

Responsible, safety-conscious, and competent

At Railcare, we take pride in owning our responsibilities and consistently delivering on our promises. We uphold a strong work ethic, encouraging all employees to continuously develop their own skills while contributing to the growth of their colleagues. We foster a culture where responsibility guides our actions and safety is always a top priority.

Approachable and unpretentious

Railcare prioritizes community and collaboration, both within individual business areas and across the entire organization. We foster a culture of mutual support and care—extending not only within the organization but also to our relationships with external partners. We treat all individuals with respect and are committed to equal treatment, regardless of background or experience.

Proud and positive

We take pride in our work and value a sense of enjoyment in what we do. This helps create a work environment full of positive energy. We want our employees to feel at home, free to be themselves, and to enjoy having fun together. In this way, the workplace becomes not just a place for work, but a space for growth, connection, and shared pride in what we achieve together.

Innovative and curious

Our employees strive to deliver results that create added value for customers, suppliers, colleagues, and the company as a whole. We do this by being curious, adaptable, and finding new ways to solve our customers' challenges.

"Employees are entrusted with a high level of responsibility, and the company relies on us to carry out our duties. This gives us the freedom to structure our work in the way we believe is most effective—together with colleagues, customers, and collaboration partners."

Jonny Marklund, project manager



Our employees are the company's most important asset, which is why we concentrate on attracting and retaining the right people.

As of 31 December 2024, 187 people were employed by Railcare, of whom 13 percent were women and 87 percent men.

Personnel turnover for the year was 8 percent.

In 2024, the tax expense amounted to SEK 8.4 million.

Social security expenses totalled SEK 57.6 million.

Employee comments



Jennie Enstrand, Operator, Railcare Contracting

"As a machine operator within Railcare's contracting operations, I operate our vacuum machines to perform railway maintenance. The best part of the job is the opportunity to travel across Sweden and also to the UK. Our tasks are highly varied, and even after two years with the company, I still learn something new every day. We really enjoy working together, and there's a strong sense of positivity within the team."



Annelie Nygren Travel Manager, Railcare Group

"I am responsible for all logistics related to employee travel for our projects. This means I handle bookings for both travel and accommodation across all companies within the group. The best part of the job is feeling truly appreciated. Although projects often change and require quick adjustments, my colleagues remain cheerful and positive. Railcare is an incredibly generous employer, and I genuinely enjoy both my role and being part of the company."



Mia Mörtlund Production Support, Railcare Transport

"Working at Railcare is both exciting and rewarding. As part of the Production Support team, I plan transports and manage our 24/7 emergency phone line. We support locomotive drivers and traffic controllers with everything from activating standby locomotives to resolving issues such as derailments or service disruptions in mountainous areas. The best part of the job is the variety and the constant learning — and of course, being part of a fun and supportive team."

Anton Forsberg, Mechanic, Railcare Machines and Technology

"At the workshop in Skelleftehamn, we both build new machines and carry out service and maintenance on existing ones. I enjoy being involved in new projects and contributing to the testing and development of new solutions. I'm also fascinated by working with large machines. At Railcare, we genuinely enjoy our work. The atmosphere is relaxed and unpretentious, and it's clear that people enjoy being here. It truly feels great to be part of the team."

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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.

Between 1 January and 31 December 2024, approximately 4.8 million Railcare shares were traded on Nasdaq Stockholm with a total value of approximately SEK 139 million. Over the year, the share price fluctuated between a low of SEK 20.30 on 7 February and a high of SEK 32.20 on 8 October. The closing price on the last day of trading in December 2024 was SEK 25.20.

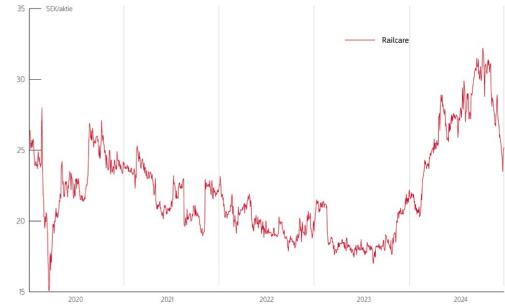
SHAREHOLDERS

As of 31 December 2024, Railcare Group AB had 5,098 shareholders. The ten largest shareholders represented 55.3 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.

Share price performance 1 January-31 December 2024



Share price performance 2020-2024



Shareholder structure

Distribution by size category

Number of

Holding

Ten largest shareholders as of 31 December 2024	No. of shares	Proportion of share capital and votes
		(%)
Nornan Invest AB	7,121,395	29.52
Treac AB	2,390,000	9.91
Avanza Pension	794,330	3.29
Bernt Larsson	750,987	3.11
Canaccord Genuity Wealth Management	599,906	2.49
Mikael Gunnarsson	507,000	2.10
Nordnet Pensionsförsäkring	342,970	1.42
Torsten Germund Dahlquist	295,175	1.22
Per Åke Nilsson	272,000	1.13
Harry Markku Sjöblom	270,000	1.12
Ten largest shareholders	13,343,763	55.31
Other shareholders	10,780,404	44.69
Total	24,124,167	100.0

% of votes and capital	No. of shares	sharehold- ers	Ησιαίηg
1.98	477,226	3,393	1-500
2.17	522,489	654	501-1,000
7.57	1,827,378	798	1,001-5,000
3.91	942,686	124	5,001-10,000
1.78	430,370	34	10,001-15,000
1.21	292,650	16	15,001-20,000
81.38	19,631,368	79	20,001-
100.0	24,124,167	5,098	Total

No of charoc

% of votos and

Number of shareholders in Railcare Group AB as of 31 December 2024.

Source: Modular Finance AB. Compiled and processed data sourced from Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

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 2024. Each share carries one vote at the Annual General Meeting.

According to the Articles of Association, the share capital shall amount to a minimum of SEK 8,979,000 and a maximum of SEK 35,916,000, distributed between at least 21,900,000 and at most 87,600,000 shares.

More information about the development of share capital can be found at www.railcare.se.

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 that the 2025 Annual General Meeting approve a dividend of SEK 0.70 (0.70) per share, totalling SEK 16,886,917 (16,886,917), for the 2024 financial year.

SENIOR EXECUTIVES

Under Article 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council (the EU Market Abuse Regulation (MAR)), persons discharging managerial responsibilities (PDMR) and their closely related parties are required to notify Railcare and Finansinspektionen (FI – the Swedish Financial Supervisory Authority) without delay and within three (3) business days at the latest of each transaction conducted on their own account involving shares or debt instruments issued by Railcare or involving derivatives or other financial instruments associated with these when a total transaction amount of EUR 20,000 has been reached during the calendar year.

Information on transactions for persons discharging managerial responsibilities can be found on the FI website.

INVESTOR RELATIONS

Railcare publishes information for shareholders and other stakeholders through press releases, Interim Reports, Year-end Reports and Annual Reports, which can be accessed on the company's website. Railcare seeks to provide information openly, clearly and accessibly to all stakeholders.

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Railcare as an investment

To invest in Railcare is to invest in the railways of the future - sustainable transport infrastructure for the society of tomorrow.

Railcare has a stable business model. where innovation and commitment create value for our customers. We are driving the development of next-generation maintenance machines, delivering energy-efficient transport and smart methods for railway maintenance.

A STRONG AND STABLE **BUSINESS MODEL**

Our business model is based on the customers' need for effective railways and reliable transport. Railcare offers innovative. specially adapted products, services and methods for a sustainable railway sector.

> Our own initiatives combined with macroeconomic trends are important factors behind the company's stable financial position and conditions for market growth.

Railcare has increased both its net sales and profit every year since it was listed on Nasdag in 2018. The company has paid a dividend every year since 2019.

FOCUS ON INNOVATION

Railcare likes to do things differently. Thanks to a good understanding of our customers' needs and through creativity, we come up with different and unexpected ways of solving problems. This makes Railcare a unique partner for customers who want a sustainable. efficient railway sector.

Since 1992, we have been innovators in the railway sector by developing, building and selling next-generation railway machinery - from the first vacuum machines and snow melters to today's first and largest fully battery-powered maintenance machines.

Our interest in doing things differently will continue to be a success factor in future.

LONG-TERM VALUE CREATION

Relationships are at the heart of everything Railcare does. Innovation and solutions are driven by people and Railcare shall be characterised by a safety culture, skilled personnel, high quality and delivery reliability.

These are essential for the company to develop long-term relationships with its customers and employees.

Railcare has a flat organisational structure with short decision paths. Employees show a lot of personal responsibility, which contributes to commitment and drive and. in turn, to better solutions for customers' businesses.

SHAPING SUSTAINABLE **RAILWAYS OF THE FUTURE**

Demand for railway transport in Sweden is expected to increase by 50 percent by 2040, and demand for both railway maintenance and transport services is growing at the same rate.

Railcare facilitates sustainable machinery and methods for railway maintenance, as well as transport that combines high capacity with low energy consumption. Railcare also has ambitious goals for reducing its fossil fuel emissions.

This is how we create genuine value. For customers, employees, shareholders and society.

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RAILCARE GROUP AB ANNUAL REPORT 2024 / ADMINISTRATION REPORT

Administration Report

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The Board of Directors and CEO of Railcare Group AB (publ), corp. ID no. 556730-7813, hereby submit the annual accounts for the Parent Company and the Group for the financial year 1 January – 31 December 2024.

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FINANCIAL SUMMARY – RAILCARE GROUP

SEK 000	2024	2023	2022	2021	2020
Net sales	635,298	564,220	497,035	437,946	401,301
Operating profit/loss (EBIT)	66,278	70,289	52,365	56,219	60,386
Net financial income/expense	-25,644	-12,421	-5,457	-4,370	-4,818
Profit/loss for the year	30,385	44,102	36,783	40,514	43,776
Total assets	1,043,774	895,717	592,873	557,965	521,388
Earnings per share before and after dilution, SEK	1.26	1.83	1.52	1.68	1.82
Equity per share, SEK	11.87	11.33	10.12	9.17	8.08
Operating margin, %	10.43	12.46	10.54	12.84	15.05
Equity/assets ratio, %	27.4	30.5	41.17	39.64	37.37
Dividend, SEK per share	0.70*	0.70	0.60	0.60	0.60

* Board of Directors' proposal to the 2025 Annual General Meeting

ADJUSTED REPORTING

Railcare has reclassified certain lease contracts for locomotives from capacity rent to leasing. While this has a positive effect on operating profit (EBIT), it also entails increased financing costs. In the Balance Sheet, assets and liabilities have increased significantly. The adjustment has been applied retroactively and calculated from the start dates of the contracts. The comparative period for 2023 has been restated in accordance with the new adjustment, while earlier periods have not been restated. All financial information presented below is based on the new principles, unless otherwise stated.

NET SALES AND PROFIT

In 2024, Net sales increased by 12.6 percent to SEK 635.3 million compared to SEK 564.2 million in the previous year. Contracting Sweden and Transport Scandinavia generated increased sales, while the segments Contracting Abroad and Machines and Technology saw lower sales compared to the previous year.

Operating profit (EBIT) amounted to SEK 66.3 million in 2024, compared to SEK 70.3 million in the previous year. Operating margin was 10.4 percent against 12.5 percent in the corresponding period of the previous year. The lower operating margin was largely due to increased costs associated with meeting higher demand for the Group's services.

The number of employees increased by 14. The organisational reinforcement primarily relates to the Transport Scandinavia and Machine and Technology segments.

Profit for the year amounted to SEK 30.4 million (44.1). Profit for the year was affected by higher interest expenses on lease liabilities, due to an increased number of locomotives and a weaker EUR/SEK exchange rate.

Contracting Sweden

Net sales increased by 25.1 percent to SEK 271.5 million (217.1). Operating profit totalled SEK 28.3 million (22.7) which was an improvement of 25 percent.

For much of the year, the segment operated at high capacity, and the favourable autumn weather enabled additional maintenance work to be carried out.

The relining operations experienced slightly lower volume and margins compared to 2023. This was due to lower customer demand and the cold start to the year, during which only a limited number of jobs could be carried out.

KPIs – Contracting Sweden

Amounts in SEK 000, unless otherwise stated	2024	2023	Change, %
Net sales	271,524	217,076	25.1
Operating profit/loss (EBIT)	28,316	22,654	25.0
Operating margin, %	10.4	10.4	0.0

Contracting Abroad

Net sales decreased by 29.8 percent in 2024 compared to the previous year, and amounted to SEK 22.8 million (32.4).

Control Period 6 (CP6) concluded in 2024, and Control Period 7 (CP7) commenced in April 2024. Historically, volumes have been lower towards the end of control periods as allocated funds tend to run out. However, the start of a new control period usually also implies reduced volumes, as new funds need to be allocated and included in the planning of new projects.

Funds allocated for the coming 5-year control period are in line with the previous control period. Including the high inflation seen in recent years, this means that less maintenance can be undertaken. It is therefore important to increase the efficiency of maintenance initiatives, but will also mean that Network Rail will be forced to prioritize maintenance work. Discussions are ongoing with Network Rail regarding future demand for Railcare's services.

Key performance indicators - Contracting Abroad

Amounts in SEK 000, unless otherwise stated	2024	2023	Change, %
Net sales	22,772	32,449	-29.8
Operating profit/loss (EBIT)	-7,012	-2,615	-168.1
Operating margin, %	-30.8	-8.1	-22.7

Transport Scandinavia

Net sales in the segment increased by 8.4 percent in 2024, compared to the previous year. Accordingly, net sales amounted to SEK 368.6 million (340.1).

The increase in net sales was attributable to higher transport volumes. The fixed assignments on behalf of LKAB, Kaunis Iron and The Swedish Transport Administration's clearance locomotives were completed as planned. In addition to these assignments, we saw positive contracting transport volumes in connection with track replacements.

The locomotive workshop in Långsele saw slightly lower sales compared to the previous year. The lower sales figure was due to some major projects being recognized for profit in the third quarter of last year, which contributed to high sales and strong margins.

Operating profit was SEK 44.0 million (51.8), corresponding to a decrease of 15 percent year-on-year.

The lower operating profit was primarily attributable to higher costs associated with the ongoing adaptation of operations to new assignments and to support continued growth in the years ahead. The cost increase was primarily driven by higher personnel expenses and costs related to the machine fleet.

Non-recurring items related to insurance claims also had a negative impact on profit.

Key performance indicators – Transport Scandinavia

Amounts in SEK 000, unless otherwise stated	2024	2023	Change, %
Net sales	368,648	340,062	8.4
Operating profit/loss (EBIT)	43,984	51,768	-15.0
Operating margin, %	11.9	15.2	-3.3

Machines and Technology

Net sales in the Machines and Technology segment decreased slightly compared to the preceding year and amounted to SEK 68.0 million (81.1). The decrease was mainly attributable to lower income from intra-Group machine leasing, due to a change in the Group's internal structure. No major external deliveries of machines or spare parts were made during the year.

The new generation of MPVs was completed in 2024, and temporary approval has been obtained from the Swedish Transport Agency. The machine was tested in live conditions for the first time in mid-October, when it carried out cable laying on the Uppsala-Sala line. The test was concluded very successfully and the machine was charged with a pantograph from the overhead line.

Key performance indicators – Machines and Technology

Amounts in SEK 000, unless otherwise stated	2024	2023	Change, %
Net sales	67,961	81,124	-16.2
Operating profit/loss (EBIT)	-32	1,813	-101.8
Operating margin, %	0.0	2.2	-2.2

Significant events in 2024

Railcare adopts new financial targets [15 February]

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 1,000 million and an operating margin of 13 percent.

The new targets represent a change from the previous targets which were sales of SEK 800 million and a 10 percent operating margin. The period, until end of 2027, remains unchanged.

"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, President and CEO of Railcare Group, commented.

Railcare Group AB acquires 40 percent of the shares in AC Finance

[28 June]

Railcare signed an agreement relating to the acquisition of 4,000 shares, equivalent to 40 percent of the shares in the new locomotive leasing start-up AC Finance AB. The purchase consideration amounted to SEK 400,000 In connection with the acquisition, Railcare entered a loan agreement alongside the current shareholders in AC Finance AB to provide lending from the owners totalling up to SEK 50 million. Shareholder loans are to be provided in proportion to the ownership in AC Finance AB, and Railcare has thus committed to providing shareholder loans of up to SEK 20 million. In connection with the acquisition, Railcare also entered a lease agreement relating to 9 locomotives from AC Finance over a period of 5 years. The completion of the transaction was approved at the Extraordinary General Meeting held on 24 July.

"For Railcare, the co-ownership of AC Finance AB represents a strategic investment. Initially, to secure access to more environmentally friendly locomotives in a challenging market. In the longer term, it increases our opportunities to secure new assignments. Access to locomotives with the right performance is essential for the green transition and for creating strong business opportunities," commented Mattias Remahl, CEO and President of Railcare Group AB.

Railcare signs 5-year agreement with LKAB Malmtrafik

[16 October]

LKAB Malmtrafik signed a 5-year agreement with Railcare relating to raw materials transports in the period 2025-2029. The agreement is worth an estimated SEK 70 million annually, totalling SEK 350 million. The agreement also includes the option for LKAB to extend the agreement for a further three years with a potential value of SEK 210 million. In the event of a change in the transport requirement, LKAB can, with some advance warning, terminate or reduce the scope of the assignment.

The new agreement covers the transport of raw materials during the period 2025–2029, with an estimated value of SEK 70 million per year. The agreement also includes the option for LKAB to extend the transport assignment for a further three years after the end of the agreement with a potential value of SEK 210 million. The agreement includes a clause that allows LKAB to reduce the scope of services to as little as half capacity, with six months' notice. In addition, there is a mutual option to terminate the agreement—no earlier than after two years—subject to a 12-month notice period, should the planned transport requirements change.

Railcare enables future investments in Långsele

[15 November]

Railcare has signed an agreement to acquire Y-ettan AB, the company that owns the property where Railcare currently operates its locomotive workshop in Långsele. The acquisition is part of Railcare's long-term strategy to develop the locomotive workshop in Långsele to meet the high market demand.

"The locomotive workshop has seen strong growth in recent years, and we need to review the possibilities for the longterm development of the business," commented Mattias Remahl, CEO and President of Railcare.

Preparations are underway to develop documentation in support of decision-making for a potential investment in the locomotive workshop. At this stage, the focus is primarily on reviewing the zoning and planning permission process, as well as analysing the need for and scope of the potential investment.

"The documentation will give us an indication of whether we can secure the right conditions to expand in line with our needs and our customers' requirements. "We will do everything we can to accelerate the process," commented Mattias.

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LIQUIDITY, CASH FLOW AND FINANCIAL POSITION

Cash flow for the year resulted in an inflow of SEK 22.1 million (7.3). The main improvement was in cash flow from operating activities, which was SEK 151.7 million (136.0).

Cash flow from investing activities amounted to SEK -87.5 million (-60.7) and primarily relates to the further development of the battery-powered MPV. Investments during the year were largely financed through borrowing. Borrowing for the year totalled SEK 68.1 million (20.5). Cash flow from financing activities amounted to SEK -42.1 million (-68.0). During the year, SEK 16.9 million (14.5) was paid in dividends to shareholders.

At year end, the equity/assets ratio was 27.4 percent, compared to 30.5 percent at the end of the previous year.

INVESTMENTS

Consolidated investments for the full year were divided between SEK 5.8 million (3.0) in intangible assets and SEK 60.5 million (57.4) in property, plant and equipment. The investments mainly relate to machinery for Railcare's own operations, where the further development of the MPV with a pantograph accounts for most of the invested amount. During the year, the company provided a shareholder loan of SEK 20 million to AC Finance.

PARENT COMPANY

Railcare Group AB (publ), corp. ID no. 556730–7813 is a Parent Company registered in Sweden with its registered office in Skellefteå, Sweden. The Parent Company's operations focus primarily on Group-wide operations/administration, including Group Management, finance and IT. The Parent Company's net sales for the year amounted to SEK 51.3 million (45.3), and profit after financial items was SEK 0.9 million (-2.9).

RISKS AND RISK MANAGEMENT

Through its operations, the Group is exposed to various types of risk including operational, external and financial risks. The Group's work with risk management and internal control is described in the <u>Corporate Governance Report</u>. A description of the risks considered significant by Railcare follows.

Surrounding world

The railway market is significantly affected by economic fluctuations and political decisions and priorities, which in turn affect demand for Railcare's products and services. The Group works to minimise the effects of these fluctuations by, for example,

signing long-term agreements with strategically important customers, operating in different countries, operating in different parts of the industry, monitoring political discussions and decisions, and participating in industry reference groups.

Permits

Railcare's operations and machines require permits and government approvals in the various countries where operations are conducted. Safety is of the utmost importance in the rail industry and there are major regulatory compliance risks linked to safety and the working environment. Attracting and retaining skilled employees is central to compliance with the rules and requirements imposed on Railcare, and the company focuses sharply on the working environment, safety and corporate culture. The internal operating system includes established processes for managing requirements linked to current conditions.

Customers

The Group's customers are relatively large and few in number, and relationships with the customers are im-

portant to the Group. Delivering high-quality products and services is crucial to building and maintaining longterm customer relationships and Railcare therefore strives to exceed its customers' expectations. Because the customers are large organisations and frequently government institutions, the Group's credit risk is limited.

Valuation of non-current assets

Railcare holds substantial value in the form of non-current assets, such as machines for railway maintenance, snow removal on railways and in railway areas, as well as locomotives and wagons. These non-current assets are recognised at cost less depreciation and any impairment. There is a risk that these assets are overvalued, which is why the Group performs annual impairment testing where the future discounted cash flow of the non-current assets is set against their carrying amount. Historically, these tests have not indicated any impairment need.

Financial risks

The Group's operations are exposed to various financial risks, including currency risk, credit risk and liquidity risk. However, Railcare considers these risks to be rel

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atively limited. For more information on risk management and for a sensitivity analysis, see Note G3.

OUTLOOK

Railcare assesses that the market outlook is favourable, based on the Group's positive relations with significant key customers and on the expected rise in demand for transport in connection with the green transition. Railcare has extensive transport and snow removal contracts, providing a solid foundation for its operations. The market conditions are strengthened by major planned infrastructure investments for several years to come. Railcare's innovative technology development and working methods are expected to remain a strong competitive advantage that provides the company with considerable opportunities for expansion, with new vehicles and working methods being developed that result in more efficient utilisation and strengthen railways' position in the logistics market.

The Group's employees and other key resources have the capacity to meet the anticipated high demand, generating favourable conditions for continued profitable growth in 2025.

PROPOSED DISTRIBUTION OF PROFIT

The following profit is at the disposal of the AnnualGeneral Meeting:Share premium reserve15,100,560

Total	42,108,779
Profit/loss for the year	25,424,609
Retained earnings	1,583,611
Share premian reserve	13,100,500

The Board of Directors and the CEO propose that the profit be appropriated as follows:

Total	42,108,779
to be carried forward	25,221,862
A dividend of SEK 0.70 per share to be paid to sharehold- ers, totalling	16,886,917

Sustainability Report

In 2024, Railcare continued to advance its sustainability initiatives. The aim is partly to comply with the new EU directive, CSRD, but Railcare also sees significant opportunities in having a clearer structure and more transparent information regarding our sustainability efforts. The Sustainability Report, which also constitutes the company's statutory sustainability report, has been prepared in accordance with the Swedish Annual Accounts Act, based on the version in effect prior to 1 July 2024.

Sustainability is an aspect that is integrated into Railcare's operations, offering and deliveries. Environmental, social and financial sustainability are fundamental areas for ensuring that we remain relevant to customers, employees, investors and other stakeholders in the future, to achieve longterm stability and profitability and future-proof our business.

Railcare can contribute to solutions to several of today's societal challenges. In our operations, we contribute to sustainable railways, e.g. through maintenance of railway infrastructure, by developing new technologies such as battery-powered maintenance machines, and by providing heavy goods transport on railways.

We want to drive the transition in our industry. Through our operations, we have already shown good examples of how sustainable railways can be achieved.

The Group aims to have a corporate culture that automatically considers and integrates sustainability into all operational and strategic issues, as well as into its business relations and collaborations with other stakeholders.

Railcare regards the UN's Sustainable Development Goals through Agenda 2030 as a guide for the future. Our priority areas primarily contribute to four of the UN's Sustainable Development Goals (SDGs) for 2030:





Guidelines

Railcare has Group-wide guidelines and policies that are communicated to the entire Group, as well as local guidelines and policies for the UK.

Every employee is required to familiarise him or herself with the company's policies and follow the rules and procedures Railcare sets out within the scope of its sustainability work. We also seek to work with suppliers and customers who share our underlying values regarding sustainability. The guidelines we follow, and which are relevant for sustainability reporting are:

Code of Conduct

Everyone in the Railcare Group and our stakeholders shall work from an overall perspective that focuses on ethics, the environment, people and the company's future. Our Code of Conduct applies to employees, customers and suppliers, and can be found on our website.

Corporate Governance Policy

Structured corporate governance is critical to ensuring that Railcare complies with laws and regulations and adheres to our values, vision and business concept.

HSEQ Policy

A positive and safe working environment is an important strategic issue for Railcare. The Group's working environment shall be experienced as open, stimulating and positive. We shall provide the right conditions for safe and effective work.

Electricity and Traffic Safety Policy

Railways are hazardous environments and the Group has a zero-tolerance attitude to accidents. Employees shall be highly safety conscious regarding their own personal safety and that of their colleagues, and always follow applicable safety procedures. We work safely – or not at all.

HR policy

Railcare shall be a value-driven company. This policy helps to clarify our fundamental values and how they are applied in practice in the operations.

Quality Policy

Addresses activities, processes and responsibilities linked to quality, and describes procedures for risk management, follow-up and reporting.

Climate and environmental policy

By being an innovation leader we can deliver climate-smart solutions that contribute to a better and more environmentally friendly society.

Our guidelines are evaluated and established by the Board of Directors annually, and are deemed to meet current governance needs.



Materiality assessment

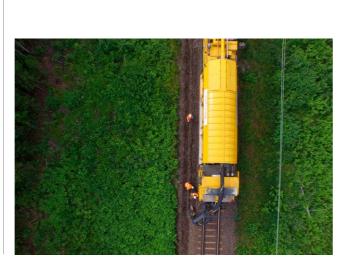
Railcare's material issues have been identified through a double materiality assessment that was completed in the spring of 2024. These issues represent the areas where Railcare has a material sustainability impact on its surroundings, and the sustainability-related risks and opportunities associated with the company's operations.

A CHANGING EXTERNAL ENVIRONMENT

There are a number of external factors that are central to Railcare's sustainability efforts, and it is crucial to address these factors, either directly or indirectly through stakeholders in our value chain. The more overarching changes are increased regulation in the area of sustainability and how a company's sustainability performance affects trust in the company, which in turn has impacts in a range of areas from customer retention to financing and capital costs.

Globally, there is increased focus on human rights. Focus on climate change also continues from two perspectives: avoiding or minimising climate change as well as managing its negative effects. From a more industry-specific perspective, accessible and reliable infrastructure is in high demand. At the same time, transport system functionality is exposed to increasing risks and threats, e.g. in the form of geopolitical tensions, extreme weather and war.

In both the EU and Sweden, rail transport is expected to increase significantly while emissions need to be cut. Strong focus continues to be placed on safety.



STAKEHOLDERS

A stakeholder analysis with both qualitative and quantitative input has identified sustainability issues that are particularly material to our shareholders and investors, employees, customers, suppliers and society at large.

EMPLOYEES

- High safety focus
- Corporate culture
- Climate issues
- Openness and communication
- Gender equality, inclusion and non-discrimination

CUSTOMERS

- Climate issues
- Land and water
- Safety and working conditions, prioritisation of gender equality and equal opportunities
- Social conditions
- Business ethics and human rights

SUPPLIERS

• Strong climate focus

Climate issues

- Knowledge and skills
- Transparency

SHAREHOLDERS AND INVESTORS

- Business ethics and responsible enterprise
- Transition incl. supply chain
- Innovations
- Transparency
- Climate issues
- Safety, working environment and working conditions

SOCIETY

- Active in climate issues
- Safe, secure working environment
- Gender equality and non-discrimination

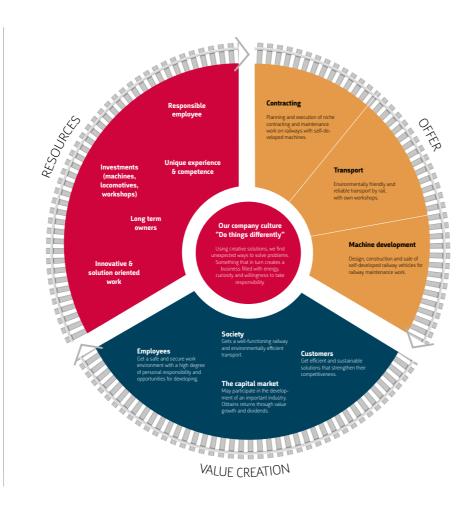
DECISION MAKERS

- Accessibility and robustness
- Innovations
- Climate issues

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BUSINESS MODEL

Our business model describes how we conduct our business and what we focus on to create sustainable value for Railcare and our stakeholders. Our corporate culture plays a key role and is an important success factor.



Sustainable resources

People are our greatest asset. New ideas start with our employees. This is where the company's drive and commitment can be found. This is where the delivery takes place.



Sustainable offering

The machines are our tools. They contain smart technology. They create the right conditions for more sustainable solutions. They take us where we want to go.



Together we create value that lasts over time. For our employees and customers. For shareholders and society.





VALUE CHAIN

A review of Railcare's value chain shows which areas of sustainability each phase relates to, and where we can maximise our positive impact and minimise our negative impact.

	[UPSTREAM]	[UPSTREAM]	[OWN OPERATIONS]	[DOWNSTREAM]	[DOWNSTREAM]
	EXTRACTION AND TRANSPORT OF RAW MATE- RIALS	PRODUCTION AND PROCURE- MENT	OFFERING	DELIVERY	USE
SUSTAINABILITY AREAS AFFECTED	Indirect impact on human rights, conflict minerals, working environ- ment and working conditions.	Direct impact on safety, indirect impact of CO2 emissions, working environment and working condi- tions.	Direct impact on innovation, working environment and working conditions and training. Also direct impact on CO2 emissions, safety, waste and chemicals.	Direct impact on societal benefit, delivery reliability and quality, sustainable transport and external relationships. Indirect impact on enabling sustainable contracting assignments, and innovation and development in the industry.	Direct and indirect impact on achievement of accessible and effective railways. Indirect impact on air pollution and noise.
HOW RAILCARE GENERATES IMPACT	Railcare uses raw materials in the form of iron and steel for its own machinery production, and in the original production of the locomo- tives purchased and/or rented for its operations. The machines also contain battery packs rented via technology suppliers. Due to the relatively low volume of machines manufactured, and the fact that the machines and locomotives have a long life span, the total impact is comparatively small. Railcare has chosen to collaborate with suppliers in Europe where the risks are lower.	Railcare works with several subcontractors in its contracting operations, where safety is critical in joint projects but working envi- ronment and working conditions are also important. CO2 emissions are generated via subcontractors' machines, locomotives and other services. The Group also purchases many flights and rents company cars for its operations, which affects our emissions. We are addressing these issues in order to reduce our impact as far as possible.	Railcare currently has direct impact in the form of CO2 emissions from diesel-powered machines and locomotives. At the same time, our offering contributes to positive impact through innovative machines that increase accessibility on railways, battery-powered machines that reduce CO2 emissions in our contracting operations, and the heavy goods transport with low energy consump- tion that we carry out on railways. Moreover, our workshops are leaders in terms of upgrading and extending locomotives' life span. The company has a direct impact on safety since railways are a dangerous environment to work in. For this reason, we have high requirements, proce- dures and training in the area of safety. A strong corporate culture is central to our offering and has a positive impact, which is created by responsible, solution-oriented employees.	Railcare's deliveries contribute to customer benefit and societal ben- efit. Our battery-powered machines reduce fossil emissions in contract- ing assignments. In turn, the efficient method used in the contracting assignments reduces the amount of time spent on track work and makes the infrastructure accessible to more users. The energy-efficient transport that we carry out enables sustain- able production in customers' value chain, and our workshops upgrade and extend the service life of loco- motives, which drives customers and the industry as a whole to develop more sustainable solutions.	Use of the diesel-powered machines offered by Railcare gen- erates negative impact in the form of air pollution and noise. On the other hand, the battery-powered machines have a positive impact through reduced air pollution and less noise. In general, Railcare's products and services contribute to accessible, effective railways, resulting in increased mobility and accessibility.

Material sustainability issues

Based on our materiality assessment and its external environment and stakeholder analyses, as well as our business model and value chain, Railcare has identified a number of priority sustainability issues for the company to address more actively.

Safety, working environment and working conditions

The railway industry is a hazardous environment to be in, and one prerequisite for us to run our operations is that we work safely – or not at all. Out safety culture is our most important sustainability area.

Delivery reliability and quality

Through its delivery reliability and quality, Railcare can contribute to the accessibility and robustness of railways. This creates significant societal benefit.

Corporate culture

Our corporate culture and employees are our biggest success factors. It is important to us as a company that our employees work in an environment where they thrive and where equality and respect for everyone are valued.

Climate impact

By upgrading our fleet of machines and vehicles over the long term, and by developing and building fossil-free machines, we aim to reduce our climate impact and support the industry's transition.

Technology and innovation

Continuing to develop new fossil-free machines, alongside effective work procedures and railway maintenance methods, generates business opportunities for us and for our customers.

Financial strength

The company's financial strength is a prerequisite for being able to carry out the transition in a responsible and sustainable way.

Business ethics and anti-corruption

Railcare does not tolerate crime in the form of irregularities, bribery and corruption. CONTENTS ABOUT RAILCARE OPERATIONS SHARES ADMINISTRATION REPORT SUSTAINABILITY REPORT FINANCIAL STATEMENTS, NOTES

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Safety, working environment and working conditions

The well-being of our employees is critical, and health and safety is therefore a matter of the utmost concern for Railcare.

We shall maintain a safe and secure physical and psychosocial working environment, ensuring that all our employees have the best workplace possible. This also applies to external subcontractors who carry out assignments for Railcare.

Safety and working environment on railways

The working environment on and around railway tracks places high demands on awareness of the dangers. Regular rail traffic is often under way adjacent to work sites, and stringent safety regulations therefore apply to railways in Sweden and abroad.

Railcare always prioritises safety and has clear policies in place that ensure safe working practices. The company provides continuous training and certifications to ensure knowledge of current regulations and expertise.

Railcare carries out systematic health and safety management. We work actively with risk assessments (in accordance with CSM RA), workplace inspections, health and safety inspections, and internal audits. External personnel must also complete the right safety training before starting work. In addition to all mandatory training and refresher courses, Railcare arranged for all operational staff to complete two full days of Crew Resource Management (CRM) training from the aviation industry in 2024, as part of ongoing efforts to further develop our safety culture.

Working on railways entails travel, unsocial working hours and spending time away from home. With this in mind, Railcare actively strives to create a strong family feel at work. Good benefits and employment terms, such as health insurance and employee wellness allowance, also contribute to better conditions for employees.

Gender equality, diversity and non-discrimination

It is Railcare's fundamental view that all people are of equal value and that no one should be discriminated against or subjected to abusive discrimination on the grounds of gender identity or expression, ethnic background, religion or other belief, disability, sexual orientation or age. Railcare also has a zero tolerance attitude to harassment, bullying and abusive behaviour.

Control

Railcare has developed an operating system that is a central component in its safety work. Through the system, all employees (internal and external) have access to important documents via a computer, tablet or mobile phone provided by the company. The operating system includes a specific area relating to safety control. The system stores examples of deviations, faulty equipment and vehicle maintenance with traceability and the opportunity for follow-up. The Group also has a CSM monitoring system, which uses indicators to issue warnings in the event of an excessive

"We work safely – or not at all!"



number of deviations in any particular area. Operations managers are responsible for addressing and following up any deviations with the aim of preventing incidents and improving health and safety work. These measures are compiled and updated regularly in an action list. On the basis of incidents, risk assessments, workplace inspections, health and safety inspections, and internal audits, we set targets and produce action plans that are

Permits and licences

Railcare holds all necessary permits and licences in the jurisdictions where operations are conducted.

followed up by Group Management on a quarterly basis.

- Railcare T AB holds a Single Safety Certificate (SSC) from the European Union Agency for Railways (ERA) for operations in Sweden and Norway, as well as to the border station in Tornio, Finland. The company also manages its own infrastructure in Skelleftehamn and Långsele.
- Railcare T AB has an ECM certificate for locomotives, wagons and track-bound mobile machinery regarding the management, development, control and execution of vehicle maintenance. The certificate covers Railcare's workshops in Skelleftehamn and Pitkäjärvi.
- Railcare T AB is an approved training provider (training organiser and examiner) by the Swedish Transport Agency.
- Railcare Lokverkstad AB has an ECM certificate for locomo-

tives, wagons and track-bound mobile machinery regarding vehicle maintenance.

Railcare Sweden Ltd. is approved by the industry organisation Railway Industry Supplier Qualification Scheme (RISQS) to provide services to the railway network in the UK.

These permits and certifications require us to evaluate suppliers in connection with every new appointment of a supplier. In doing this, we follow a check list that includes ensuring that the supplier has documented working methods relating to its quality, environmental and HSEQ work.

Our priorities

- We have ongoing safety training for work in and around the railways.
- All incidents and any deviations registered in the operating system are followed up in weekly production meetings in each business area.
- The health & safety team meets on alternate weeks to review reported incidents with the aim of providing support through measures and detecting any recurring incidents and responding to them.
- Railcare strives to increase commitment to, and understanding of, the importance of following the Code of Conduct.
- Our equality committee works continuously to improve our work relating to equal opportunities, gender equality and diversity.

TARGETS

Vision zero approach to railway accidents according to the Swedish Transport Agency's definition*

OUTCOME 2024

2 cases

In 2024, two incidents occurred that were classified as accidents according to the Swedish Transport Agency's definition: One involved the derailment of two locomotives, resulting in a track closure lasting for more than six hours. The other was a suicide-related accident.

*The accidents included in the figure above shall • be related to moving railway vehicles • be unwanted or unintentional • include suicide in the figure above • not have occurred in workshops, warehouses or depots (e.g. locomotive sheds).

and shall have had one or more of the following consequences: • at least one person died within 30 days • at least one person was so seriously injured that it led to hospital care, more than 24 hours • railway vehicles, railway infrastructure, the environment or property not transported by the railway vehicle suffered damage corresponding to a minimum of EUR 150,000 • train traffic on the line was shut down for a total of at least 6 hours CONTENTS ABOUT RAILCARE OPERATIONS SHARES

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Delivery reliability and quality

Railcare's ability to deliver transport and contracting assignments with a high degree of quality and safety creates significant societal benefit, in the form of reliable, energy-efficient transport and by contributing to a robust railway infrastructure.

An important part of this is the role of the workshops, where locomotives and machines are modernised and undergo servicing and maintenance. This ensures high operational reliability, extends the lifespan of the equipment, and contributes to a more sustainable and efficient railway. Rail transport is a vital part of many customers' logistics chains, offering low climate impact and the capacity to handle heavy goods. Railcare prioritises delivery reliability through swift decision-making and solution-oriented work. For the clearance locomotives, this entails the swift and efficient removal of stalled vehicles, while the contracting operations support long-term sustainable railway maintenance. The workshops play a key role, not only for our own machines and locomotives but also for those of our customers. Through servicing and modernisation, we ensure both operational reliability and sustainability. In 2024, the Locomotive Workshop in Långsele was certified according to ISO 9001, confirming that the company's quality management system meets internationally recognised standards.

For our contracting operations, delivery reliability and quality mean ensuring efficient railway maintenance that contributes to sustainable railways for many years to come.

Our priorities

- Maintaining a responsible and flexible organisation that provides transport from A to B and quickly finds solutions to customers' needs.
- Developing our working methods in close collaboration with customers to make railway maintenance even more efficient.

TARGETS

OUTCOME 2024

New reporting area under CSRD. KPIs are under development. New area. No data available yet.

Corporate culture

When employees thrive at work, have a stimulating environment where they are able to develop, and are given the opportunity to take responsibility, present ideas and solutions, their commitment increases. As an employer, we want to retain and develop these characteristics. Railcare originated in a family business, and we believe that our corporate culture and values are extremely strong. The corporate culture is not embedded in the buildings where we work. It is present in every individual employee and leader. Our values are present in every idea, every delivery and in all the decisions we make.

Our corporate culture is the prerequisite for an open atmosphere where people are encouraged to present their ideas that develop our business and organisation.

Our priorities:

- We organise our operations into relatively small companies as this makes everything easier, from fast decisions and adhering to values to detecting potential deviations.
- Ongoing training, continued education and refresher courses to enable each employee to carry out their assignments safely and effectively.
- Activities of all sizes to foster a stronger sense of community.
- Employee survey carried out every other year. In particular, we monitor the results from a working environment perspective; physical, mental and psychosocial. The health & safety committee, management and employees are given the results, and any deviations in any area are followed up by the relevant operations manager.

TARGETS

To actively work to preserve our corporate culture as the Group grows. To continuously talk about our values and help each other adhere to them.

OUTCOME 2024

Employee Survey 2023 (the survey is conducted every other year): Average score on a scale of 1-5

"I enjoy going to work" (2021: (4.1)



"My colleagues treat me with respect" (2021: (4.5) 4.6

Technology and innovation

By using smart technology and innovative methods and work processes, we strive to be the leading railway specialist. Developing innovative solutions and machines with sustainability as our driving force is essential to improving the market, the industry and our business. The machines currently used for contracting work on the railways are mainly diesel-powered, meaning that their use causes emissions. We initiated the transition of the whole railway industry when we introduced an entirely new battery-powered machine in 2021. The battery-powered MPV (Multi Purpose Vehicle) is a work vehicle with diverse uses in railway maintenance. In 2023, we continued developing the next-generation battery-powered MPV, which is equipped with a pantograph to enable charging from overhead lines. Our operating system follows up the number of hours allocated to innovation and development projects on an annual basis.

Our working method is also included in this area. Our working method is used to perform efficient contracting operations in a track environment, akin to Formula 1 pit stops. By reducing the time spent on track work, we increase access to the railway infrastructure.

Our priorities

- The ongoing development and construction of battery-powered maintenance machines.
- Investigating how the battery bank can be used to operate other diesel-powered machines on the railways.
- Continuous development of our work procedures and methods.

TARGETS

Innovation and development, annual average 3 percent of sales in the most recent three-year period.



Development of battery power, with fewer fossil fuel emissions and less noise. The MPV1 has been in operation throughout 2022, 2023 and 2024.

OUTCOME 2024

Expenditure on the development of

machines and engine replacements

averaged 6 percent of sales in the

last three ye<u>ars.</u>

The MPV2 is in the process of being approved and is expected to go into operation in 2025.

The MPV3 is expected to go into operation in 2025.

50

Climate impact

This area regards whether Railcare can avoid or minimise the environmental impact we contribute to, and how we can manage the effects of climate change.

Climate change has no effects that pose major risks for Railcare. On the contrary, extreme weather conditions such as rain or snow increase the need both for our contingency services and our contracting services.

Fossil fuel emissions from machines and vehicles

Our stakeholders are imposing increasingly stringent requirements regarding sustainability and, above all, to climate impact. The Swedish Transport Administration has announced that transport infrastructure must be climate-neutral by 2040, and some of our private customers are setting aggressive targets to be the most sustainable in the world in their sectors. Railcare's main environmental impact comes from the machines used for railway maintenance and the diesel locomotives used, primarily, for switching, contracting and contingency transport. The company is actively transitioning its operations to machines and locomotives that cause less climate impact. We do this both by developing our battery-powered machines and by upgrading our locomotive fleet to vehicles with better engines and improved environmental performance. We offer the latter as a service to the industry.

Other environmental and climate impact

In connection with contracting assignments, we are also required to meet certain general environmental requirements and quality and environmental management standards, as well as site- and object-specific demands depending on the project. We have clear procedures for how to act in the event of potential environmental incidents. To harness the opportunities and manage the risks that increased climate requirements pose for our operations, we decided in 2020 to reduce fossil fuel emissions from our machines and vehicles by 40 percent by 2025.

Our priorities

- Develop electric and battery-powered operation and build more machines that can be used in our contracting operations.
- Use and/or convert locomotives with better engines to help reduce diesel consumption.

TARGETS

Reduce fossil fuel emissions from our machines and vehicles by 40 percent by 2025 (compared to the base year 2020).

 40^{*}

Tonnes CO2_e from machines and locomotives in 2020, per million SEK of sales Tonnes CO2_e from machines and locomotives in 2024, per million SEK of sales

4.1

Follow-up of the target to reduce Railcare's fossil emissions by 40% is presented relative to the company's increased sales. However, as our sustainability work develops, we see a need to review this target. Absolute figures are more relevant today than when the target was adopted. (In absolute figures the change is a 6% increase in CO2_e, from 2,500 tonnes to 2600 tonnes, between 2020 and 2024.)

22%

million SEK of sales.

OUTCOME 2024

Reduction in tonnes CO2 per

Financial strength

Railcare's financial strength is a prerequisite for being able to carry out the sustainable transition in a responsible way and with a long-term approach. Financial strength is seen as a prerequisite for our sustainability work because it enables Railcare to manage risk, build strong relations, make long-term investments and drive change towards a more sustainable future.

It creates, for example, opportunities to invest in technology, products, processes and human resources, and to manage risks by providing the necessary reserves and strategies. Financial strength also enables us to remain a market leader, build customer relationships and build trust in the company.

Last but not least, sustainability management entails long-term investments and measures to improve the environment, society and the economy over time. Being a financially strong company enables Railcare to pursue a long-term plan for sustainability while having the flexibility to adapt to changes and new challenges.

Our priorities

A responsible, long-term approach.

TARGETS

OUTCOME 2024

New reporting area under CSRD. KPIs are being developed. New area. No data available yet.

Business ethics and anti-corruption

Our Code of Conduct states that we shall respect the recognised international human rights, the UN's Global Compact, and our internal and external work shall be based on these laws and guidelines. The Code of Conduct is the foundation of everything we do and is an important tool that provides all employees, including contracted personnel, guidance on Railcare's view of its operations and how the company conducts business.

Business ethics and anti-corruption

Our operations are currently conducted in Sweden, Scandinavia and the UK, which are also our main markets. The main risk relating to potential bribery and corruption in the operations relates to our business relationships: how we act in relation to customers and what we accept from our suppliers.

Crime is not accepted, and the objective is for it to be eradicated. Railcare complies with laws and guidelines in terms of improprieties, bribery and corruption. We take a zero tolerance attitude to these three behaviours and other similar illegal actions. We assess that the risk of bribery and corruption is limited. We do not work with long supply chains and all purchasing is direct from the supplier and mainly within Europe. Our main customers are government-owned companies in Sweden and the UK governed by clear agreements, guidelines and codes of conduct to prevent irregularities from occurring.

Human rights

Our operations must be conducted under conditions that are compatible with the fundamental rights of all employees in the supply chain. The risks are relatively small in Railcare's own operations as the company mainly has activities in Sweden. There may be certain risks associated with production downstream in the value chain. In this regard, Railcare has chosen to work primarily with European suppliers where the risk is considered relatively low. There are also risks associated with conflict minerals in batteries. Railcare reduces this risk by working with large companies and performing strong due diligence.

Whistleblower channel

Railcare's whistleblower channel is a secure channel for reporting suspected irregularities that could seriously harm the business or our employees. Both the report and the subsequent dialogue are protected and anonymous for those who so choose. Cases reported may involve information on crimes, irregularities and breaches or other acts that violate EU or national law in a work-related context, such as corruption and financial irregularities, environmental crimes or health and safety crimes.

Our priorities:

- In 2023, we introduced a whistleblower system for reporting any irregularities, bribes or corruption.
- A new policy on business ethics and anti-corruption has been implemented in the Group's management system.

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TARGETS

Zero tolerance attitude to irregularities, bribery, corruption and human rights breaches.

OUTCOME 2024

Reported cases and/or ongoing inquiries.

C cases

A word from the Chairman of the Board

An increasingly important societal role

The railway's maintenance backlog is well known, and the need for innovative, environmentally improved transport solutions has never been greater. Railcare remains firmly committed to being a problem-solver in addressing these challenges.

It is a matter of clear societal value and long-term commitment. Clear and stable conditions are essential, as is our ability to achieve profitable growth to remain a strong and competitive player.

Sustainability and profitability are not mutually exclusive. They must be pursued in tandem and nurtured over the long term. Despite strong intentions, recent developments in northern Sweden highlight how challenging it can be to make rapid progress. I'm thinking of Northvolt in particular. But despite societal setbacks, we must have the courage to press on with the transition and seek new paths toward a more sustainable and competitive future.

I therefore wish to clarify how we, as the principal owner through Nornan Invest, have chosen to act in order to support Railcare and equip the company with entirely new conditions for operating sustainably — both environmentally and financially.

It has now been more than two years since we identified a shortage of locomotives in the highest environmental class, equipped with the new signalling system. For Railcare, securing bank financing for the purchase of new locomotives was not possible without a customer contract already in place. Nornan Invest therefore established AC Finance AB and provided a financing guarantee, enabling orders for 14 new locomotives to be placed. This corresponds to an investment of nearly half a billion SEK. Five locomotives have been delivered, with an additional four scheduled for delivery after the summer. In autumn 2024, following a resolution at the Extraordinary General Meeting, Railcare acquired a 40 percent stake in AC Finance AB. This strategic initiative has provided Railcare with the capacity needed to meet the Swedish Transport Administration's stated increased requirements over the long term. This has resulted in new contracts for six clearance locomotives, with a gradual start from 1 January 2025, as well as a long-term snow clearance contract aligned with the enhanced environmental requirements. These are two clear examples of how sustainability and profitability can go hand in hand to support growth.

In a similar vein, the management team is now analysing how Sweden's accession to NATO is influencing and reshaping the railway transport system. How Railcare can contribute remains an open question, but we are prepared to offer our services and products, and to invest in meeting emerging needs. Rail transport delivers substantial societal value, and Railcare is well positioned to help address many of the associated challenges.

Anders Westermark Chairman of the Board, Railcare Group AB



Corporate Governance Report

Railcare Group AB (publ), with corp. ID no. 556730-7813, is a Swedish public company subject to Swedish law, primarily the Companies Act and the Annual Accounts Act.

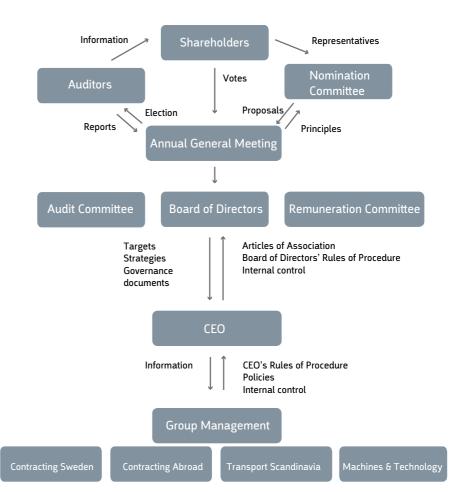
The company's registered office is located in Skellefteå, Sweden, and the company also has offices in Skelleftehamn and Stockholm, Sweden. Railcare Group AB's shares are listed on the Nasdaq Stockholm exchange. Railcare's Articles of Association, its internal guidelines and policies, Nasdaq's rules for issuers and the Swedish Corporate Governance Code form the basis for Railcare's corporate governance.

ARTICLES OF ASSOCIATION

The name of the company is Railcare Group AB and the company is a public limited liability company. The Board of Directors shall have its registered office in the municipality of Skellefteå, Sweden. The company's operations are to carry out contracting operations and sell expert knowledge in the civil engineering industry, as well as other related operations. Amendments to Railcare's Articles of Association are made in accordance with the provisions of the Companies Act. The Articles of Association, which include information on share capital, the number of Board members and auditors, and regulations governing the notice to convene the AGM and the agenda of the Annual General Meeting are available on the company's website, www.railcare. se/en/.

THE SWEDISH CORPORATE GOVERNANCE CODE

Railcare's corporate governance is based on the Swedish Corporate Governance Code, referred to as "the Code". The Code is based on the principle of "comply or explain", which means that a company that applies the Code may deviate from individual rules. Deviations from the Code and the reasons for such deviations are reported continuously in the text. In 2024, Railcare has deviated on two points, as described in the section on Nomination Committees.



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SHAREHOLDERS

Railcare's share has been listed on Nasdaq Stockholm Small Cap under the ticker "RAIL" since 2018. According to the share register, maintained by Euroclear Sweden, Railcare had 24,124,167 shares on 31 December 2024. The share capital amounted to approximately SEK 9.9 million and the quotient value is SEK 0.41 per share. All shares are of the same class and have the same voting rights. The largest shareholder as of 31 December 2024 was Nornan Invest AB at 29.5 percent. For more information on the share and shareholders, see pages <u>Shares.</u>

ANNUAL GENERAL MEETING

In accordance with Railcare's Articles of Association, the Annual General Meeting shall be announced by means of an advertisement in Post- och Inrikes Tidningar (the Swedish Official Gazette) and by making the announcement available on the company's website, www. railcare.se/en/, and by advertising it in Dagens Industri (Swedish financial newspaper).

In accordance with the Swedish Companies Act, the Annual General Meeting shall be convened no earlier than six weeks, and no later than four weeks, prior to the Meeting. An Extraordinary General Meeting at which an amendment to the Articles of Association is to be addressed shall be announced no earlier than six weeks, and no later than four weeks, prior to the Meeting, while other Extraordinary General Meetings shall be announced no earlier than six weeks, and no later than three weeks, prior to the Meeting.

Shareholders entitled to attend and vote at the Annual General Meeting, either in person or by proxy with a power of attorney, are those who are entered in the company's share register maintained by Euroclear Sweden on the sixth (6th) banking day prior to the Annual General Meeting (that is, on the record date) and who notify the company of their intention to participate no later than the date stated in the announcement of the Meeting. To participate in the AGM shareholders with nominee-registered shares, in addition to registering for participation in the AGM, are required to register their shares in their own name to ensure the shareholder is included in the share register on the record date. A shareholder may be accompanied by an assistant at the General Meeting if the shareholder notifies the companv thereof in advance.

Any shareholder in the company who submits a matter in writing to the Board with sufficient notice has the right to have the matter addressed at the General Meeting. Such requests must have been received by the Board of Directors no later than seven weeks prior to the Meeting. The request shall be addressed to the Board of Directors, but sent to Railcare Group AB, FAO. Anders Westermark, Box 34, SE-932 21 Skelleftehamn, Sweden. At the Annual General Meeting, information is provided regarding the company's progress over the preceding year and resolutions are made on key matters.

At the Annual General Meeting, shareholders have the opportunity to ask questions about the company and its earnings for the year in question. To be entitled to participate in the Annual General Meeting and vote in accordance with their shareholdings, shareholders must have been included in the share register and have submitted notification of their participation within a certain period. Shareholders unable to attend in person may vote by proxy.

2024 Annual General Meeting

Railcare's Annual General Meeting in 2024 took place on 8 May 2024, at 11 a.m. CEST at the company's premises at Näsuddsvägen 10, in Skelleftehamn, Sweden. The AGM was attended by a majority of the Board members and Group Management and by the Chairman of the Nomination Committee. At the Annual General Meeting, 46.2 percent of all shares and votes were represented.

Among other matters, the Annual General Meeting resolved:

- to distribute the company's profit by means of a dividend of SEK 0.70 per share
- to discharge the Board members and CEO from liability

- to re-elect Board members Anders Westermark, Björn Östlund, Catharina Elmsäter-Svärd, Andreas Lantto and Linn Andersson
- to elect new Board member Maria Kröger
- to re-elect the audit firm Ernst & Young Aktiebolag

The full minutes of the Annual General Meeting and other information regarding the Meeting is available at www.railcare.se/en/

Extraordinary General Meeting 2024

On 24 July, an Extraordinary General Meeting was held in Railcare to decide on the approval of a related party transaction with Nornan Invest AB. The Meeting was held at the company's premises in Skelleftehamn, with 43.7 percent of all shares and votes represented. The Meeting resolved, in accordance with the Board's proposal, to approve the related party transaction. More information about the related party transaction, as well as the minutes from the Extraordinary General Meeting, is available at www.railcare.se.

2025 Annual General Meeting

Railcare's Annual General Meeting in 2025 will take place on 7 May 2025 at 11:00 a.m. CEST at the company's premises at Näsuddsvägen 10 in Skelleftehamn, Sweden. For further information on the Annual General Meeting, please see the notice published on Railcare's website, www.railcare.se/en/.

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MISCELLANEOUS

NOMINATION COMMITTEE

The task of the Nomination Committee is, on behalf of the shareholders, to evaluate the composition and work of the Board, prepare the AGM's resolutions for voting on and issues relating to fees, and, if necessary, propose guidelines for how the Nomination Committee shall be appointed and work.

The most recently approved guidelines for appointing the Nomination Committee and its work were adopted by the Annual General Meeting on 04 May 2022. The adopted guidelines apply until further notice.

The Nomination Committee held two minuted meetings ahead of the 2025 AGM. The Nomination Committee's complete proposals to the AGM are presented in the notice to attend and on the company website.

Composition

The guidelines state that the Nomination Committee shall comprise the Chairman of the Board, who also convenes the first meeting, and a further two members appointed by the two largest shareholders in the company in terms of votes on 30 September. If either of the two largest shareholders by votes does not exercise its right to appoint a member, the next largest shareholder by votes shall have the right to appoint a member to the Nomination Committee. The composition of the Nomination Committee shall follow the Swedish Corporate Governance Code, the Code, unless a deviation can be justified and reported. The Chairman of the Nomination Committee shall be the member appointed by the largest shareholder by votes unless the members agree otherwise. The composition of the Nomination Committee shall be published no later than six months prior to the planned AGM.

Nomination Committee for Railcare Group's Annual General Meeting 2025

The Nomination Committee comprises Anders Westermark, Chairman of the Board and Jonas Holmqvist, appointed by Nornan Invest AB. The Nomination Committee appointed Jonas Holmqvist as Chairman. Combined, the members of the Nomination Committee represent 29.9 percent of the total number of shares and votes in the company (as of 30 September 2024).

All the members of the Nomination Committee are independent with regard to the company and management.

The following deviations from the provisions of the Code have occurred with regard to the Nomination Committee. None of the members of the Nomination Committee are independent with regard to the company's largest shareholders and the Committee comprised 2 members. This constitutes a deviation from Rule 2.3 of the Code, which, among other things, states that at least one of the Nomination Committee's members must be independent of the largest shareholder by voting power, and that the Committee must consist of at least three members. The company's largest shareholder deems the deviation to be appropriate in light of the company's ownership structure and the fact that the members are knowledgeable about the company and its operations. In addition, the composition of the Nomination Committee was published on 9 December 2024, which constitutes a deviation from Rule 2.5 of the Code stating that the composition must be published no later than six months prior to the Annual General Meeting. The deviation is considered marginal. No remuneration was paid to the Nomination Committee.

BOARD OF DIRECTORS

The Chairman of the Board and Board members are elected annually at the Annual General Meeting for the period until the next Annual General Meeting has been held. The nomination process is carried out by the Nomination Committee and, in accordance with the Articles of Association, the Board of Directors shall consist of five to seven members.

The Board of Directors is the second highest decision-making body after the General Meeting. Chapter 8 of the Swedish Companies Act describes the Board's responsibilities, which include the company's organisation and the management of the company's affairs, as well as continuously assessing the company's and, if the company is the Parent Company in a Group, the Group's financial position. Three of six members of Railcare Group AB's Board of Directors are women. For more information on the Board, see the section on the Board's independence, attendance and remuneration and the section on the Board.

Diversity Policy

The company complies with the Code and thereby applies rule 4.1 of the Code. The company has also prepared a Diversity Policy that the Nomination Committee also follows when proposing Board members.

Excerpts from Railcare's Diversity Policy:

The Nomination Committee shall take into account age, gender, education and professional background, and propose a Board with the scale and composition that ensures its ability to manage the company's affairs with integrity and efficiency. The Board of Directors, which the Nomination Committee proposes, shall have a suitable composition considering the company's operations, development stage and other conditions, and be characterised by diversity and breadth in terms of the competencies, experience and background of the members elected by the General Meeting. An even gender distribution shall be sought when electing Board members.

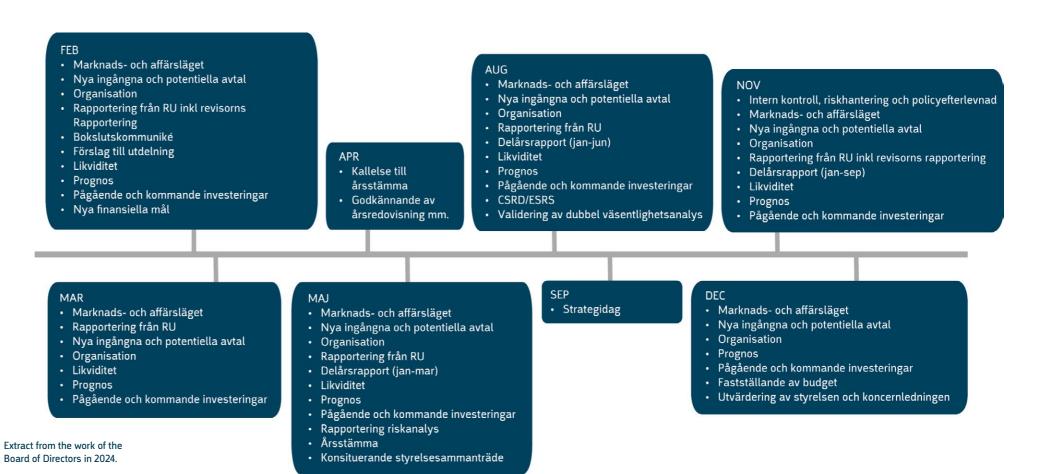
The Nomination Committee shall also consider Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/ GL/2012/06) and other specific regulatory requirements regarding the composition of the Board.

Independence of the Board of Directors

According to the Code, a majority of the Board's members shall be independent in relation to the company and Group Management, and at least two of such Board members shall also be independent in relation to the company's major shareholders. A majority of Railcare's Board members are independent. Five of the six Board members are independent in relation to Railcare and its senior executives, and five of the six Board members are independent in relation to the company's largest shareholders.

WORK OF THE BOARD OF DIRECTORS

In 2024, the Board of Directors of Railcare consisted of Anders Westermark (Chair), Björn Östlund, Catharina Elmsäter-Svärd, Andreas Lantto, Linn Andersson, and Maria Kröger (elected at the Annual General Meeting on 8 May 2024).



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The Board held eleven Board meetings where minutes were kept during the year. The CEO and CFO participate in each Board meeting and report on the company's current situation, including market conditions and the business position. Other employees may participate during Board meetings when necessary. In the sessions where the Board discusses the CEO, the CEO and other employees from the company do not participate. Once a year, the work of the CEO and Group Management is evaluated.

In 2024, the Board of Directors discussed and addressed the matter of a related-party transaction with Nornan Invest AB, which was submitted for approval at an Extraordinary General Meeting held on 24 July. Board members affected by the transaction did not participate in the decisions made by the Board regarding the transaction.

The Board's Rules of Procedure are established at the statutory Board meeting held directly after the Annual General Meeting. The Board's Rules of Procedure present the duties that the Board is to carry out and when each agenda item shall be addressed, depending on the Board meeting and quarter. Examples of duties include determining the company's business plan including

budget, overall goals and strategies; appointing, evaluating and when necessary dismissing the CEO; adopting Interim Reports, the Year-end Report and Annual Report; and ensuring that the company has good internal control. The Board has also adopted instructions for the CEO that outline the CEO's responsibilities and duties.

The Chairman of the Board is responsible for ensuring that Board members, through the care of the CEO, continuously receive the information necessary to monitor the company's position, performance, liquidity, financial planning and progress.

It is incumbent on the Chairman to fulfil the Annual General Meeting's assignment regarding the establishment of a Nomination Committee.

In addition to the statutory Board meeting, the Board of Railcare Group AB shall hold at least seven meetings per calendar year and extraordinary meetings shall be held if a Board member or the CEO so request. Prior to each Board meeting, information and documentation is distributed over a digital system.

At the 2024 Annual General Meeting, the following fees were approved for non-employed Board members elected by the AGM and for non-employed members of the Board's various committees:

- Three income base amounts to the Chair of the Board
- One and a half income base amounts each to the other Board members.

The fees stated above include remuneration for work in the Remuneration Committee, while work in the Audit Committee is compensated with an additional:

One income base amount to the Chair of the Audit

The Board's independence, attendance and remuneration

	Independent in rela- tion to Railcare and its senior executives	Independent in relation to major shareholders	Attendance at Board meetings	Attended AGM	Audit Com- mittee	Remu- neration Committee	Remu- neration 2024/2025
Anders Westermark	Yes	No	11 (11)	Yes	5 (5)	1 (1)	266,700
Catharina Elmsäter-Svärd	Yes	Yes	10 (11)	Yes	-	1 (1)	114,300
Björn Östlund	Yes	Yes	11 (11)	Yes	5 (5)	1 (1)	190,500
Linn Andersson	Yes	Yes	11 (11)	Yes	3 (5)	1 (1)	114,300
Andreas Lantto	No	Yes	11 (11)	Yes	-	1 (1)	114,300
Maria Kröger ^{1, 2}	Yes	Yes	6 (11)	Yes	2 (5)		152,400

Committee

 Half an income base amount each to the other members of the Audit Committee.

Remuneration is calculated based on the applicable income base amount at the start of the Board year. For 2024, the income base amount was SEK 76,200.

For more information on the Board, see the table to the right and the section on the Board of Directors.

Audit Committee

In 2024, the Audit Committee, a committee of the Board of Directors, comprised Björn Östlund (Chairman), Anders Westermark and Maria Kröger². The Audit Committee is a preparatory body within the company's Board of Directors that shall, for example, ensure that the Board of Directors meets its supervisory responsibilities with regard to internal control, risk management, accounting and financial reporting, as well as regulatory compliance. The work of the Audit Committee is regulated by special instructions adopted by the Board of Directors as part of its Rules of Procedure. In this connection, the Audit Committee shall contribute in particular to good financial reporting and to maintaining the market's confidence in the company. The Audit Committee shall ensure qualified, efficient and independent external auditing of the company and effective communications between the Board of Directors and the external auditor.

The Audit Committee shall normally meet at least five times per calendar year. Once a year, a meeting should be held at which no member of management is present. Minutes shall be kept of the meetings of the Audit Committee. The Audit Committee shall inform the Board of Directors of what has been discussed by the Committee. In 2024, the Audit Committee held five meetings, four of which were held in connection with the quarterly financial statements. Discussions primarily concerned the company's profit and financial position, internal control, risk management, quarterly reports, etc.

Remuneration Committee

At the statutory Board meeting, the Board resolved not to establish a separate Remuneration Committee, as it considers it more appropriate for the full Board to carry out the duties of the Remuneration Committee.

The duties of the Remuneration Committee are:

- to approve proposals for guidelines for remuneration to senior executives, for subsequent adoption by the Annual General Meeting,
- to set guidelines for individual remuneration to the CEO, and propose guidelines to the CEO for individual remuneration to other senior executives, thereby ensuring that these proposals are in accordance with the company's remuneration principles established by the Annual General Meeting, and
- to monitor the system by which the company complies with the law, applicable stock exchange regulations and the Swedish Corporate Governance Code regarding regulations on the disclosure of information related to remuneration to senior executives.

The Remuneration Committee is convened as necessary and held one meeting where minutes were kept in 2024.

Assessment of the work of the Board of Directors

At the end of the year, the Board of Directors' work is assessed with the aim of improving the work and efficiency of the Board of Directors. The Chairman of Railcare's Board of Directors, Anders Westermark, is responsible for the assessment and for presenting it to the Nomination Committee. At the end of 2024, the Chairman of the Board distributed a survey to which all members were required to respond. The responses were collected and presented to the full Board of Directors. The results of the assessment were then submitted to the Nomination Committee at a minuted meeting.

CEO AND GROUP MANAGEMENT

During 2024 the Group Management has comprised Mattias Remahl, President and CEO, Lisa Borgs, CFO and IR Manager, Jonny Granlund, head of Contracting Operations and Machines and Technology, and Johan Hansén, head of Transport Operations.

As of 2025, Group Management has been restructured, with Johan Elveros succeeding Lisa Borgs as Chief Financial Officer. New members of Group Management include Hans Flodmark, Head of Safety; Sofie Ström berg, Head of HR; and Hanna Hedlund, Head of IR, Communications and Sustainability.

Jonny Granlund is engaged on a consulting basis. More information about transactions with related parties can be found in <u>Note G28</u>. For more information on Group Management, see pages <u>Group Management</u>.

The CEO leads the operating activities according to internal and external steering documents and is responsible for reporting on the Group's development to the Board of Directors. The CEO and CFO participate in each Board meeting and Audit Committee meeting to report and present the Group's information according to the adopted steering documents. Group Management meets regularly with a focus on corporate governance of the operations, strategic matters and follow-up of the budget. Each legal entity in the Group has an operations manager who is responsible for current operations alongside the responsible member of Group Management.

Within each business area, operational managers meet once a month, convened by the Business Area Manager, to report on and follow up the operations.

Board of Directors

Anders Westermark Chair of the Board since 2022, elected in 2018.

Born: 1959

Position: Chairman of the Board since 2022, Chairman of the Remuneration Committee and member of the Audit Committee.

Other ongoing significant assignments: Anders is an Investment Manager at Nornan Invest AB and Chairman of the Board of Stiftelsen Skelleftepress and Nordvestor Fastigheter AB. He is also a Board member of and several other media, property and investment companies. Other experience: Anders has previous experience as CEO in the areas of

media, construction and financial control. **Education:** M.Sc. (Econ.) from Linköping University and has completed Executive Education at the Stockholm School of Economics. **Holding in Railcare Group AB (incl. closely related parties):** Anders holds 120,964 shares directly in Railcare Group AB and represents Nor-

nan Invest AB with 7,121,395 shares in Railcare Group AB.



Catharina Elmsäter-Svärd Board Member, elected 2016

Born: 1965

Position: Board member and member of the Remuneration Committee. Other ongoing significant assignments: Catharina is CEO of Byggföretagen and Chair of the Board of Luftfartsverket and AB Elmsäters i Enhörna. Other experience: Catharina has been a member of the Riksdag (Swedish Parliament) for 11 years and was Minister for Infrastructure between 2010 and 2014. She was also Chair of the Board of Railcare Group AB during 2016-2022.

Education: Diploma in Marketing Economics from RMI-Berghs. **Holding in Railcare Group AB (incl. closely related parties):** Catharina holds 2,925 shares in Railcare Group AB.





Björn Östlund Board Member, elected 2019

Born: 1957 Position: Board member. Chairma

Position: Board member, Chairman of the Audit Committee and member of the Remuneration Committee.

Other ongoing significant assignments: Björn is the owner of and a Senior Advisor at Koninfra AB. He is also Chairman of the Board of SIBEK AB and Board member of Vossloh Nordic Switch Systems AB and Expin Group AB.

Other experience: Björn's previous experience includes senior positions within ÅF/AFRY and the Swedish Transport Administration. He has been Deputy Director General of Banverket (the former Swedish Rail Administration), Head of Traffic at the Swedish Transport Administration, Head of the Delivery Division at Banverket, Head of Banverket Planning and Head of Banverket Production, now Infranord. He has worked in transport infrastructure since 1994 with board assignments for Botniabanan and the Tågoperatörerna (train operators) industry organisation.

Education: M.Sc. (Eng.) in Industrial Engineering and Management from Linköping University.

Holding in Railcare Group AB (incl. closely related parties): Björn holds 1,502 shares in Railcare Group AB.

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Board of Directors, cont.



Linn Andersson Board Member, elected 2023

Born: 1978

Position: Board member and member of the Remuneration Committee. **Other ongoing significant assignments:** Linn is General Manager at Boliden Rönnskär and Board Member of Shorelink AB and Science City Skellefteå AB.

Other experience: Linn has for the past 15 years held high-level positions in the mining and power industry, with particular expertise in project and change management and in sustainability. These include Skellefteå Kraft AB where Linn held the role of Business Area Manager Power Systems, and Boliden Mineral where Linn has held several managerial positions including Production Manager, Research Manager and Environmental Manager.

Education: M.Sc. in Chemistry from Umeå University and an MBA from Edinburgh Business School.

Holding in Railcare Group AB (incl. closely related parties): Linn holds 0 shares in Railcare Group AB.

Andreas Lantto Board member, elected 2023

Born: 1983

Position: Board member and member of the Remuneration Committee. **Other ongoing significant assignments:** Andreas is an active partner and Board Member of Nordkonsult i Luleå AB and its affiliated companies. As part of an ongoing consulting assignment, Andreas serves as the lead project manager for the new Port of Luleå.

Other experience: Andreas has previous experience from leading positions in logistics, planning and construction in the mining and automotive industry in northern Sweden. He has been logistics manager at Kaunis Iron AB and Northland Resources.

Education: M.Sc. (Eng.) in Mechanical Engineering from Luleå University of Technology.

Holding in Railcare Group AB (incl. closely related parties): Andreas holds 0 shares in Railcare Group AB.



Maria Kröger Board Member, elected 2024

Born: 1968

Position: Board Member and member of the Audit Committee and the Remuneration Committee.

Other ongoing significant assignments: Maria is CFO at Umia Sweden AB and holds board positions at VK Media, the property company Gazette, and the IT company Algoryx Simulation.

Other experience: Maria has spent a significant part of her professional career as CFO of Vitec Software Group and as an authorised accountant at EY. In addition, Maria has served as CEO of the company Ariser. Maria is a versatile and experienced M.Sc. (Econ.) with strong expertise in financial management across both listed and unlisted environments, and in companies of varying sizes and stages of development. Education: M.Sc. (Econ.) from Umeå School of Economics

Holding in Railcare Group AB (incl. closely related parties): Maria holds 0 shares in Railcare Group AB.

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Group management



Mattias Remahl

Born: 1976 Position: President and CEO Other ongoing significant assignments: Mattias is a Board member of Humivic AB and Kurjovikens Bränneri AB. Other experience: Mattias has 16 years of experience from the metal and mining group Boliden, where he was, among other things, Finance Director of the Mining Business Area and Group Tax Manager. Education: B.Sc. (Econ.) from Luleå University of Technology Holding in Railcare Group AB (incl. closely related parties): Mattias holds 125,000 shares through Humivic AB. Employed: 2021 In Group Management since: 2021



Lisa Borgs

Born: 1978 Position: CFO and IR Manager Other ongoing significant assignments: Lisa has no other ongoing assignments as a member of any administrative, management or control body. Other experience: Lisa has previously worked as a consultant in accounting and auditing. Since 2016, Lisa has worked closely with the Group's CFO and is responsible for the Group reporting. Lisa has over 20 years' experience of accounting and auditing. Education: B.Sc. (Econ.) from Dalarna University Holding in Railcare Group AB (incl. closely related parties): Lisa holds 4,450 shares in Railcare Group AB. Employed: 2014 In Group Management since: 2022



Jonny Granlund

Born: 1967 Position: Business Area Manager Other ongoing significant assignments: Jonny is CEO and a Board member of JOTAG AB. Other experience: Jonny has previously worked at Banverket (the former Swedish Rail Administration) Industridivisionen as Project Manager and Site Manager for major maintenance and investment work in the Eastern, Central and Northern regions in Sweden. Jonny has more than 30 years of experience working within the railway industry. Education: High school, two-year engineering programme. Holding in Railcare Group AB (incl. closely related parties): Jonny holds 103,213 shares in Railcare Group AB. Employed: 2007 * In Group Management since: 2021



Johan Hansén

Born: 1979 Position: Business Area Manager Other ongoing significant assignments: Johan has no other ongoing assignments as a member of any administrative, management or control body. Other experience: Johan has previously worked at Trafikverket and has experience from leading positions at Hector Rail. He has more than 20 years of experience working within the railway industry. Education: High school and further education in the railway sector. Holding in Railcare Group AB

(incl. closely related parties): Johan holds 10,000 shares in Railcare Group AB. Employed: 2014 In Group Management since: 2023 * Engaged on a consulting basis

As of 2025, Group Management has undergone changes. Read more under 'CEO and Group Management.'''.

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AUDITORS

According to Railcare's Articles of Association, the company shall have one or two auditors, or a registered firm of auditors, examine the company's annual accounts and the administration by the Board of Directors and the CEO. The company's current auditor is the registered audit firm Ernst & Young Aktiebolag.

The audit firm was appointed auditor in 2009 and was re-elected at the 2024 Annual General Meeting. Micael Engström, Authorised Public Accountant and member of FAR (industry organisation for accounting consultants, auditors and advisers in Sweden), was elected as Auditor in Charge at the Annual General Meeting on 08 May 2024 for the period until the 2025 Annual General Meeting.

Each year, the company's auditors report their observations from the audit to the Board in connection with the closing of the annual accounts. The Board also meets with the company's auditors at least once a year, without the presence of Group Management, to learn about the direction and scope of the audit and to discuss the coordination between the external audit and internal control and the view regarding the company's risks. In 2024, the company's auditors participated in two meetings with the Audit Committee, and one meeting with the Board of Directors, primarily addressing the audit of the annual accounts for 2023, as well as the review of the Interim Report for January-September 2024. In connection with one of these meetings, the Audit Committee met with the company's auditor without the presence of company management.

REMUNERATION TO SENIOR EXECUTIVES

Guidelines for remuneration to senior executives are decided at the AGM, based on a proposal from the Board's Remuneration Committee. On the basis of the remuneration principles determined by the AGM, the Remuneration Committee decides on guidelines for individual remuneration to the CEO and proposes guidelines to the CEO for individual remuneration to other senior executives in Group Management. The AGM 2024 decided on guidelines for remuneration to and other employment terms for senior executives. These guidelines are described in Note G9, and are available in their entirety on the company's website, www.railcare.se.

The guidelines essentially mean that the company shall offer its senior executives remuneration on market

terms and that the criteria in connection with this shall comprise the senior executive's responsibilities, role, competencies and position.

In 2024, the Remuneration Committee had one meeting where minutes were kept and the Committee reviewed and discussed the applicable remuneration based on the set guidelines. The company complied with the applicable remuneration guidelines in the financial year 2024. The Committee delegated the task of making a final decision on the CEO's salary review to the Chairman.

Jonny Granlund, a member of Group Management, is currently remunerated through a consulting fee. The consulting fee paid corresponded to a market-based fixed cash salary, adjusted upwards for other non-salary costs such as social security contributions and pension. The exceptional decision to pay a consulting fee instead of salary according to the remuneration model specified in the company's guidelines comes under the Board's option to deviate from the guidelines in the company's long-term interests, and is justified by the company's need to be able to offer a market-based and competitive total remuneration. According to the Companies Act, the Board must prepare a proposal for new remuneration guidelines when there is a need for significant changes to the guidelines, but at least every four years. The Board considers that no changes are needed and that the current guidelines should continue to apply.

INTERNAL CONTROL OF FINANCIAL REPORTING

Railcare's Board of Directors and CEO are responsible for internal control, which is regulated by the Companies Act, the Annual Accounts Act and the Swedish Corporate Governance Code. The Audit Committee is tasked with monitoring Railcare's internal control, primarily so that external reports are prepared in accordance with applicable legislation, but also so that Railcare's internal regulations are complied with.

The purpose of the internal control of financial reporting is to ensure with reasonable assurance that the external financial reporting is reliable and that it is prepared in accordance with generally accepted accounting principles, that applicable laws and regulations are followed, and to ensure compliance with the requirements imposed on listed companies.

Railcare's internal control model is based on frameworks developed by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The framework has five basic components, which are presented below.

Control environment

The control environment forms the basis for the internal control of financial reporting and a key part of maintaining good internal control is that decision paths, authorisations and responsibilities are clearly distributed and communicated within the organisation. Examples of documents regulating this are the Rules of Procedure for the Board of Railcare Group AB, Instructions to the CEO of Railcare Group AB, Instructions to the Audit Committee, Financial Policy and the Financial Handbook.

The Group is divided into operational units. Within each operational unit, there is an operations manager who is responsible for meeting targets and budgets, as well as governance issues. Railcare's organisational structure is communicated in the Group's operating system, QMS, so that responsibilities and roles are clear to all who work with financial information. The Financial Handbook for Railcare Group establishes the division of roles and responsibilities for the employees who work with financial reporting. The Financial Handbook includes the Group's accounting principles, as well as reporting schedules and instructions to ensure that the accounting is uniform and conducted in a timely manner.

The Financial Policy sets overarching targets and guidelines for financial risk and for how financial activities are to be conducted. The Financial Policy also sets out how the responsibility for the financial activities is to be distributed and how the risks are to be managed and reported. The Financial Policy includes instructions on how the ongoing operations are to be conducted.

Risk assessment and risk management

Within Railcare, systematic efforts are conducted with regard to how risks are to be assessed and managed in terms of operational, strategic and financial risks. The Board of Directors establishes principles and guidelines for the company's risk management, while the operational responsibility lies with the CEO. The Board of Directors has established an Audit Committee that continuously addresses matters of risk management and the internal control of financial reporting. The Audit Committee bears a responsibility delegated from the Board of Directors to prepare matters related to internal control of financial reporting and to follow up on measures connected to risk management.

Risks identified within the Group are assessed annually by management with the aim of identifying new risks and updating the company's view on previously identified risks. This assessment maps and evaluates the risks identified based on their impact and probability. This evaluation is presented to the Audit Committee and the Board of Directors annually.

Significant risks that may affect financial reporting include items based on accounting estimates, such as property, plant and equipment and revenue recognition. Financial risks such as liquidity, currency and credit risk are managed by Group Management and the Board of Directors based on the adopted Financial Policy.

Each month, the CEO presents the Board with the financial results for ongoing follow-up and evaluation by the Group. The financial reports are distributed via a Board portal, which prevents unauthorised individuals from accessing confidential material. In connection with meetings of the Audit Committee and the Board, more detailed information is presented in the form of profit and liquidity forecasts, for example.

Control activities

Railcare's control structure is designed to manage the risks considered by the Board of Directors to be significant for the internal control of financial reporting. Control activities include managing the risks considered by the Board of Directors to be significant to internal control, and control activities are also designed to enable employees to detect or prevent risks of errors in the reporting at an early stage. The effectiveness of the controls is assessed by individuals selected from within the organisation, and the results are compiled annually at the Group level and presented to the Audit Committee and the Board of Directors. Examples of control activities include monthly follow-up meetings with managers in the various operational units, and profit forecasts are continuously followed up and updated.

Other control activities are aimed at ensuring that the company's non-current assets are correctly valued and include reviewing the investment budget, quarterly matching of the asset registers and annual impairment testing.

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The company's CFO is responsible for ensuring that control activities for financial reporting are maintained and followed, and works with and monitors the control activities alongside the finance department throughout the year. Railcare continuously works to improve and develop its internal control of financial reporting.

The Board of Directors has assesses that Railcare does not need a specific internal audit function. Given the size and character of the operations, combined with existing reporting to the Board of Directors and the Audit Committee, it is not considered financially justifiable. The established control system is deemed sufficient to safeguard the quality of financial reporting.

Information and communication

Railcare's steering documents, in the form of policies, are adopted annually by the Board of Directors. Guidelines and instructions are updated when required by the relevant individual responsible in accordance with Guidelines for managing steering documents. All steering documents are accessible via QMS and this is regulated based on specific levels of authorisation to ensure that employees have access to necessary and relevant information. Railcare's Communications Policy and Insider Policy describe how the Group should handle matters connected with internal and external communications, how insider information should be handled, and how responsibilities are distributed within the company.

Internal communication is conducted on an ongoing basis throughout the Group. Information in the form of newsletters and videos are distributed by email several times a year to all employees in the Group. This ensures all employees are updated and informed about what is happening in the Group and the various operations.

Railcare's external communications are conducted predominantly via the company's website. The website is constantly updated with essential information for external stakeholders and updated in accordance with the laws, regulations and guidelines that Railcare follows as a company listed on the Nasdaq Stockholm. Examples include updating documents relating to investor relations, such as Interim Reports, Annual Reports, materials for general meetings, etc.

Monitoring activities

Compliance and efficiency of internal control is followed up by the CEO and CFO who in turn report to the Audit Committee and the Board of Directors. Group Management meets regularly focusing on the operational governance and, where necessary, discusses necessary measures for effective internal control.

Each month, the CEO presents a summary report to the Board containing information about the Group's and segments' results compared to earlier periods. Ahead of each regular Board meeting, the Board is presented with more extensive and detailed reporting. These reports present prevailing market conditions, risks associated with ongoing projects and potential departures from the forecast and budget.

The CFO is responsible for ensuring that analyses and comments presented to the Board of Directors are accurate and that the Board and the Audit Committee receive all relevant information and materials, so that the Board and the Audit Committee have a timely and accurate picture of the internal control of financial reporting.

The Board of Directors evaluates the risks associated with the internal control of financial reporting continuously and reports this to the CEO and CFO, who communicate the observations made by the Board to the organisation and ensure that appropriate measures are implemented. In this work, the Board is guided by principles and guidelines, and compliance is monitored throughout the year via continuous dialogue at Audit Committee and Board meetings.

The internal control is assessed to be effective.

RAILCARE GROUP AB ANNUAL REPORT 2024 / FINANCIAL STATEMENTS AND NOTES

CONTENTS ABOUT RAILCARE OPERATIONS SHARES ADMINISTRATION REPORT SUSTAINABILITY REPORT NANCIAL STATEMENTS, NOTES MISCELLANEOUS

Financial statements and notes

The notes on pages 72-118 constitute an integral part of these Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

Amounts in SEK 000	Note	Jan-Dec 2024	Jan-Dec 2023
Net sales	<u>G5, G6</u>	635,298	564,220
Other operating income	<u>G7</u>	6,753	4,022
Capitalised work on own account		18,560	14,247
Raw materials and consumables		-199,756	-176,325
Other external costs	<u>G10, G11</u>	-89,280	-85,600
Personnel expenses	<u>G9</u>	-196,933	-170,134
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	<u>G11</u>	-106,402	-77,202
Other operating expenses	<u>G8</u>	-1,961	-2,938
Operating profit/loss (EBIT)		66,278	70,289
Profit from participations in Group companies	<u>G16</u>	140	0
Financial income		293	150
Financial costs	<u>G11</u>	-25,937	-12,572
Net financial income/expense	<u>G12</u>	-25,644	-12,421
Profit/loss before tax		40,774	57,868
Income tax	<u>G13</u>	-10,390	-13,766
Profit for the period		30,385	44,102

Amounts in SEK 000	Note	Jan-Dec 2024	Jan-Dec 2023
Other comprehensive income:			
Items that may be reclassified to profit/loss for the period			
Exchange rate differences from the translation of foreign operations		-328	873
Other comprehensive income for the period, net of tax		-328	873
Total comprehensive income for the period		30,057	44,975

Amounts in SEK		Jan-Dec 2024	Jan-Dec 2023
Earnings per share before and after dilution	<u>G22</u>	1.26	1.83
Average number of shares		24,124,167	24,124,167
Number of shares outstanding as of the reporting date		24,124,167	24,124,167

Notes on pages 72-118 constitute an integral part of these Consolidated Financial Statements.

Consolidated Statement of Financial Position

Amounts in SEK 000	Note	31/12/2024	31/12/2023
ACCETC			
ASSETS			
Non-current assets			
Intangible assets	G14		
Capitalised development costs	014	7.247	1.974
Patents		7,247	1,974
Goodwill		6,300	6,300
Transportation licences		1,816	1,800
Total intangible assets		15,434	10,198
		13,434	10,150
Property, plant and equipment	<u>G11, G15</u>		
Buildings and land		39,681	33,990
Locomotives and wagons		457,802	381,088
Mobile machinery		184,811	202,741
Vehicles		8,631	5,329
Equipment, tools, fixtures and fittings		6,153	5,147
Construction in progress		125,382	84,555
Total property, plant and equipment		822,459	712,851
Financial assets			
Participations in associated companies	<u>G16</u>	1,014	-
Other non-current receivables	<u>G4</u>	24,151	4,465
Total financial non-current assets		25,166	4,465
Deferred tax assets	<u>G13</u>	5	10
Total non-current assets		863,064	727,524

Amounts in SEK 000	Note	31/12/2024	31/12/2023
Current assets			
Inventories	<u>G18</u>		
Raw materials and consumables		21,975	21,300
Work in progress		16,176	14,984
Total inventories		38,152	36,284
Current receivables			
Accounts receivable	<u>G17</u>	44,787	56,518
Contract assets	<u>G5</u>	15,009	16,038
Current tax receivables		1	
Other current receivables	<u>G19</u>	2,415	2,119
Prepaid expenses and accrued income	<u>G20</u>	18,655	17,800
Total current receivables		80,867	92,476
Cash and cash equivalents	<u>G21</u>	61,691	39,432
Total current assets		180,710	168,192
TOTAL ASSETS		1,043,774	895,71

Notes on pages 72-118 constitute an integral part of these Consolidated Financial Statements.

Consolidated Statement of Financial Position (cont.)

Amounts in SEK 000	Note	31/12/2024	31/12/2023
EQUITY	G22		
Share capital	022	9,891	9,891
Other capital contributions		17,485	17,485
Translation reserve		2,712	3,040
Retained earnings (profit/loss for the year included)		256,383	242,885
Total equity attributable to Parent Company sharehol- drs		286,470	273,301

Amounts in SEK 000	Note	31/12/2024	31/12/2023
LIABILITIES			
Non-current liabilities	<u>G23</u>		
Deferred tax liabilities	<u>G13</u>	61,250	59,276
Liabilities to credit institutions		76,511	74,346
Lease liability		295,857	250,888
Other provisions		209	151
Total non-current liabilities		433,828	384,661
Current liabilities	G23		
Lease liability	<u></u>	92,190	51,863
Liabilities to credit institutions		127,262	84,698
Accounts payable		35,215	47,693
Prepayments from customers		3,130	2,344
Current tax liabilities		12,257	8,669
Other liabilities	<u>G24</u>	6,555	5,583
Accrued expenses and deferred income	<u>G25</u>	46,867	36,906
Total current liabilities		323,477	237,755
TOTAL EQUITY AND LIABILITIES		1,043,774	895,717

Notes on pages 72-118 constitute an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

Amounts in SEK 000	Note	Share capital	Other capital provided		Retained ngs (incl. profit/ s for the period)	Total equity
Opening balance						
as of 1 January 2023	<u>G22</u>	9,891	19,830	2,167	212,207	244,095
Effect of adjusted accounting principles	<u>G31</u>				-1,294	-1,294
Adjusted opening balance		9,891	19,830	2,167	210,913	242,801
as of 1 January 2023						
Profit/loss for the year					44,102	44,102
Other comprehensive income				873		873
Total comprehensive income		-	-	873	44,102	44,975
Transactions with shareholder	rs					
Dividend			-2,345		-12,130	-14,475
Closing balance						
as of 31 December 2023		9,891	17,485	3,040	242,885	273,301
Opening balance						
as of 1 January 2024	<u>G22</u>	9,891	17,485	3,040	243,702	274,118
Effect of adjusted accounting principles	<u>G31</u>				-817	-817
Adjusted opening balance		9,891	17,485	3,040	242,885	273,301
as of 1 January 2024						
Profit/loss for the year					30,385	30,385
Other comprehensive income				-328		-328
Total comprehensive income				-328	30,385	30,057
Transactions with shareholder	rs					
Dividend					-16,887	-16,887
Closing balance						
as of 31 December 2024		9,891	17,485	2,712	256,383	286,471

Notes on pages 72-118 constitute an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

Amounts in SEK 000	Note	Jan-Dec 2024	Jan-Dec 2023
Cash flow from operating activities			
Operating profit		66,278	70,289
Adjustment for items not included in the cash flow.	<u>G28</u>	107,173	79,120
Interest paid		-24,407	-11,299
Interest received		64	150
Income tax paid		-4,823	-381
Cash flow from operating activities before changes in working capital		144,285	137,879
Cash flow from changes in working capital			
Increase/decrease in inventories		-3,142	-4,647
Increase/decrease in operating receivables		12,091	-14,470
Increase/decrease in operating liabilities		-1,515	17,223
Total changes in working capital		7,434	-1,894
Cash flow from operating activities		151,719	135,985
Cash flow from investing activities			
Investments in intangible assets	<u>G14</u>	-5,777	-3,007
Investments in property, plant and equipment	<u>G15</u>	-60,503	-57,364
Investments in other financial non-current assets		-21,260	-1,557
Divestment of property, plant and equipment		60	1,210
Cash flow from investing activities		-87,480	-60,718

Amounts in SEK 000	Note	Jan-Dec 2024	Jan-Dec 2023
Cash flow from financing activities	<u>G29</u>		
Loans raised		68,067	20,525
Amortization of loans		-24,867	-26,776
Amortisation of lease liabilities		-68,418	-47,243
Dividend paid		-16,887	-14,475
Cash flow from financing activities		-42,105	-67,969
Cash flow for the period		22,134	7,298
Opening cash and cash equivalents		39,432	31,976
Exchange rate difference in cash and cash equivalents		124	158
Closing cash and cash equivalents	<u>G21</u>	61,691	39,432

NOTE1 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. Railcare's share is listed on Nasdaq Stockholm Small Cap under the ticker "RAIL". This Annual Report and Consolidated Financial Statements have been approved by the Board of Directors for publication on 11 April 2025 and will be submitted to the Annual General Meeting on 07 May 2025 for adoption.

Unless otherwise stated, all amounts are given in SEK 000. Disclosures in parentheses pertain to the comparison year. Due to rounding, in certain cases figures presented in the financial reports may not add up exactly to the total, and percentages may not be exact.

NOTE G2 MATERIAL DISCLOSURES OF ACCOUNTING PRINCIPLES

The most important accounting principles applied in preparing these Consolidated Financial Statements are described below. These principles have been applied consistently to all the periods presented, unless otherwise stated.

Basis for preparation of statements

Railcare's Consolidated Financial Statements have been prepared in accordance with the Annual Accounts Act, the Swedish Corporate 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. The Consolidated Financial Statements have been prepared based on the going concern as-

sumption. All assets and liabilities have been valued on the basis of their cost.

The preparation of financial statements in compliance with IFRS accounting standards requires the use of a number of critical accounting estimates. It also requires Group Management to exercise its judgement in the process of applying the Group's accounting principles. The areas that involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are indicated in <u>Note G3</u>.

New or amended standards applied by the Group

Since January 1, 2024, the following new or amended standards have been applied: IAS 1 Presentation of Financial Statements (classification of liabilities as current or non-current, and non-current liabilities with covenants),

IAS 7 Statement of Cash Flows (disclosures on supplier finance arrangements), and IFRS 16 Leases (lease liability in a sale and leaseback transaction)

The application of these amendments has not had any significant impact on the Group's financial statements.

New standards and interpretations not yet applied by the Group

A number of new and amended standards and interpretations have been published by the IASB but have not yet come into force. None of the new or amended standards or interpretations have been applied in advance. The Group intends to adhere to these new, changed standards when they come into effect. The changes most relevant to the Group are described below.

IAS 21 The Effects of Changes in Foreign Exchange Rates

The amendment introduces a requirement to assess when a currency is exchangeable into another currency and when it is not. The amendments require entities to estimate exchange rates when concluding that a currency is not exchangeable into another currency. Management does not expect the amendments to have any material impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 Presentation of Financial Statements and introduces new requirements for the structure and disclosures of financial statements. The new standard will not affect the recognition or measurement of items in the financial statements, but it is expected to have a noticeable impact on the structure and disclosures of the reports.

The Group intends to apply the new standard as of January 1, 2027, which is also the mandatory effective date.

Consolidated Financial Statements

Subsidiaries

Subsidiaries are included in the Consolidated Financial Statements from the date on which the controlling interest is transferred to the Group. They are excluded from the Consolidated Financial Statements from the date on which the controlling influence ceases.

CONTENTS ABOUT RAILCARE OPERATIONS SHARES ADMINISTRATION REPORT SUSTAINABILITY REPORT FINANCIAL STATEMENTS, NOTES MISCELLANEOUS

Acquisition

The acquisition method is used for reporting the Group's business combinations. The purchase consideration for the acquisition of a subsidiary is the fair value of the transferred assets, the liabilities assumed by the Group to the former owners of the acquired company and the shares issued by the Group. Identifiable assets acquired and liabilities assumed in a business combination are initially valued at fair value at the acquisition date. Acquisition-related costs are expensed as they arise.

Goodwill is initially valued as the amount by which the total purchase price and any fair value of non-controlling interests at the date of acquisition exceeds the fair value of identifiable net assets acquired. If the purchase price is lower than the fair value of the acquired company's net assets, the difference is recognised directly in profit and loss.

Intercompany profit eliminations

All intra-Group transactions and Balance Sheet items are eliminated on consolidation, including unrealised gains and losses on transactions between the Group companies.

Foreign currency translation

Functional currency and presentation currency

Swedish kronor (SEK), the functional currency of the Parent Company and the presentation currency of the Group, is used in the Consolidated Financial Statements. The different units of the Group have the local currency as their functional currency, as it is the currency used in the primary economic environment in which each unit mainly operates.

Transactions and Balance Sheet items

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transaction. Any gain or loss arising from the payment of such transactions and in the restatement of monetary assets and liabilities in foreign currencies at the rate on the record date is recognised in operating profit in the statement of comprehensive income.

Foreign exchange gains and losses relating to loans and cash and cash equivalents are recognised in the statement of comprehensive income as financial income or expenses. All other foreign exchange gains and losses are recognised in the item "Other operating expenses" and "Other operating income" in the statement of comprehensive income.

Translation of foreign Group companies

The financial position and performance of all Group companies with a functional currency different than the presentation currency are translated to the Group's presentation currency. The assets and liabilities on each Balance Sheet are translated from the functional currency of the foreign operation to the Group's presentation currency, Swedish kronor (SEK), at the exchange rate prevailing on the record date.

The income and expenses in each Income Statement are translated to Swedish kronor at the average exchange rate for each month in the reporting period. Translation differences arising on the translation of foreign operations are recognised in other comprehensive income.

Information on the effects of foreign currency translation is primarily disclosed in Notes:

Note G7 Other operating income Note G8 Other operating expenses Note G12 Financial income and expenses Note G14 Intangible assets Note G15 Property, plant and equipment

Cash Flow Statement

The Cash Flow Statement has been prepared using the indirect method. Recognised cash flow only includes transactions that involve payments in or out. In addition to cash and bank flows, cash and cash equivalents include short-term investments which can be converted into bank funds in an amount that is mainly known in advance.

Other material accounting policy disclosures

Other material accounting policy disclosures can be found in the following Notes:

Financial instruments	Note G4 Financial risk management and financial instruments
Income	Note G5 Revenue recognition
Segment reporting	Note G6 Segment reporting
Remuneration to employees	Note G9 Remuneration to employees, etc.
Leasing	Note G5 Revenue Recognition – the Group as lessor (lease income)
	Note G11 Lease Agreements – the Group as lessee (right-of-use assets and lease liabilities)
Income tax	Note G13 Income tax

CONTENTS ABOUT RAILCARE OPERATIONS SHARES ADMINISTRATION REPORT SUSTAINABILITY REPORT FINANCIAL STATEMENTS, NOTES MISCELLANEOUS

Intangible assets	Note G14 Intangible assets including impairment testing of non-financial assets
Property, plant and equipmer	nt Note G15 Property, plant and equipment with impairment test- ing for non-financial assets in Note G14 Intangible assets
Associated companies	Note G16 Associated companies
Accounts receivable	Note G17 Accounts receivable and in Note G4 Financial risk management and financial instruments
Inventories	Note G18 Inventories
Cash and cash equivalents	Note G21 Cash and cash equivalents and in Note G4 Financial risk management and financial instruments

NOTE G3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS FOR ACCOUNTING PURPOSES

The preparation of financial statements in compliance with IFRS accounting standard requires the use of certain key estimates for accounting purposes. The company is also required to make certain judgements in applying the accounting principles. These estimates and judgements affect asset and liability items and income and expense items recognised in the statements as well as information provided otherwise.

Actual outcomes may differ from these estimates. Estimates and judgements are based on experience and on reasonable assumptions about future market development, as well as on prevailing circumstances such as political decisions.

Judgements

In applying the Group's accounting principles, the company has made the following judgements, which have a significant impact on the amounts recognised in the following areas of the Consolidated Financial Statements:

Useful lifeNote G15 Property, plant and equipmentAdditional expensesNote G15 Property, plant and equipment

Climate-related risks

Note G11 Lease agreement– Group as the lessee Note G14 Intangible assets Note G15 Property, plant and equipment

Estimates and assumptions

Below is a description of the most important assumptions concerning the future and other key sources of uncertainty in estimates that have a significant risk of resulting in a material adjustment of the recognised values of assets and liabilities in the next financial year. The estimates and assumptions are reviewed regularly. Changes to estimates are recognised in the period in which the estimates are changed if the change affect that period alone, or in the period in which the change occurs and future periods, if the change affects both.

The following areas have been given particular consideration:

Lease agreements – lease term Note G11 Lease agreements - The Group as a lessee Assumptions in impairment test- Note G14- Intangible assets ing – goodwill

NOTE G4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk factors

The Group's activities expose it to many different financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial results. The Group does not use derivative instruments to financially hedge certain risk exposures.

Risk management is handled by the finance department in accordance with policies approved by the Board. When necessary, the finance department identifies, evaluates and manages financial risks in close cooperation with the Group's operating units. The Board establishes written policies that encompass overall risk management as well as specific areas, such as currency risk, interest rate risk, credit risk, use of derivative instruments and non-derivative financial instruments, and investment of excess liquidity.

a. Market risk

i. Currency risk

The Group operates in Scandinavia and the United Kingdom and is exposed to various types of exchange rate risk. The primary exposure relates to purchases and sales conducted in a currency other than the entity's functional currency.

The risk consists of fluctuations in the currency of customer or supplier invoices, as well as excange rate risk in expected or contracted payment flows.

The Group has chosen to not hedge its currency risk in these transactions.

The Group has a number of holdings in foreign operations, the net assets of which are exposed to currency risks. Currency exposure that arises from net assets in the Group's operations abroad is not material, which is why the Group has chosen to not hedge this exposure.

ii. Interest rate risk

The Group's foremost interest rate risk arises from long-term borrowing at variable interest, which exposes the Group to interest rate risk for the cash flows. During the 2024 and 2023 financial years, the Group's borrowing was denominated in SEK at variable interest.

If interest rates on borrowing in SEK as of 31 December 2024 had been 50 basis points (0.5 percentage points) higher/lower, but all other variables had been constant, then equity before tax and profit after tax for the 2024 financial year would have been SEK 1,079 thousand (845) lower/higher, primarily as an effect of higher/lower interest expenses for borrowings with variable interest rates.

b. Credit risk

Credit risk is the risk that the counterparty in a transaction cannot fulfil its financial contractual obligations and that possible collateral does not cover the company's receivable. The overwhelming majority of the credit risk for Railcare pertains to Accounts receivable. The majority of Railcare's sales are to large customers with high credit ratings. The terms of payment for the Group's customers are generally 30 days. The Group has also historically had very low bad debt losses. Taken together, these factors indicate a limited credit risk. Credit risk also arises when the company places surplus liquidity with banks. These placements only take place with selected counterparties with high credit ratings.

Credit risk is managed at Group level except for credit risk regarding outstanding accounts receivable. Each Group company is responsible for examining and analysing the credit risk of each new customer before the standard terms of payment and delivery are offered.

Railcare does not have any loss provision for financial assets as the company does not expect any losses due to non-payment by the counterparties described above. This assumption is based on company management's own assessments for the assumptions and selection of input data for calculating impairment requirements. These are based on history, known market conditions and prospective calculations at the end of each reporting period.

Railcare has a receivable from Rail Test Nordic (RTN) for preliminary study work to lay a train test track between Jörn and Arvidsjaur. The receivable amounts to SEK 2.3 million and by agreement shall be paid in connection with project start. Railcare considers that a credit risk exists until the project start has occurred and payment has been made.

Through a shareholder loan to the associated company AC Finans, Railcare has a receivable amounting to SEK 20 million. Railcare considers the receivable to be secure, but a credit risk exists until the liability has been repaid.

c. Liquidity risk

Liquidity risk is defined as the risk of not being able to meet payment obligations on maturity without the cost for securing payment funds increasing significantly.

Group Management closely monitors rolling forecasts for the Group's liquidity reserve to ensure that the Group has adequate liquid funds to meet its operational requirements. At the same time, it maintains sufficient latitude in its unutilised contractual credit facilities to ensure that the Group does not breach borrowing limits or borrowing terms (where applicable) on any of the Group's loan facilities.

The following table specifies the Group's financial liabilities excluding derivatives, classified by

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the remaining contractual maturity as of the Balance Sheet date. The amounts presented in the table are the contractual, undiscounted cash flows.

As of 31 December 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities to credit institutions	6,379	120,884	39,696	36,815	-
Lease liabilities	26,758	78,343	100,202	175,335	40,456
Accounts payable	35,215	-	-	-	-
Other liabilities	6,555	-	-	-	-
Total	74,907	199,227	139,898	212,149	40,456
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As of 31 December 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities to credit institutions	16,083	68,614	37,587	20,909	15,850
Lease liabilities	12,304	53,908	70,240	156,610	67,700
Accounts payable	47,693	-	-	-	-
Other liabilities	5,583	-	-	-	-
Total	81,662	122,522	107,828	177,518	83,549

The table below presents the Group's financial assets and liabilities, taken up at the carrying amount or fair value, classified into the categories according to IFRS 9. For current and non-current receivables and liabilities, the carrying amount is considered to constitute a reasonable estimate of the fair value whereby these values agree in the table below.

The company classifies financial instruments with a remaining term of less than 12 months as current assets and liabilities. Financial instruments with a term exceeding 12 months, for which the company has an unconditional right to postpone settlement of the asset or liability for at least 12 months, are classified as non-current assets and liabilities.

Information on fair value for financial lease liabilities is not provided in accordance with IFRS

Measurement of financial assets and liabilities measured at amortised cost

Financial assets	31/12/2024	31/12/2023
Accounts receivable	44,787	56,518
Other current receivables	250	1,826
Other non-current receivables	22,250	3,000
Deposits	1,901	1,465
Cash and cash equivalents	61,691	39,432
Total	130,880	102,241

Financial liabilities	31/12/2024	31/12/2023
Liabilities to credit institutions	76,511	74,346
Current liabilities to credit institutions	127,262	84,698
Accounts payable	35,215	47,693
Other current liabilities	6,555	5,583
Total	245,544	212,319

In addition to the financial instruments stated in the tables above, the Group has financial liabilities in the form of lease liabilities, which are recognised and measured in accordance with IFRS 16.

Additional disclosures regarding lease liabilities and liabilities to credit institutions can be found in <u>Note G11</u> Leases – the Group as lessee and <u>Note G23</u> Borrowings.

ACCOUNTING PRINCIPLES



A financial asset or financial liability is recognised in the Balance Sheet when the company becomes party to the instrument's contractual terms. Financial instruments are initially recognised at fair value including transaction expenses that are directly attributable to the acquisition or issue of a financial liability or financial asset. Transactions concerning financial instruments are recognised on the transaction date. Accounts receivable, loan receivables and other financial liabilities are recognised after the date of acquisition at amortised cost using the effective interest method.

Borrowing

Borrowing is initially recognised at fair value, net of transaction expenses. Borrowing is subsequently recognised at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the borrowing period using the effective interest method.

Borrowing is removed from the Statement of Financial Position when the obligations have been settled, annulled or otherwise expired. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss for the period.

Classification

The Group classifies its financial assets and liabilities in the category at amortised cost, and financial liabilities are measured at fair value via the Income Statement. The classification is based on the purpose for which the financial asset or liability was acquired and managed.

The Group's financial instruments are classified as follows:

Financial assets measured at amortised cost

Assets that are held for the purpose of collecting contractual cash flows, where these cash flows only constitute principal and interest, are measured at amortised cost. Adjustments for any expected credit losses that are recognised are made for the recognised value of these assets. The interest income from these is recognised using the effective interest method and is included in financial income. The Group's financial assets measured at amortised cost are comprised of accounts receivable, cash and cash equivalents, other current receivables, other non-current receivables and deposits.

- Financial liabilities measured at amortised cost

The Group's financial liabilities are classified as valued at amortised cost. The financial liabilities comprise liabilities to credit institutions, accounts payable, convertible loans and other current liabilities.

Offsetting and derecognition

Financial assets and liabilities are offset and recognised as net amounts in the Balance Sheet only when there is a legally enforceable right to offset the amounts and there is an intention to settle the items as a net amount or to realise the asset and settle the liability simultaneously.

A financial asset is derecognised from the Balance Sheet when the rights in the agreement are realised, expire or the company loses control over them. The same applies to parts of financial assets and financial liabilities. A financial liability is derecognised from the Balance Sheet when the contractual obligation has been discharged or otherwise extinguished.

Impairment of financial assets

The Group's impairment model is based on expected credit losses, and takes prospective information into account. A loss provision is made when there is exposure to credit risk, usually at initial recognition of an asset or receivable. A loss provision is recognised in the simplified model for the remaining maturity period of the receivable or asset. The simplified model is applied for accounts receivable and contract assets and based on historical customer bad debts combined with prospective factors.

Other receivables and assets are impaired based on the likelihood of insolvency. For the credit-impaired assets and receivables, an individual assessment is conducted where consideration is taken of historical, current and prospective information. The valuation of expected credit losses takes into account any collateral and other credit enhancement in the form of guarantees.

NOTE G5	REVE	REVENUE RECOGNITION						
	Income servi		Sales of	goods	Leas	ing	Tot	al
Segment	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Contracting Sweden	250,684	193,655	51	28	-	-	250,735	193,683
Contracting Abroad	22,244	32,289	-	-	-	-	22,244	32,289
Transport Scandinavia	326,732	304,297	13,069	8,504	8,888	9,395	348,688	322,197
Machines and Technology	5,014	6,558	8,500	9,051	-	-	13,514	15,609
Group-wide	116	442	-	-	-	-	116	442
	604,790	537,241	21,620	17,584	8,888	9,395	635,298	564,220

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. The majority of the Group's income derives from the segments Contracting Sweden and Transport Scandinavia.

The five largest customers of the Group account for a large proportion of the Group's income, SEK 483,114,000 (402,439,000).

Outstanding non-current contracting agreements

The combined amount of the transaction price allocated to non-current contracting agreements that are unfulfilled or partially unfulfilled at 31 December 2024 is SEK 1,402,238,000 (1,276,875,000). The largest and longest of these agreements relates to Kaunis Iron AB, for the transport of iron ore concentrate, and stretches until 2031. The agreement includes the option for the customer to cancel the agreement with a notice period of three months, upon payment of a break fee. In 2024, Railcare also entered into an agreement with LKAB for the transportation of raw material. The agreement runs through 2025, with an option for the customer to extend it by an additional three years.

The contract includes a provision allowing the customer to reduce the scope of the agreement with prior notice, as well as a mutual option to terminate the agreement no earlier than after three years. Railcare considers it unlikely that the agreement will be cancelled before the end of the term, and has assumed that the agreement is completed in the following table. The assumptions are tested annually.

No options have been included in the calculation.

Expected income related to contracting agreements	2024	2025	2026	2027	2028-2031	Total
As of 31 December 2024	-	267,445	268,097	223,892	642,804	1,402,238
As of 31 December 2023	181,552	196,249	198,118	165,645	535,311	1,276,875

All other contracting agreements have an original expected maturity of no more than one year or are invoiced based on time spent. In accordance with the rules in IFRS 15, information has not been provided regarding the transaction price for these unfulfilled commitments.

Lease agreements

Rental income from operating leases for 2024 amounted to SEK 7,343 thousand (6,774) and is reported under the heading Rental Services above, together with personnel rental income recognized in accordance with IFRS 15.

Future total minimum lease fees for interminable operating leases are as follows:

	31/12/2024	31/12/2023
Within 1 year	6,731	3,793
Between 1 and 5 years	-	-
More than 5 years	-	-
Total	6,731	3,338

The largest lease where the Group is the lessor pertains to two locomotives of model Vossloh Euro4000 T68. The agreement runs until 31 December 2025, but includes a clause that entitles the lessor to terminate the agreement in advance subject to six months' notice if the policy interest rate exceeds a given level. The Group considers it likely that the lessee will fulfil the entire lease term.

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Assets and liabilities relating to contracts with customers

The Group recognises the following assets and liabilities relating to contracts with customers:

	31/12/2024	31/12/2023
Contract assets	15,009	16,038
Contract liabilities	-3,130	-2,344

Contract assets, i.e. Group income generated but not invoiced, mainly refers to major installations or upgrades of locomotives with set payment schedules. These assets are then reclassified as accounts receivable when the invoice is raised.

ACCOUNTING PRINCIPLES



Revenue from contracts with customers and lease income

The Group's revenue is mainly comprised of sales of services, sales of machines and spare parts (goods), and lease income.

Railcare applies IFRS 15 Revenue from Contracts with Customers, except for revenue arising from the leasing of locomotives and wagons, for which IFRS 16 Leases is applied instead.

Sales of services

Sales of services consists of contracting agreements involving machinery and personnel on railways within Sweden and abroad, culvert renovations, specialist transport and workshop services for repairs and upgrades of locomotives and wagons. Contracting agreements involving machinery and personnel on railways are deemed to consist of a performance obligation since the machinery is manned by Railcare's personnel. If the agreements contain several performance obligations, the transaction price is allocated to each separate performance obligation based on their standalone selling prices. For service assignments where the transaction price is comprised of a fixed amount, transport assignments and locomotive upgrades, the income is recognised over time based on the degree of completion. The Group's income from most of the service assignments, such as contracting assignments involving machines and personnel, is earned on a cost-plus basis, based on the price per hour or shift. Railcare applies the practical exemption of recognising such income at the amount the Group is entitled to invoice, as this corresponds to the value to the customer of the Group's performance that has been achieved by that date. Customers are invoiced monthly.

Sales of machines and spare parts

Sales of machines and spare parts comprise machinery produced in-house, spare parts for export and spare parts for locomotives and wagons via Railcare's workshops. Every separate product in the order is considered to constitute a separate performance obligation.

In connection with the sale of machines and spare parts, there is a right to payment for the performance completed to date. The sale is recognised as income over time. Payment is generally received 30-60 days after control of the goods has been transferred. In some contracts, there are short-term advances before the goods are delivered.

Staffing and lease income

The Group provides staffing services to a limited extent, primarily in the form of locomotive drivers. The contracts are cost-plus contracts based on the price per hour or shift. The income is recognised to the extent that Railcare has a right to invoice.

The Group also leases out locomotives and wagons, for which income is recognised according to IFRS 16, Leases. The Group's lease income relates to non-cancellable operating lease agreements. The leasing term amounts to 3 to 5 years.

NOTE G6 SEGMENT REPORTING

		Jan-Dec 2024		·	Jan-Dec 2023	
	Income from external customers	Sales between segments	Segment income	Income from external customers	Sales between segments	Segment income
Contracting Sweden	250,735	20,789	271,524	193,683	23,393	217,076
Contracting Abroad	22,244	529	22,772	32,289	160	32,449
Transport Scandinavia	348,688	19,959	368,648	322,197	17,865	340,062
Machines and Tech- nology	13,514	54,447	67,961	15,609	65,515	81,124
Group-wide	116	51,207	51,323	442	44,850	45,292
Total	635,298	146,931	782,229	564,220	151,784	716,003

Sales between segments are conducted on market terms. Income from external customers in segment reporting to Group Management is valued in line with the Consolidated Statement of Comprehensive Income.

Accounting policies and descriptions of the various types of revenue, as well as their distribution by segment, are presented in <u>Note G5</u> Revenue Recognition.

Profit/loss

Income

Profit/loss after financial items for the Group's operating segments is reconciled with Group profit/loss before tax as follows:

	Jan-Dec 2024	Jan-Dec 2023
Contracting Sweden	21,677	17,150
Contracting Abroad	-6,999	-2,557
Transport Scandinavia	26,541	47,034
Machines and Technology	-1,250	577
Group-wide	806	-4,336
Total	40,774	57,868

In the results of each operating segment, depreciation and amortization, interest income, and interest expenses are allocated as follows:

	Depreciation and amortization		Interest	Interest income		xpenses
Segment	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Contracting Sweden	-17,297	-16,046	22	38	-6,661	-5,549
Contracting Abroad	-435	-381	32	79	-20	-20
Transport Scandinavia	-77,741	-51,638	6	15	-17,455	-4,749
Machines and Technology	-6,722	-5,437	4	29	-1,266	-1,264
Group-wide	-4,207	-3,700	179	-9	-535	-345
	-106,402	-77,202	243	150	-25,937	-11,927

Other disclosures

Income from external customers by country, based on customer location:

	Jan-Dec 2024	Jan-Dec 2023
Sweden	486,528	396,546
Denmark		
Norway	115,119	110,326
UK	24,963	33,765
Other	8,687	23,583
Total	635,298	564,220

Non-current assets, other than financial instruments, are distributed by country as follows:

	Jan-Dec 2024	Jan-Dec 2023
Sweden	838,298	722,555
UK	609	494
Total	838,908	723,049

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Operating segments are reported in a manner consistent with the internal reporting provided to the highest executive decision-making body. 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. The company has determined the operating segments based on the data processed by Group Management and used as a basis for allocating resources and evaluating results of operations.

Group Management evaluates the operations based on the four operating segments: Contracting Sweden, Contracting Abroad, Transport Scandinavia, and Machines and Technology. Group Management primarily uses profit/loss after financial items to assess the segments' results.

Contracting Sweden

Railway contracting work involving machinery and personnel, and 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

Specialist transport involving locomotives, wagons and personnel, as well as a locomotive workshop with internal and external repair and upgrading services for locomotives and wagons

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.

NOTE G7 OTHER OPERATING INCOME

	Jan-Dec 2024	Jan-Dec 2023
Profit from sales of machinery/equipment	37	871
Foreign exchange gains	1,817	2,101
Environmental compensation	4,132	472
Other income	767	578
Total	6,753	4,022

NOTE G8 OTHER OPERATING EXPENSES

	Jan-Dec 2024	Jan-Dec 2023
Loss from divestment of machinery/equipment	-2	-417
Foreign exchange losses	-1,959	-2,521
Total	-1,961	-2,938

NOTE G9 REMUNERATION TO EMPLOYEES, ETC.

Salaries, other remuneration and social security expenses	Jan-Dec 2024	Jan-Dec 2023
Salaries and other remuneration	137,306	120,136
of which, CEO and other senior executives	9,018	9,401
Pension expenses – defined-contribution plans	14,734	12,636
of which, CEO and other senior executives	1,206	1,087
Other social security contributions	42,860	37,796
of which, CEO and other senior executives	2,002	1,746

Gender distribution in the Group for Board members and other senior executives

The Board of Directors of the Parent Company comprises six members, three of whom are women. Group Management comprises four people (four), one of whom is a woman (one). The subsidiaries' Boards consist of three to four people, of whom one (one) woman.

Remunerations to senior executives

Senior executives refers to Group Management, which is described in more detail in the Corporate Governance Report. Jonny Granlund is engaged on a consulting basis. More information about transactions with related parties can be found in <u>Note G27</u>.

Only fixed remuneration is provided to employed senior executives and the breakdown of this is presented below.

Compilation of remuneration and other benefits during 2024

	Fixed salary	Other benefits	Consulting fee	Total salaries and remuneration
President and CEO	2,102	117	-	2,220
Other senior execu- tives (3)	2,233	192	2,328	4,754
Group total	4,336	310	2,328	6,973

Compilation of remuneration and other benefits during 2023

	Fixed salary	Other benefits	Consulting fee	Total salaries and remuneration
President and CEO	1,833	103	-	1,935
Other senior execu- tives (3)	2,007	156	2,562	4,725
Group total	3,840	259	2,562	6,661

Other benefits refer to a company car.

		Jan-Dec 2024			Jan-Dec 2023		
	Board fee	Consulting fee	Total	Board fee	Consulting fee	Total	
Anders Westermark (Chair)	244	-	244	200	-	200	
Catharina Elmsäter Svärd	110	-	110	100	-	100	
Ulf Marklund		1,210	1,210	-	2,904	2,904	
Björn Östlund	160	-	160	100	-	100	
Linn Andersson	110	-	110	100	-	100	
Andreas Lantto	110	-	110	100	-	100	
Maria Kröger	102	-	102	-	-	-	
Total	835	1,210	2,045	600	2,904	3,504	

Fees to Board members in the Parent Company

Summary of Guidelines (adopted at the 2024 Annual General Meeting) Fees are payable to the Chair of the Board and Board members according to the General Meeting's resolution: three income base amounts to the Chair of the Board and one and a half income base amounts to each of the other Board members.

The Chair of the Audit Committee receives an additional fee corresponding to one income base amount, while the other members of the Audit Committee each receive an additional half income base amount. For Board members who receive salary in the form of employment in a Group company, no Board fees are paid.

The General Meeting decided on the guidelines regarding remuneration of management. The guidelines for remuneration and other terms of employment essentially entail that the company shall offer its senior executives market-based remuneration, with the criteria accordingly being the responsibilities, role, skills and position of the senior executive. The guidelines also apply to Board members to the extent that they receive remuneration for services performed for the Group in addition to their board assignments.

Senior executives may be offered variable salary at any time. There shall be a cap on variable salary. To avoid unsound risk-taking, there shall be a fundamental balance between fixed and variable salary. The fixed salaries shall make up a sufficiently large portion of the senior executives' total remuneration to make it possible to reduce the variable portion to zero. The basic principle is that the variable salary component per year shall amount to a maximum of 20 percent of the fixed annual salary.

Senior executives are entitled to market-based pension solutions in relation to the situation in the country in which the senior executives permanently reside. All pension commitments shall

be defined contribution. Variable salary shall, as a general rule, be pensionable salary.

Other benefits, such as a company car, extra healthcare insurance or occupational health services, shall be limited in value in relation to other remuneration and be able to be provided insofar as this is deemed to be market based for senior executives in equivalent positions in the current labour market.

A mutual notice period of 12 months applies between the company and the CEO. In the event of termination by the company, severance pay shall be payable at an amount corresponding to a maximum of 12 months' fixed salary for the CEO. A mutual notice period of six months applies between the company and other senior executives.

Defined-contribution pension

The Group only has defined-contribution pension plans. The pension expense refers to the cost affecting the profit for the year.

The pensionable age for the CEO is 65. The pension premium is to amount to 35 percent of the pensionable salary. Pensionable salary refers to the fixed monthly salary adjusted upwards by a factor of 12.2. For other senior executives, the pensionable age is 65 and the pension premium is determined from a premium ladder depending on age. For salaries up to 7.5

price base amounts (PBA), the pension premium shall amount to 5.5-6.5 percent of the pensionable salary, and for salaries between 7.5 and 30 PBA, the pension premium shall amount to 20-30 percent of the pensionable salary.

Railcare has made a pension commitment to the CEO and a previous senior executive, and in connection with this has taken out endowment insurance plans as security for their pensions.

The pension promise means that the individuals will receive the entire value of the endowment insurance. As the levels of remuneration are not guaranteed, the Group's net obligation is zero. These endowment insurance plans are viewed as plan assets and offset against the obligation. The total liability linked to the endowment insurance taken out by the Group amounted to SEK 862,000 (624,000) on the Balance Sheet date.

Severance pay

A mutual notice period of 12 months applies between the company and the CEO. On termination by the company, severance pay is disbursed amounting to 12 months' salary.

No deduction shall be made in the severance pay for other income. On the resignation of the CEO, no severance pay is disbursed.

A mutual notice period of six months applies between the company and other senior executives.

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Current remuneration

Liabilities for salaries and benefits, including non-monetary benefits and paid leave, which are expected to be settled within 12 months of the end of the financial year, are recognised as current liabilities at the undiscounted amount expected to be paid when the liabilities are settled. The expense is recognised as the services are rendered by the employees. The liability is recognised as an obligation for employee benefits in the Statement of Financial Position.

Post-employment benefits

The Group only has defined-contribution pension plans. The contributions are recognised as a cost in profit or loss for the period at the rate they are earned by employees providing services to the company in the period.

NOTE GI0 AUDITOR'S REMUNERATION

	Jan-Dec 2024	Jan-Dec 2023
Ernst & Young		
– Audit assignment	1,060	1,038
- Other services	74	4
Total	1,134	1,042
Kallerman Revision A/S		
– Audit assignment	-	17
- Other services	-	11
Total	0	28
Burrows Scarborough		
– Audit assignment	116	109
- Other services	13	109
Total	129	218
Total	1,263	1,288

NOTE GI1 LEASING – THE GROUPS AS LESSEE

In the statement of financial position, the following amounts are presented relating to leases:

Right-of-use assets	Balance as of 31/12/2024	Of which right- of-use assets	Balance as of 31/12/2023	Of which right- of-use assets
Buildings and land	39,681	16,262	33,990	22,756
Locomotives and wagons	457,802	357,990	381,088	273,911
Mobile machinery	184,811	1,309	202,741	1,493
Vehicles	8,631	8,333	5,330	5,295
Equipment, tools, fixtures and fittings	6,153	-	5,147	-
Total	697,077	383,894	628,296	303,455
Lease liabilities	31/12/2024		31/12/2023	
Non-current	295,857	250,888		
Current	92,190	51,863		
Total	388,047	302,751		

In the statement of comprehensive income, the following amounts are presented relating to leases:

	Jan-Dec 2024	Jan-Dec 2023
Depreciation, amortisation and impairment of property, plant and equip- ment and intangible assets		
Depreciation of buildings and land	8,203	7,396
Depreciation of locomotives and wagons	61,306	36,442
Depreciation of mobile machinery	184	184
Depreciation of vehicles	3,582	2,533
Total	73,275	46,556
Other external costs		
Expenses attributable to short-term leases	7,704	10,694
Expenses attributable to leases for which the underlying asset is of low value, and which are not short-term leases	1,738	1,517

Financial costs		
Interest expenses	11,637	7,883
Exchange rate adjustments	4,569	-4,728

The total cash outflow for leases in 2024 amounted to SEK 93,479,000 (64,289,000). For information on the leasing terms, refer to the table in Note G3 (c)

ACCOUNTING PRINCIPLES

The Group's accounting principles for lease agreements in which the Group is the lessee are presented below. Accounting principles for lease agreements where the Group is the lessor are presented in Note G5 Revenue Recognition.

Railcare Group's leases predominantly involve premises, locomotives and wagons. Leases are normally signed for fixed periods of one to eight years, although extension options are available, as described below. The terms are negotiated separately for each contract and include a large number of different contract terms.

From the date on which the leased assets are placed at the disposal of the Group leases are reported as right-of-use assets with corresponding liabilities. The right-of-use asset is depreciated on a straight line basis across the useful life of the asset or the length of the lease, whichever is shorter.

The lease liabilities include the present value of the following lease payments: • fixed fees, less any benefits

• variable lease fees determined by an index, interest rate or price and amounts expected to be paid by the lessee according to residual value guarantees

Variable lease fees that are not determined by a price or interest rate are expensed. Lease payments are discounted at the incremental borrowing rate.
Right-of-use assets are valued at cost and include the following:
the initial valuation of the lease liability,
payments made at or before the time at which the lease assets were made available to the lessee

Low value

In accordance with the standard, Railcare has elected to exclude low-value leases, setting the threshold at SEK 75,000.

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A policy decision has also been made to exclude certain types of assets where the agreements concern individual items that are generally of low value and which, collectively, would not represent a material value to be recognised as right-of-use assets. This applies, for example, to coffee machines, printers, copiers, and similar equipment.

Options to extend or terminate agreements

Options to extend or terminate agreements are included in the asset and the liability where it is reasonably certain that they will be exercised. Extension options are taken into account based on a model for agreement extensions based on the probability that the agreement will be extended. Agreements are divided into categories based on how business-critical the agreement is, and are evaluated at different threshold amounts in relation to the residual term of the agreement. Extension options are mainly included in agreements associated with premises.

Accounting in subsequent periods

The lease liability is revalued if there are changes to the lease agreement or if there are changes in cash flow based on the original terms of the contract. Changes in cash flow based on original contract terms occur when:

- the Group changes its initial assessment of whether options for extension and/or termination will be exercised,
- there are changes in previous assessments if a call option is to be exercised,
- lease fees change due to changes in indexes or interest rates.

The right-of-use asset is valued at cost after the commencement date after deduction of accumulated depreciation and any accumulated impairment, taking into account adjustments for any revaluation of the lease liability. Depreciation on right-of-use assets takes place during the asset's useful life if it is reasonably certain that a call option will be exercised, or when events or changes in conditions indicate that the carrying amount of an asset cannot be recovered. If this is not the case, the lessee shall depreciate the right of use asset from the commencement date up until the earlier of the end of the asset's useful life and the end of the lease period.

JUDGEMENTS AND ASSUMPTIONS

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Judgements

Climate-related risks

Assessments related to climate-related risks are primarily associated with property, plant and equipment and are described in Note G15 Property, Plant and Equipment, but may also affect the corresponding category of right-of-use assets in cases where there is a need for impairment of property, plant and equipment or intangible assets, including goodwill.

Estimates and assumptions

Lease length

When the lease's length is determined, all available information is taken into account that provides a financial incentive to use an extension option, or to not use an option to terminate an agreement. Extension options are mainly included in agreements associated with premises and, in certain agreements regarding locomotives. The factors that are most material in determining the length of the lease are how important the asset is to the Group's ability to conducts its operations, and the expenses and operational disruptions that would be caused by replacing the leased asset.

NOTE G12 FINANCIAL INCOME AND EXPENSES

	Jan-Dec 2024	Jan-Dec 2023
Interest income	243	150
Exchange rate gains	50	-
Total financial income	293	150
Interest expenses on:		
- liabilities to credit institutions	-9,580	-8,654
- lease liabilities	-11,672	-7,884
Exchange rate effect on lease liability	-4,569	4,728
Other financial expenses	-115	-25
Exchange rate effect, non-current receivables	-	-92
Profit on liquidation of subsidiaries	-	-645
Total financial expenses	-25,937	-12,572
Net financial income/expense	-25,644	-12,421

The above items pertain to assets and liabilities measured at amortised cost according to IFRS 9 except lease liabilities that are measured in accordance with IFRS 16.

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NOTE G13 INCOME TAX

	Jan-Dec 2024	Jan-Dec 2023
Current tax:		
Current tax on net profit/loss for the year	-8,410	-8,117
Total current tax	-8,410	-8,117
Deferred tax		
Occurrence and reversal of temporary differences	-1,980	-5,649
Total deferred tax	-1,980	-5,649
Total income tax	-10,390	-13,766

The income tax on pre-tax profit differs from the theoretical amount that would have been produced from applying the tax rate in Sweden to profit at the consolidated companies as described below:

	Jan-Dec 2024	Jan-Dec 2023
Profit/loss before tax	40,774	57,868
Income tax calculated in accordance with tax rate in Sweden, 20.6 percent (20.6)	-8,400	-11,921
Effect of foreign tax rates	-	-15
Non-deductible expenses	-605	-498
Non-taxable income	6	-
Profit share from associated companies	29	-
Effect of loss carry-forwards for which no deferred tax assets are recognised	-1,448	-1,204
Effect of loss on divestment of subsidiaries	-	-133
Adjustment related to previous years	23	-
Other	4	4
Tax expense	-10,390	-13,766

The weighted average tax rate for the Group was 25.5 percent (23.8).

Deferred tax assets (net)

Carrying amounts pertain to temporary differences attributable to:

	31/12/2024	31/12/2023
Lease liability	80,014	62,322
Internal gains in non-current assets	56	80
Endowment insurance for future pensions	208	157
	80,278	62,559
Amounts offset against deferred tax liabilities according to the offset rules	-80,273	-62,549
Net deferred tax assets	5	10

Deferred tax liabilities (net)

Carrying amounts pertain to temporary differences attributable to:

	31/12/2024	31/12/2023
Right-of-use assets	77,993	62,209
Untaxed reserves	63,530	59,617
	141,523	121,826
Amounts offset against deferred tax assets according to the offset rules	-80,273	-62,549
Net deferred tax liabilities	61,250	59,277

The gross change regarding deferred taxes is as follows:

		Deferred	tax assets	ets Deferred tax liabilities				
Deferred tax assets/liabil-			Internal gains	Endowment			Temporary differences	
ities	Leases	Loss car- ry-forwards	in non-current assets	insurance for pensions	Leases	Untaxed reserves	in foreign subsidiaries	Total
As of 1 January 2023	-38,520	-751	-104	-105	38,363	54,672	85	53,640
Recognised in statement of com- prehensive income	-23,801	777	24	-53	23,846	4,945	-88	5,650
Exchange rate differences	-	-26	-	-	-	-	3	-23
As of 31 December 2023	-62,322	0	-80	-158	62,209	59,617	0	59,267
Recognised in statement of com- prehensive income	-17,692	-	24	-50	15,784	3,913	-	1,980
As of 31 December 2024	-80,014	0	-56	-208	77,993	63,530	0	61,245

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ACCOUNTING PRINCIPLES

Tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except when tax relates to items that are recognised in other comprehensive income or directly in equity. In such cases, tax is also recognised in other comprehensive income or equity. Current tax is calculated on the period's taxable profit according to the applicable tax rate. The current tax expense is calculated on the basis of the tax laws enacted or substantively enacted as of the record date in the countries where the Parent Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised in accordance with the Balance Sheet method on all temporary differences arising between the tax value of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax assets and deferred tax liabilities are valued in the Balance Sheet at nominal amounts and are calculated by applying tax rates (and laws) that have been enacted or announced by the record date.

Deferred tax assets are recognised to the extent that it is probable that future tax surpluses will be available, against which the temporary differences can be utilised. This is assessed based on the Group's forecast of future operating profit, adjusted for significant non-taxable income and expenses as well as specific restrictions on the utilisation of unused tax losses or tax credits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority and where there is an intention to settle balances by net payments.

NOTE G14 INTANGIBLE ASSETS

	Capitalised development			Transporta- tion	
Cost	costs	Patents	Goodwill	licences	Total
As of 1 January 2023					
Cost	4,478	1,094	9,626	2,545	17,743
Accumulated amortisation and impair- ment	-3,940	-907	-3,326	-1,358	-9,531
Carrying amount	538	188	6,300	1,186	8,212
Financial year 2023					
Opening carrying amount	538	188	6,300	1,186	8,212
Purchases/capitalised expenses for the year	2,370	-	-	868	3,238
Disposals and scrappings	-763	-	-	-	-763
Amortization	-170	-64	-	-254	-488
Closing carrying amount	1,974	124	6,300	1,800	10,198
As of 31 December 2023					
Cost	6,085	1,094	9,626	3,413	20,218
Accumulated amortisation and impair- ment	-4,110	-971	-3,326	-1,613	-10,020
Carrying amount	1,974	124	6,300	1,800	10,198

	Capitalised development		Transporta- tion				
Cost	costs	Patents	Goodwill	licences	Total		
Financial year 2024							
Opening carrying amount	1,974	124	6,300	1,800	10,198		
Purchases/capitalised expenses for the year	5,443	-	-	334	5,777		
Amortization	-170	-53	-	-318	-541		
Closing carrying amount	7,247	71	6,300	1,816	15,434		
As of 31 December 2024							
Cost	11,527	1,094	9,626	2,380	24,628		
Accumulated amortisation and impair- ment	-4,280	-1,023	-3,326	-564	-9,193		
Carrying amount	7,247	71	6,300	1,816	15,434		

Impairment testing of goodwill

Goodwill has an indefinite useful life. This means that no annual amortisation is carried out. Instead, impairment testing is carried out annually or when indicated that an impairment test is needed. The following is a compilation of goodwill broken down by each cash-generating unit affected by the acquisitions:

Goodwill	31/12/2024	31/12/2023
Transport Scandinavia	2,546	2,546
Machines and Technology	3,754	3,754
Total	6,300	6,300

The recoverable amount for goodwill, which has an indefinite useful life, has been determined by calculating the value in use. These calculations are based on estimated future cash flows

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after tax based on financial budgets that cover a three-year period. Cash flows beyond the threeyear period are extrapolated using an estimated rate of growth as explained below. The growth rate does not exceed the long-term growth rate for the market where the Group operates.

The foremost assumptions, besides those below, pertain to volume growth, margins and investment requirements. The calculation is based on management's experience.

Significant assumptions in the calculation: long-term growth rate 2 percent (2), discount rate 7 percent (7). In the calculation, the same assumptions were made for all of the cash-generating units.

Impairment testing of goodwill shows that no impairment need exists.

Sensitivity analyses of the calculation of the value in use in connection with the impairment assessment were carried out where the sales growth was reduced by 2 percentage points in the forecast period, the operating margin was reduced by 2 percentage points, the discount rate was raised by 2 percentage points and long-term growth was reduced by 2 percentage points.

The sensitivity analyses showed that none of the adjustments individually generate an impairment requirement for any of the cash-generating units.

ACCOUNTING PRINCIPLES

Goodwill

Goodwill arises in the acquisition of subsidiaries and pertains to the amount by which the purchase consideration exceeds the fair value of identifiable acquired net assets. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination.

There are four cash-generating units which are equal to the operating segments. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored for internal management. Goodwill is monitored at operating segment level.

Goodwill is tested for impairment annually or more often if events or changes in circumstances indicate a possible decrease in value. The carrying amount of the cash-generating unit to which the goodwill has been attributed is compared with the recoverable amount, which is the higher of the value in use and fair value less selling expenses. Any impairment is recognised immediately as an expense and is not reversed.

Capitalised development costs

Development expenses are recognised as intangible assets when certain given criteria are met, e.g. that it is technically possible, and the company's intention, to complete them so that they can be used or sold, and it can be demonstrated how they generate probable future economic benefits.

Directly attributable expenses that are capitalised as part of development work include costs for employees and external consultants.

Other development expenses that do not fulfil the given criteria are expensed when they arise. Capitalised development expenses are recognised as intangible assets and amortised from the time that the asset is ready to be used.

Useful lives for the Group's intangible assets

All of the Group's intangible assets are deemed to have determinable useful lives, and are depreciated on a straight-line basis over their respective expected useful lives, which are between 5 and 8 years.

Impairment of non-financial assets – common policy for intangible assets and property, plant and equipment

To ensure that there is no need for impairment, an assessment is carried out as of the Balance Sheet date and whenever indications arise, to determine whether there is any impairment requirement for each cash-generating unit. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. When assessing impairment requirements, assets are grouped at the lowest level at which there are essentially independent cash flows (cash-generating units).

Assets that have previously been impaired are tested on each record date for possible reversal.

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Climate-related risks

Assessments related to climate-related risks are primarily associated with property, plant and equipment and right-of-use assets, and are described in Note G15 Property, Plant and Equipment, but may also affect goodwill, and to a lesser extent other intangible assets, in cases where there is an impairment requirement for property, plant and equipment or right-of-use assets.

Estimates and assumptions

Goodwill

Goodwill has an indefinite useful life. This means that no annual amortisation is made; instead, impairment testing is performed annually. The recoverable amount for goodwill has been determined based on value-in-use calculations, which are derived from estimated future cash flows based on financial budgets. Cash flows beyond the budget period are extrapolated using an estimated rate of growth. The foremost assumptions, besides future cash flows, pertain to volume growth, margins and investment requirements. The calculation is based on management's experience. A more detailed description and a sensitivity analysis are provided above under the heading "Impairment Testing of Goodwill."

NOTE G15 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
Closing carrying amount 31 December 2022	35,170	134,772	179,959	3,996	5,445	78,779	438,123
Effect of adjusted accounting principles							
Cost	-	149,763	-	-	-	-	149,763
Accumulated depreciation	-	-17,472	-	-	-	-	-17,472
As of 1 January 2023							
Cost	71,215	396,567	294,938	9,296	10,202	78,779	860,998
Accumulated depreciation	-36,045	-129,504	-114,978	-5,301	-4,757		-290,584
Carrying amount	35,170	267,063	179,959	3,996	5,445	78,779	570,413
Financial year 2023							
Exchange rate differences	20	-	-	5	-	-	25
Purchases/capitalised expenses for the year	6,767	153,802	4,530	3,978	1,392	52,446	222,915
Reclassifications	-	8,239	35,490	-	-	-43,350	378
Disposals and scrappings	-	-297	-120	-90	-339	-3,320	-4,166
Depreciation and amortization	-7,967	-47,718	-17,119	-2,559	-1,351	-	-76,714
Closing carrying amount	33,990	381,088	202,741	5,329	5,147	84,555	712,851
As of 31 December 2023							
Cost	77,158	552,101	332,667	9,645	11,203	84,555	1,067,329
Accumulated depreciation	-43,168	-171,013	-129,926	-4,315	-6,056	-	-354,478
Carrying amount	33,990	381,088	202,741	5,329	5,147	84,555	712,851

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	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
Financial year 2024							
Exchange rate differences	30	-	-	16	-	-	46
Purchases/capitalised expenses for the year	16,246	147,353	2,534	7,016	2,018	40,556	215,723
Reclassifications	-339	2,475	-1,472	-	339	271	1,274
Disposals and scrappings	-1,459	-	-	-115	-	-	-1,574
Depreciation and amortization	-8,787	-73,115	-18,993	-3,615	-1,351	-	-105,861
Closing carrying amount	39,681	457,802	184,811	8,631	6,153	125,382	822,459
As of 31 December 2024							
Cost	86,470	701,929	331,611	14,249	13,612	125,382	1,273,253
Accumulated depreciation	-46,789	-244,127	-146,801	-5,618	-7,458	-	-450,794
Carrying amount	39,681	457,802	184,811	8,631	6,153	125,382	822,459

Impairment testing

Property, plant and equipment are recognised at cost less depreciation and any impairment. To ensure that there is no need for impairment, an impairment test is performed on each record date, or as indicated, for each respective cash-generating unit. These calculations are based on estimated future cash flows after tax based on financial budgets that cover a three-year period. Cash flows beyond the three-year period are extrapolated using an estimated rate of growth as explained below. The growth rate does not exceed the long-term growth rate for the market where the Group operates. The foremost assumptions, besides those below, pertain to volume growth, margins and investment requirements. The calculation is based on management's experience and historical data.

Significant assumptions in the calculation: long-term growth rate 2 percent (2), discount rate after tax 7 percent (7). In the calculation, the same assumptions were made for all of the cash-generating units and for both years. Impairment testing of property, plant and equipment shows that no impairment need exists.

For information on right-of-use assets according to the lease agreements, see Note G11

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ACCOUNTING PRINCIPLES



Property, plant and equipment are recognised at cost less depreciation and any impairment. Cost includes expenses directly attributable to the acquisition of the asset and putting it into place and in a condition to be fit for use in accordance with the intention of the acquisition.

The Group does not have any qualifying assets for which borrowing costs shall be capitalised, i.e. assets that out of necessity take significant time to complete for the intended use or sale.

Subsequent expenses are added to the asset's cost or recognised as a separate component (component of an asset), as appropriate, when it is probable that the future economic benefits associated with the asset will flow to the Group and that the cost of the asset can be measured reliably.

The carrying amount of a replaced part is removed from the Statement of Financial Position. If an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately written down to its recoverable amount. Gains and losses on the sale of property, plant and equipment are determined by comparing the sale proceeds and the carrying amount, whereby the difference is recognised in Other operating income or Other operating expenses in the statement of comprehensive income.

All other forms of repairs and maintenance are expensed in the Statement of Comprehensive Income in the period in which they occur.

Depreciation is applied on a straight-line basis, less the estimated residual value, over the estimated useful life. Useful lives are calculated based on the assets' or individual components' assessed remaining useful lives.

Useful lives of material assets and components are as follows:			
Land improvements	20 years		
Mobile machinery			
Chassis	20-40 years		
Containers	16-30 years		
Drive system	13-20 years		
Power pack	20 years		
Locomotives and wagons:			
Chassis	8-60 years		
Diesel engines	8-50 years		
Generators and turbo	4-50 years		
Vehicles	6 years		
Equipment, tools, fixtures and fittings	5-10 years		

Impairment of non-financial assets – common policy for intangible assets and property, plant and equipment

The common policies are presented in Note G14 Intangible assets.

JUDGEMENTS AND ASSUMPTIONS

Useful life

The useful life of the Group's non-current assets, mainly locomotives and wagons, is assessed based on the assets' assessed remaining useful lives. Judgements are made regarding which additional expenses are capitalised or expensed. In case of additional expenses, it is evaluated whether the expense regards a new component or replacement of a previous component. When a previous component is replaced, the previous component is scrapped and a new component is recognised as an asset.

Additional expenses

Expenditure on measures that likely entail a financial benefit in the future shall be capitalised if the asset's cost can be reliably calculated. Future financial benefit arises if a measure leads to the Group being able to obtain larger income or another benefit than would have been received if the measure had not been implemented.

Other expenses for maintenance are recognised as expenses in the Income Statement in the period in which they are incurred.

Climate-related risks

Climate-related risks refer to the risks that climate change may entail for the Group's operations. The Group's assessment is that it is mainly transition risks that could have a significant impact on future operations, primarily through stricter requirements on reducing greenhouse gases. The Group's contracting and transport operations use diesel-powered machines to a large extent, which are the company's largest source of fossil fuel emissions. The Group is working on a long-term strategy to upgrade its fleet of machines and vehicles, and to develop fossil-free machines that also help the Group's customers in the transition. Climate-related risks are taken into account when assessing the useful life of assets and future investment needs, for example. This has not resulted in any adjustments in 2023.

NOTE G16 ASSOCIATED COMPANIES

On August 23, 2024, Railcare Group AB acquired 40 percent of the shares and voting rights in AC Finance AB, which gives Railcare Group AB significant influence over the company. As a result, the investment has been accounted for as an associated company. AC Finance AB, based in Skellefteå, is a locomotive leasing company.

Participations in associated companies

	Jan-Dec 2024	Jan-Dec 2023
Opening balance	-	-
Purchase consideration	874	-
Profit share from associated companies	140	-
Accounts receivable – net	1,014	-

Financial information in summary

	Jan-Dec 2024	Jan-Dec 2023
Sales and other income	3,795	-
Interest income	25	-
Interest expenses*	-2,824	-78

Profit/loss for the year	996	-78
Other comprehensive income	-	-
Total comprehensive income	996	-78
	31/12/2024	31/12/2023
Non-current assets	209,527	6,365
Cash and cash equivalents	27,307	527
Other current assets	16,302	35
Total assets	253,136	6,927
Non-current financial liabilities*	182,647	6,000
Current financial liabilities	47,780	
Other current liabilities and provisions	21,499	157
Total liabilities and provisions	251,926	6,157
* Of which with Railcare Group as counterparty		
- Interest expenses	179	-
- non-current loans	20,000	-

The summarised financial information refers to the full (100%) financial statements of AC Finance AB, including any fair value adjustments (where applicable) and in accordance with Railcare Group AB's accounting principles.

ACCOUNTING PRINCIPLES

Associated companies are companies in which Railcare Group AB has a significant influence, which generally applies to shareholdings of between 20 percent and 50 percent of the votes. The equity method is used to account for these shareholdings in the Consolidated Financial Statements.

NOTE G17 ACCOUNTS RECEIVABLE

	31/12/2024	31/12/2023
Accounts receivable	45,196	56,926
Less: provision for doubtful receivables	-408	-408
Accounts receivable - net	44,787	56,518

The fair value of accounts receivable corresponds to their carrying amounts since the discount effect is not material.

At 31 December 2024, satisfactory accounts receivable amounted to SEK 44,787,000 (56,518,000) for the Group.

At 31 December 2024, overdue accounts receivable amounted to SEK 3,978,000 (14,521,000). The Group is not assessed to have any impairment need. The overdue receivables relate to a number of customers that have previously not experienced payment difficulties. A majority of the overdue receivables fell due at year-end, and were paid at the beginning of the new year. The Group's accounting principles for impairment losses and calculations of the provision for doubtful receivables are described in <u>Note G3 (b)</u>.

For other items included in expected credit losses, an impairment model with three stages is applied. Initially, and on each record date, a loss provision is recognised for the next 12 months or for a shorter period depending on the remaining duration (stage 1). The Group's assets have been deemed to be in stage 1, meaning there has been no material increase in the credit risk.

The age analysis of overdue accounts receivable is shown below:

	31/12/2024	31/12/2023
1-30 days	3,514	14,161
31-60 days	53	220
> 61 days	411	140
Total overdue accounts receivable	3,978	14,521

Recognised amounts, per currency, for the Group's accounts receivable are as follows:

	31/12/2024	31/12/2023
SEK	41,682	53,709
EUR	-	1,331
GBP	2,946	-
USD	160	1,478
Total	44,787	56,518

ACCOUNTING PRINCIPLES

Accounts receivable are amounts due from customers for goods and services sold in operating activities. If payment is expected within one year or less, they are classified as current assets. Otherwise, they are recognised as non-current assets. Trade receivables are classified under the simplified approach in the category Without credit rating / Trade receivables.

Expected credit losses, simplified method

The Group has elected to apply the simplified approach for recognising expected credit losses on trade receivables.

This means that provisions are made for expected credit losses for the remaining duration, which is expected to be less than one year for all receivables. The Group makes provisions for expected credit losses based on historical credit losses and prospective information.

The majority of the Group's customers are a homogeneous group with similar risk profiles, which is why the credit risk is initially assessed collectively for all customers.

Any large individual receivables are assessed per counterparty. The Group writes off a receivable against the loss allowance when there is no longer an expectation of obtaining payment and when active measures for obtaining payment have been concluded.

NOTE G18 INVENTORIES

During the 2024 financial year, product costs were recognised in the Income Statement under the item "Raw materials and consumables" at an amount of SEK 79,844,000 (71,137,000).

There are no material differences between the carrying amount and the fair value of the inventory. No part of the inventory was adjusted as a result of increase in the net realisable value. No goods were pledged as security for loans and other obligations.

ACCOUNTING PRINCIPLES

Inventory is recognised, in accordance with the first-in/first-out principle, at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the operating activities less applicable variable selling expenses. Obsolescence in inventory is calculated on an ongoing basis during the year.

An attributable share of the inventory value consists of indirect expenses. The cost of work in progress consists of materials, direct wages and other direct expenses. Borrowing costs are not included.

NOTE G19 OTHER CURRENT RECEIVABLES

	31/12/2024	31/12/2023
Deduction in taxes and social security contributions	2,165	277
Receivables from insurance companies	57	890
Other receivables	193	952
Total	2,415	2,119

NOTE G20 PREPAID EXPENSES AND ACCRUED INCOME

	31/12/2024	31/12/2023
Accrued income	3,015	840
Prepaid lease payments	4,262	290
Prepaid rent for premises	937	1,346
Prepaid insurance policies	856	4,601
Other items	9,585	10,723
Total	18,655	17,801

NOTE G21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance Sheet and Cash Flow Statement consist exclusively of bank balances.

At present, the Group has assessed that there are no credit losses attributable to cash and cash equivalents. These are classified under the general approach in Stage 1 with a credit rating of A+.

ACCOUNTING PRINCIPLES

The financial assets covered by provisions for expected credit losses according to the general method are comprised of cash and cash equivalents. Railcare applies a rating-based method

combined with other known information and prospective factors for the assessment of expected credit losses. The Group has defined default as when payment of the receivable is 90 days or more late, or if there are other factors that indicate suspension of payments. In cases where the amounts are not deemed to be immaterial, a provision for expected credit losses is also recognised for these financial instruments.

NOTE G22 EQUITY

Capital management

The Group's objective with regard to the capital structure is to safeguard the Group's ability to continue its operations so it can continue to generate a return for its shareholders and benefits for other stakeholders, and maintain an optimum capital structure in order to keep capital costs down.

In order to maintain or adjust the capital structure, the Group can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt.

In the same way as other companies in the industry, the Group assesses the capital on the basis of its equity/assets ratio. This key performance indicator is calculated as equity divided by total assets. The equity/assets ratio was 27.4 percent (30.5) at year-end 2024.

Share capital

The shares entitle the holder to one vote per share. All shares issued by the Parent Company are fully paid. The quotient value per share was SEK 0.41.

Other capital contributions

This item consists of premiums upon a new share issue and shareholders' contributions.

Reserves

This item consists of exchange rate differences in the translation of foreign subsidiaries.

Earnings per share

Profit for the year attributable to Parent Company shareholders has been used as the earnings measure when calculating earnings per share. The number of shares has not changed during the period, which is why the weighted average number of shares is the same as the number of shares outstanding at the end of each period, see <u>Consolidated Statement of Comprehensive</u> <u>Income</u>. There is no potential dilution effect, which is why earnings per share are the same before and after dilution.

NOTE G23 BORROWING

	31/12/2024	31/12/2023
Non-current		
Liabilities to credit institutions	76,511	74,346
Lease liabilities	295,857	250,888
Total non-current borrowing	372,368	325,234
Current		
Lease liabilities	92,190	51,863
Liabilities to credit institutions	127,262	84,698
Total current borrowing	219,452	136,561

The liability is classified as a current item in the statement of financial position if the Company does not have an unconditional right to postpone settlement of the liability for at least 12 months after the reporting period.

Liabilities to credit institutions

Liabilities to credit institutions are subject to an average interest rate of 4.28 percent per year (6.1) with variable interest.

The Group must fulfil a covenant for the borrowing. At the end of the financial year, the loan covenants to be met are a consolidation ratio of no less than 25 and an interest coverage ratio of at least 2.5, calculated based on the results for the past 12 months.

The Group fulfilled the current loan terms during the 2024 and 2023 financial years.

For liabilities to credit institutions, collateral has been provided in the form of chattel mortgages at a value of SEK 111,100,000 (111,100,000) and machinery at a book value of SEK 317,993,000 (228,934,000). The fair value of short-term borrowing corresponds to its carrying amount since the discount effect is not material. The fair value of non-current liabilities to credit institutions is based on discounted cash flows with an interest rate based on the loan interest rate of 4.2 percent (5.6) and is in level 2 in the fair value hierarchy. As all of the company's borrowing is subject to variable interest, the carrying amount and fair value are essentially the same. All of the Group's borrowing is in SEK.

Bank overdraft facility

The Group has a granted bank overdraft facility in SEK of SEK 35,000,000 (35,000,000), which is renegotiated annually with an extension period of 12 months. Of the granted overdraft facilities, SEK 0 has been utilised as of 31 December 2024 (0). The bank overdraft facility is subject upon utilisation to an interest rate of 3.5 percent (5.25) as of 31 December 2024, which is paid quarterly.

ACCOUNTING PRINCIPLES

The accounting policies for liabilities to credit institutions are presented in Note G3 Financial Risk Management and Financial Instruments, and for lease liabilities in Note G11 Lease Agreements – the Group as lessee.

JUDGEMENTS AND ASSUMPTIONS



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Assessments related to lease agreements in which the Group is the lessee, and the lease liabilities associated with these agreements, are presented in Note G11 Lease Agreements – the Group as lessee.

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NOTE G24 OTHER CURRENT LIABILITIES

	31/12/2024	31/12/2023
Employee withholding taxes and social security contri- butions	3,032	2,878
VAT	2,775	1,608
Other current liabilities	748	1,097
Total	6,555	5,583

The fair value of other current liabilities corresponds to their carrying amounts, as they are, by definition, current.

NOTE G25 ACCRUED EXPENSES AND DEFERRED INCOME

	31/12/2024	31/12/2023
Accrued salaries	7,185	6,470
Accrued social security contributions	12,369	10,518
Accrued holiday pay	14,834	12,525
Other items	12,478	7,393
Total	46,867	36,906

NOTE G26 PLEDGED ASSETS

	31/12/2024	31/12/2023
Liabilities to credit institutions		
Chattel mortgages	111,100	111,100
Machinery and equipment	317,993	228,934
Leases		
Locomotives and wagons	4,235	5,016
Mobile machinery	1,309	1,493
Vehicles	8,333	5,295
Total	442,970	351,838

The Group has provided collateral to creditors in the form of chattel mortgages as well as purchase agreements regarding certain locomotives, wagons and mobile machinery. As collateral for the lessor's financing, the Group has provided collateral in the form of ownership reservations in the leased objects.

NOTE G27 RELATED PARTIES

Related parties are all companies within the Group and senior executives in the Group, i.e. the Board and Group Management, and their family members. Transactions with related parties have been based on normal and generally accepted commercial terms. For more information on subsidiaries and the Group's organisational structure, see <u>Note P17</u>.

The Group has been provided with consulting services by Board members in the Parent Company and by members of the Group Management team, which are described below and also presented in <u>Note G9</u>.

Ulf Marklund, Board member of the Parent Company up until the AGM in May 2024, owns the company Matech Marin AB alongside close family members. Ulf Marklund was active on a consulting basis in Group and Matech Marin AB charged a consulting fee per day for these services. During the time Ulf Marklund was a Board member, his remuneration amounted to SEK 1,210,000 (2,904,000), of which SEK 880,000 was debited to the Parent Company and SEK 330,000 to the subsidiary Railcare Machine AB where Ulf Marklund was head of operations. The agreement for these services expired on September 30, 2024. In addition to this, Matech Marin AB previously performed workshop work, machine servicing and project management for Railcare Machine AB. This was charged per day and in 2024, this remuneration amounted to SEK 0 (1,655,000).

Jonny Granlund, a member of Group Management, owns the company JOTAG AB which carries out cleaning services etc. for Railcare AB. This is billed at a fixed monthly rate, and remuneration amounted to SEK 707,000 (662,000) in 2024. Jonny Granlund is engaged on a consulting basis via JOTAG AB. A consulting fee has been charged per day for these services, and remuneration amounted to SEK 2,328,000 in 2024 (1,836,000). The agreement covers the period up until 31 December 2025 and is automatically extended by 12 months if neither party terminates the agreement at least six months prior to the end of the term of the agreement.

Andreas Lantto was elected as Board member of the Parent Company at the 2023 Annual General Meeting. Andreas is a part-owner and Board member of Nordkonsult Luleå AB, which supplies technical consultancy services to the Group. The fee for these services is charged per hour, and remuneration amounted to SEK 1,758,000 in 2024 (1,269,000).

During 2024, the Group acquired 4,000 shares, corresponding to 40 percent of the shares in the locomotive leasing company AC Finance AB, for SEK 400,000. Of these 4,000 shares, 3,667 shares were acquired for SEK 366,700 from Nornan Invest AB, which holds 29.52 percent of the shares in Railcare Group AB. The transaction was approved by the Extraordinary General Meeting on July 24. The other shareholders in AC Finance AB are Nornan Invest AB and Actinvest AB, which hold 30 percent each. In connection with the acquisition, Railcare entered

into a loan agreement to provide a shareholder loan, which has been granted in the amount of SEK 20,000,000. No repayments were made during the financial year. The loan carries interest corresponding at all times to the average interest expense on loans from the financing bank in AC Finance AB. Railcare has also entered a lease agreement relating to nine locomotives from AC Finance over a period of five years. The lease term runs for five years from the handover date of each respective locomotive, meaning that the duration varies for the different locomotives. Handover has taken place for five of the locomotives during 2024. The lease is at market terms, and Railcare bears the currency and interest rate risk. During the financial year, AC Finance AB charged advance lease payments amounting to SEK 3,795,000.

There are no outstanding loans, guarantees or guarantor commitments from the Group for Board members or senior executives. Receivables and liabilities from and to related parties originate from sales and purchase transactions and mature within one month of the sales date, in addition to the aforementioned loan to AC Finance AB. The Group has no provisions for doubtful receivables attributable to related parties. Nor does the Group have any expenses regarding doubtful receivables from related parties during the period. No collateral is pledged for the receivables.

NOTE G28 ADJUSTMENT FOR NON-CASH ITEMS

	31/12/2024	31/12/2023
Depreciation, amortisation and impairment	106,402	77,202
Profit/loss from sale of property, plant and equipment and intangible assets	-37	911
Provision for future payroll tax	58	52
Impairment of financial non-current assets	750	954
Total	107,173	79,120

NOTE G29 CHANGES IN LIABILITIES THAT COME UNDER FINANCING ACTIVITIES

Changes in liabilities that come under financing activities exclude non-cash items amounting to SEK 153,714,000 (162,768,000) that relate to lease liabilities.

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NOTE G30 ALTERNATIVE PERFORMANCE MEASURES

The alternative performance measures presented in this report are not measures defined under IFRS, but are key to monitoring the financial performance of the Group's operations and its financial position. The alternative performance measures presented in the report all always be read and evaluated together with the information presented in the Income Statement, Statement of Financial Position, Cash Flow Statement and Key Performance Indicators, which have been prepared in accordance with IFRS.

Railcare recognises these alternative performance measures since the Company considers them to be important supplementary measures of profitability and financial position, and these measurements are often used by external stakeholders to assess and compare companies' financial outcomes and position. Compared with the alternative performance measures presented here, the calculation of corresponding measures by other companies may be based on different definitions, meaning that the results are not necessarily comparable.

(Amounts in SEK 000)	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2020
(A) Operating profit	66,278	70,289	52,365	56,219	60,385
(B) Net sales	635,298	564,220	497,035	437,946	401,301
(A/B) Operating margin, %	10.43	12.46	10.54	12.84	15.05
(Amounts in SEK 000)	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2020
(A) Equity	286,470	273,301	244,095	221,150	194,861
(B) No. of shares, 000s	24,124	24,124	24,124	24,124	24,124
(A/B) Equity per share, SEK*	11.87	11.33	10.12	9.17	8.08
(Amounts in SEK 000)	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2020
(A) Equity	286,470	273,301	244,095	221,150	194,861
(B) Total assets	1,043,774	895,717	592,873	557,965	521,388
(A/B) Equity/assets ratio, %	27.45	30.51	41.17	39.64	37.37

(Amounts in SEK 000)	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2020
(A) Adopted total dividend	16,887	14,475	14,475	14,475	14,475
(B) No. of shares, 000s	24,124	24,124	24,124	24,124	24,124
(A/B) Dividend per share, SEK	0.70	0.60	0.60	0.60	0.60
(A/D) Dividente per siture, serv					
(A/B) Dividend per share, sex					
(Amounts in SEK 000)	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2020
	Jan-Dec 2024 635,298	Jan-Dec 2023 564,220	Jan-Dec 2022 497,035	Jan-Dec 2021 437,946	Jan-Dec 2020 401,301
(Amounts in SEK 000)			7411 200 2022		

((A-B)/B) Sales growth, %

The key figures for 2023 have been restated following an adjustment of accounting policies under IFRS 16. Prior years have not been restated. More information about the effect of the adjustment can be found in Note G31. Effect of adjusted accounting principles IFRS 16.

13.52

13.49

9.13

8.28

12.60

Definitions and purpose of the company's alternative performance measures are under the section **Definitions**.

NOTE G31 EFFECT OF ADJUSTED ACCOUNTING PRINCIPLES IFRS 16

Consolidated Statement of Financial Position 2)

During 2024, the Group adjusted to the IFRS Interpretation Committee's clarification regarding identifiable assets under IFRS 16. The adjustment meant that Railcare reclassified certain locomotive lease contracts from capacity rent to leasing. The adjustment has been applied retroactively and calculated from the contracts' start dates. The first contracts commenced in 2022.

The following tables show the changes resulting from the adjustment for 2023.

Consolidated Statement of Comprehensive Income 1)

	Jan-Dec 2023			
	Previous prin- ciples	Change	New principle	
Raw materials and consumables	-211,784	35,459	-176,325	
Depreciation and impairment of property, plant and equipment and intangible assets	-44,099	-33,103	-77,202	
Operating profit/loss (EBIT)	67,934	2,355	70,289	
Financial costs	-10,817	-1,754	-12,571	
Net financial income/expense	-10,667	-1,754	-12,421	
Profit/loss before tax	57,267	601	57,868	
Income tax	-13,642	-124	-13,766	
Profit for the period	43,625	477	44,102	
Earnings per share before and after dilution	1.81	0.02	1.83	
Operating margin, %	12.04		12.46	

	1 January 2023		31	23		
	Previous prin- ciples	Change	New principle	Previous prin- ciples	Change	New principle
Locomotives and wagons	438,123	132,291	570,413	460,157	252,695	712,851
Retained earnings (profit/loss for the year included)	244,095	-1,296	242,799	274,118	-817	273,301
Deferred tax liabilities and other provisions	54,756	-336	54,419	59,639	-212	59,427
Non-current lease liabilities	42,646	120,021	162,667	37,128	213,760	250,888
Current lease lia- bilities	10,658	13,901	24,559	11,899	39,964	51,863
Equity/assets ratio, %	41.2		33.5	42.6		30.5
Equity per share	10.1		10.1	11.4		11.3

Consolidated Statement of Cash Flow 3)

	Jan-Dec 2023			
	Previous prin- ciples	Change	New principle	
Operating profit	67,934	2,355	70,289	
Adjustment for items not included in the cash flow.	46,017	33,103	79,120	
Interest paid	-9,546	-1,753	-11,299	
Cash flow from operating activities before changes in working capital	104,174	33,705	137,879	
Amortisation of lease liabilities	-13,538	-33,705	-47,243	
Cash flow from financing activities	-34,264	-33,705	-67,969	
Cash flow for the period	7,298	0	7,298	

All adjustments are attributable to the Transport segment.

1) In the Income Statement, the cost of leasing is reallocated to depreciation and interest expenses. Under the previous principles, the leasing cost was included in the 'Raw materials and consumables' item, meaning that this item decreases while depreciation costs increase. This results in an overall increase in operating profit (EBIT). The adjustment results in an increase in financing costs due to interest expenses on the lease liability. Some of the lease agreements are denominated in EUR, so any fluctuations in the EUR exchange rate also impact net financial items.

2) In the Balance Sheet, the contracts are recognized as an asset and depreciated over the contract term. The corresponding value is also recognized as a liability, which is amortized over the contract term. The interest is expensed. As some of the contracts are denominated in EUR, the liability is also recognized in EUR and is converted at the exchange rate as of the Balance Sheet date.

3) In the Cash Flow Statement, cash flow from operating activities increases, while cash flow from financing activities decreases.

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→ FINANCIAL STATEMENTS, NOTES

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Notes on pages 72-118 constitute an integral part of these Consolidated Financial Statements.

Parent Company Income Statement

Amounts in SEK 000	Note	Jan-Dec 2024	Jan-Dec 2023
Net sales	<u>P3</u>	51,323	45,292
Other operating income	<u>P4</u>	10	149
Total operating income		51,333	45,441
Operating expenses			
Raw materials and consumables		-8,845	-12,448
Other external costs	<u>P6, P7</u>	-23,037	-18,577
Personnel expenses	<u>P8</u>	-17,844	-17,190
Depreciation and impairment of property, plant and equipment and intangible assets		-610	-531
Other operating expenses	<u>P5</u>	-28	-34
Total operating expenses	<u>P3</u>	-50,363	-48,780
Operating profit		970	-3,339
Profit/loss from financial items			
Profit from participations in Group companies	<u>P10</u>	-	571
Other interest income and similar profit/loss items	<u>P9</u>	586	328
Interest expenses and similar profit/loss items	<u>P9</u>	-685	-447
Total profit/loss from financial items		-99	451
Profit/loss after financial items		871	-2,888
Appropriations	<u>P11</u>	31,300	26,100
Tax on profit/loss for the year	<u>P12</u>	-6,746	-4,741
Profit/loss for the year		25,425	18,471

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.

Notes on pages 72-118 constitute an integral part of these Consolidated Financial Statements.

Parent Company Balance Sheet

Amounts in SEK 000	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Intangible assets			
Capitalised development expenses	<u>P13</u>	988	506
Patents	<u>P14</u>	71	124
Total intangible assets		1,059	630
Property, plant and equipment			
Buildings	<u>P15</u>	5,046	4,635
Equipment, tools, fixtures and fittings	<u>P16</u>	935	861
Total property, plant and equipment		5,981	5,496
Financial non-current assets			
Participations in Group companies	<u>P17</u>	28,887	28,887
Participations in associated companies	<u>P18</u>	874	
Non-current receivables from related parties		20,000	
Deferred tax receivables	<u>P12</u>	129	82
Total financial non-current assets		49,890	28,969
Total non-current assets		56,930	35,094

Amounts in SEK 000	Note	31 Dec 2024	31 Dec 2023
Current assets			
Current receivables	<u>P19</u>		
Accounts receivable		9	15
Receivables from Group companies		111,282	105,191
Other receivables		0	814
Prepaid expenses and accrued income	<u>P20</u>	2,635	2,066
Total current receivables		113,925	108,086
Cash and cash equivalent	<u>P21</u>	59,440	35,342
Total current assets		173,365	143,428
TOTAL ASSETS		230,295	178,522

Notes on pages 72-118 constitute an integral part of these Consolidated Financial Statements.

Parent Company Balance Sheet (cont.)

Amounts in SEK 000	Note	31 Dec 2024	31 Dec 2023
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		15,101	15,101
Retained earnings		1,584	-
Profit/loss for the year		25,425	18,471
Total non-restricted equity		42,109	33,571
Total equity		52,000	43,462

Amounts in SEK 000	Note	31 Dec 2024	31 Dec 2023
Provisions			
Provision for tax		123	77
Total provisions		123	77
Current liabilities	<u>P19</u>		
Accounts payable		2,218	6,080
Tax liability		9,307	6,541
Liabilities to Group companies		161,191	119,006
Other liabilities	<u>P22</u>	1,562	562
Accrued expenses and deferred income	<u>P23</u>	3,894	2,793
Total current liabilities		178,172	134,982
TOTAL EQUITY AND LIABILITIES		230,295	178,521

The notes on pages 72-118 constitute an integral part of these Consolidated Financial Statements.

Parent Company Statement of Changes in Equity

Amounts in SEK 000 No		Restricted equity		Non-restricted equity	
	Note	Share capital	Share premium reserve	Retained earnings including profit/loss for the year	Total equity
Opening balance					
as of 1 January 2023		9,891	17,446	12,129	39,466
Profit/loss for the year				18,471	18,47
Total comprehensive income		-	-	18,471	18,47
Transactions with shareholders					
Dividend			-2,346	-12,129	-14,47
Closing balance					
as of 31 December 2023		9,891	15,101	18,471	43,462
Opening balance					
as of 1 January 2024		9,891	15,101	18,471	43,462
Profit/loss for the year				25,425	25,425
Total comprehensive income		-	-	25,425	25,425
Transactions with shareholders					
Dividend				-16,887	-16,887
Closing balance					
as of 31 December 2024		9,891	15,101	27,008	52,000

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Notes on pages 72-118 constitute an integral part of these Consolidated Financial Statements.

Parent Company Cash Flow Statement

Amounts in SEK 000	Note	Jan-Dec 2024	Jan-Dec 2023
Cash flow from operating activities			
Operating profit		970	-3,339
Adjustment for items not included in the cash flow.	P25	655	438
Interest received		586	5,117
Interest paid		-685	-447
Income tax paid		-4,028	-384
Cash flow from operating activities before changes in working capital		-2,502	1,385
Cash flow from changes in working capital			
Increase/decrease in operating receivables		-5,838	-12,025
Increase/decrease in operating liabilities		40,423	8,672
Total changes in working capital		34,585	-3,353
Cash flow from operating activities		32,083	-1,968
Cash flow from investing activities			
Investments in intangible assets	<u>P13, P14</u>	-482	-526
Divestment of intangible assets		-	69
Investments in property, plant and equipment	<u>P15, P16</u>	-1,042	-1,518
Divestment of property, plant and equipment		-	460
Divestment of subsidiaries		-	781
Investment in associated companies		-874	-
Investments in other financial non-current assets		-20,000	-
Cash flow from investing activities		-22,398	-734

Cash flow from financing activities		
Group contributions received	58,700	56,600
Group contributions paid	-27,400	-30,500
Dividend paid	-16,887	-14,475
Cash flow from financing activities	14,413	11,625
Cash flow for the period	24,098	8,923
Onesting cook and cook a suivalante	35,342	26,419
Opening cash and cash equivalents		-1 -

NOTE P2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The Parent Company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities. The application of RFR 2 means that the Parent Company, in the Annual Report for the legal entity, applies all IFRS and statements adopted by the EU to the furthest extent possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and taking into account the relationship between accounting and taxation. These differences relate to the accounting for leases and financial instruments and are described in Notes P6 and P18.

The Annual Report has been prepared using the cost method. For information about financial risks and financial instruments, refer to the Consolidated Financial Statements Note G4.

New and amended standards applied by the Parent Company

New or revised IFRS and interpretation statements did not have a material impact on the Parent Company's financial statements.

Presentation

The Income Statement and Balance Sheet are presented in accordance with the form of presentation prescribed in the Swedish Annual Accounts Act. Moreover, there is a difference in terms, compared with the Consolidated Financial Statements, mainly with regard to financial income and expenses, and equity.

Other material disclosures relating to accounting principles

Other significant accounting policy disclosures, including differences between the Group and the Parent Company, can be found in the following Notes:

Leases	NOTE P6	Leasing - Parent Company as Lessee
Appropriations	NOTE P11	Appropriations
Participations in Group comp	anies NOTE P17	Participations in associated companies
Financial instruments	NOTE P19	Financial instruments

NOTE P3 INCOME AND EXPENSES BETWEEN GROUP COMPANIES

The Parent Company's net sales include invoicing of Group companies in an amount of SEK 51,207,000 (44,850,000), which corresponds to 99.8 percent (99.0), and operating expenses include invoicing of Group companies in an amount of SEK 1,733,000 (1,483,000), which corresponds to 3.4 percent (3.0).

NOTE P4 OTHER OPERATING INCOME

	Jan-Dec 2024	Jan-Dec 2023
Foreign exchange gains	10	28
Gains on divestment of non-current assets	-	121
Total	10	149

NOTE P5 OTHER OPERATING EXPENSES

	Jan-Dec 2024	Jan-Dec 2023
Foreign exchange losses	-28	-34
Total	-28	-34

NOTE P6 LEASES

The company leases premises, vehicles and office equipment under interminable operating leases. The lease terms vary from 2 to 8 years. Most of the leases can be extended at the end of the term of the lease for a fee at the market rate.

Future total minimum lease fees for interminable operating leases are as follows:

	Jan-Dec 2024	Jan-Dec 2023
Within 1 year	2,486	2,240
Between 1 and 5 years	2,434	4,315
More than 5 years	-	-
Total	4,921	6,555

During the year, expensed lease fees totalled SEK 3,878,000 (3,323,000), which are included in Other external costs in the Statement of Comprehensive Income.

The largest agreement relates to Railcare's head office in Skelleftehamn, where the company rents office and workshop premises. The agreement has a term of seven years and expires in 2027.

ACCOUNTING PRINCIPLES

The Parent Company does not apply IFRS 16, and the operating leases reported in the Parent Company are therefore expensed on a straight-line basis over the lease term.

NOTE P7 AUDITOR'S REMUNERATION

	Jan-Dec 2024	Jan-Dec 2023
Ernst & Young		
– Audit assignment	625	632
– Other services	74	-
Total	699	632

NOTE P8 REMUNERATION TO EMPLOYEES, ETC.

security expenses	Jan-Dec 2024	Jan-Dec 2023
Salaries and other remuneration	11,105	10,946
of which, CEO and other senior executives	5,171	3,850
Pension expenses - defined-contribution plans	1,871	1,616
of which, CEO and other senior executives	1,206	956
Other social security contributions	4,128	3,952
of which, CEO and other senior executives	2,002	1,510
	Jan-Dec 2024	Jan-Dec 2023
Average number of employees		
Women	8	8
		3
Men	4	c

For more information about remuneration to senior executives and the Board, see $\underline{Note G9}$ for the Group.

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MISCELLANEOUS

NOTE P9 FINANCIAL INCOME AND EXPENSES

The carrying amounts pertain to profit/loss from assets and liabilities measured at amortised cost as per IFRS 9.

NOTE P10 PROFIT FROM PARTICIPATIONS IN GROUP COMPANIES

Profit from participations in Group companies	Jan-Dec 2024	Jan-Dec 2023
Dividend from subsidiaries	-	4,790
Impairment of shares in subsidiaries	-	-4,200
Capital gain/loss on divestments	-	-19
Total	-	571

NOTE P11 APPROPRIATIONS

	Jan-Dec 2024	Jan-Dec 2023
Group contributions received	58,750	56,600
Group contributions paid	-27,450	-30,500
Total	31,300	26,100

ACCOUNTING PRINCIPLES

Group contributions are recognised as appropriations.

NOTE P12 INCOME TAX

	Jan-Dec 2024	Jan-Dec 2023
Current tax:		
Current tax on net profit/loss for the year	-6,771	-4,771
Adjustment of previous year income tax	-23	-
Total current tax	-6,793	-4,771
Deferred tax		
Occurrence and reversal of temporary differences	47	30
Total deferred tax	47	30
Total income tax	-6,746	-4,741

	Jan-Dec 2024	Jan-Dec 2023
Profit/loss before tax	32,171	23,212
Income tax calculated in accordance with tax rate in Sweden, 20.6 percent (20.6)	-6,627	-4,782
Non-deductible expenses	-97	-77
Non-deductible impairment of participations in subsid- iaries	-	-869
Non-taxable dividends from subsidiaries	-	987
Adjustment related to previous years	-23	-
Tax expense	-6,746	-4,741

Carrying amounts pertain to temporary differences attributable to:

	31/12/2024	31/12/2023
Endowment insurance for pensions	129	82
Closing balance	129	82

The gross change in deferred taxes is recognised in its entirety in profit or loss.

NOTE P13 CAPITALISED DEVELOPMENT EXPENSES		
	31/12/2024	31/12/2023
Opening cost	506	49
Purchases for the year	482	526
Disposals and scrappings	-	-70
Closing accumulated cost	988	506
Opening amortization	-	-
Amortization for the year	-	-
Closing accumulated amortization	0	0
Closing residual value according to plan	988	506

NOTE P15 BUILDINGS

	31/12/2024	31/12/2023
Opening cost	5,318	4,503
Purchases for the year	701	815
Closing accumulated cost	6,019	5,318
Opening depreciation	-684	-430
Depreciation for the year	-289	-253
Closing accumulated depreciation	-973	-684
Closing residual value according to plan	5,046	4,635

NOTE P14 PATENTS

	31/12/2024	31/12/2023
Opening cost	1,094	1,094
Closing accumulated cost	1,094	1,094
Opening amortization	-971	-907
Amortization for the year	-53	-64
Closing accumulated amortization	-1,024	-971
Closing residual value according to plan	71	124

31/12/2024 31/12/2023 1,449 Opening cost 1,752 Purchases for the year 341 703 Disposals and scrappings -400 **Closing accumulated cost** 1,752 2,094 Opening depreciation -892 -738 Depreciation for the year -267 -214 Disposals and scrappings 61 **Closing accumulated depreciation** -892 -1,159 935 861 Closing residual value according to plan

NOTE P16 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

NOTE P17 PARTICIPATIONS IN GROUP COMPANIES

Name	Corp. ID no	Domicile	Primary operations
Railcare AB	556600-2514	Skellefteå, Sweden	Railway maintenance
Railcare Machine AB	556502-3925	Skellefteå, Sweden	Machine sales
Railcare T AB	556904-6674	Skellefteå, Sweden	Specialist transport, leasing of locomotives and wagons
Railcare Lining AB	556873-4817	Skellefteå, Sweden	Railway maintenance
Railcare Resources AB	556980-8586	Skellefteå, Sweden	Railway maintenance
Elpro i Skellefteå AB	556801-5274	Skellefteå, Sweden	Electrical installations
Railcare Sweden Ltd	8687106	Derby, UK	Railway maintenance

All subsidiaries are consolidated within the Group. The subsidiaries' share capital consists solely of ordinary shares, which are held directly by the Group, and the participating interest is the same as the share of votes.

	Participating interest	Participating interest	Book value	Book value
Name	31/12/2024 (%)	31/12/2023 (%)	31/12/2024	31/12/2023
Railcare AB	100	100	10,505	10,505
Railcare Machine AB	100	100	1,971	1,971
Railcare T AB	100	100	12,100	12,100
Railcare Lining AB	100	100	100	100
Railcare Resources AB	100	100	100	100
Elpro i Skellefteå AB	100	100	4100	4100
Railcare Sweden Ltd	100	100	11	11
			28,887	28,887

31/12/2024	31/12/2023
28,887	38,336
-	-9,449
28,887	28,887
-	-4,449
-	-
-	4,449
0	0
28,887	28,887
	28,887 - 28,887 - - - - 0

The operation in Denmark has been discontinued, and liquidation of Railcare Danmark A/S was completed in December 2023.

ACCOUNTING PRINCIPLES

Participations in subsidiaries are recognised at cost less any impairment losses. Cost includes acquisition-related expenses and any additional considerations. Where there is an indication that participations in Group companies have decreased in value, their recoverable amount is calculated. An impairment loss is recognised if the recoverable amount is less than the carrying amount. Impairment

losses are recognised in the item Profit/loss from participations in Group companies.

NOTE P18 ASSOCIATED COMPANIES

On August 23, 2024, Railcare Group AB acquired 40 percent of the shares and voting rights in AC Finance AB, which gives Railcare Group AB significant influence over the company. As a result, the investment has been accounted for as an associated company. AC Finance AB, based in Skellefteå, is a locomotive leasing company.

Participations in associated companies

	31/12/2024	31/12/2023
Opening balance	-	-
Purchase consideration	874	-
Closing balance	874	0

ACCOUNTING PRINCIPLES



Associated companies are companies in which Railcare Group AB has a significant influence, which generally applies to shareholdings of between 20 percent and 50 percent of the votes.

Participations in associated companies are recognised at cost less any impairment losses. Where there is an indication that participations in associated companies have decreased in value, their recoverable amount is calculated. An impairment loss is recognised if the recoverable amount is less than the carrying amount. Impairment losses are recognised in the item Profit/loss from participations in associated companies.

NOTE P19 FINANCIAL INSTRUMENTS

The table below presents the Parent Company's financial assets and liabilities classified based on the cost. For current and non-current receivables and liabilities, the carrying amount is considered to constitute a reasonable estimate of the fair value whereby these values agree in the table below.

Financial assets measured at cost	31/12/2024	31/12/2023
Accounts receivable	9	15
Receivables from Group companies	111,282	105,191
Cash and cash equivalent	59,440	35,342
Total	170,731	140,548
Financial liabilities measured at cost	31/12/2024	31/12/2023
Accounts payable	2,218	6,080
Liabilities to Group companies	161,191	119,006
Other current liabilities	42	91
Total	163,451	125,177

ACCOUNTING PRINCIPLES

Due to the link between accounting and taxation, the Parent Company has, in accordance with RFR 2, elected to apply the rules on financial instruments in accordance with the Swedish Annual Accounts Act and the cost method instead of IFRS 9. RFR 2 provides guidance which, however, requires that certain provisions of IFRS 9 must also be applied in the legal entity. In the Parent Company, non-current financial assets are measured at cost, and current financial assets are measured at the lower of cost and net realisable value. According to RFR 2, the rules on expected credit losses and loss allowance must be applied in accordance with IFRS 9. For other financial assets, impairment losses are based on the market value.

NOTE P20 PREPAID EXPENSES AND ACCRUED INCOME

	31/12/2024	31/12/2023
Accrued interest income	179	-
Prepaid lease payments	11	10
Prepaid rent for premises	779	766
Prepaid insurance policies	66	68
Other items	1,599	1,221
Total	2,635	2,066

NOTE P22 OTHER CURRENT LIABILITIES

	31/12/2024	31/12/2023
Employee withholding taxes	302	291
VAT	1,218	180
Other current liabilities	42	91
Total	1,562	562

The fair value of other current liabilities corresponds to their carrying amounts, as they are, by definition, current.

NOTE P21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance Sheet and Cash Flow Statement consist exclusively of bank balances.

NOTE P23 ACCRUED EXPENSES AND DEFERRED INCOME

	31/12/2024	31/12/2023
Accrued holiday pay	1,612	1,430
Accrued social security contributions	770	700
Other items	1,512	663
Total	3,894	2,793

NOTE P24 CONTINGENT LIABILITIES AND PLEDGED ASSETS

	31/12/2024	31/12/2023
Guarantees for subsidiaries	207,600	163,868
Total	207,600	163,868

The Parent Company has provided a guarantee in relation to the Group's financing with credit institutions in the event that any of the companies are unable to fulfil their commitments. The guarantee commitment for the subsidiaries is unlimited in amount.

The Group must fulfil a covenant for the borrowing. At the end of the financial year, the loan covenants to be met are a consolidation ratio of no less than 25 and an interest coverage ratio of at least 2.5, calculated based on the results for the past 12 months. The Group fulfilled the current loan terms during the 2024 and 2023 financial years.

NOTE P25 ADJUSTMENT FOR NON-CASH ITEMS

	31/12/2024	31/12/2023
Depreciation	609	531
Profit/loss from sale of property, plant and equipment and intangible assets	-	-121
Provision for payroll tax	46	28
Total	655	438

NOTE P26 RELATED PARTIES

Related parties are all subsidiaries and senior executives, i.e. the Board and Group Management, and their family members. Transactions with related parties have been based on normal and generally accepted commercial terms.

See <u>Note P3</u> for information on purchases and sales between Group companies. Transactions with related parties are described in the Group's <u>Note G9</u> and <u>G27</u>. Most of these transactions are carried out in the Parent Company. In cases where related party transactions have been carried out by a subsidiary, this is explicitly stated in <u>Note G27</u>.

The receivables from and liabilities to Group companies that are in the Parent Company Balance Sheet are all current and not interest bearing.

NOTE P27 PROPOSED DISTRIBUTION OF PROFIT

Total	42,108,779
to be carried forward to a new account	25,221,862
A dividend of SEK 0.70 per share to be paid to shareholders, totalling	16,886,917
The Board of Directors and the CEO propose that the profit be appropriated as follows:	
Total	42,108,779
Profit/loss for the year	25,424,609
Retained earnings	1,583,611
Share premium reserve	15,100,560
The following profit is at the disposal of the Annual General Meeting:	

CONTENTS ABOUT RAILCARE OPERATIONS SHARES ADMINISTRATION REPORT SUSTAINABILITY REPORT FINANCIAL STATEMENTS, NOTES MISCELLANEOUS

Board signatures

The Consolidated Income Statement and Balance Sheet and the Parent Company Income Statement and Balance Sheet will be presented to the Annual General Meeting on 7 May 2025.

The Board of Directors and the CEO hereby provide their assurance that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and provide a true and fair view of the Group's position and earnings. The Parent Company's financial statements have been prepared in accordance with generally accepted accounting principles in Sweden and provide a true and fair view of the Parent Company's financial position and earnings. The Administration Report for the Group and the Parent Company provides a fair review of the development of the operations, financial position and earnings of the Group and the Parent Company, addressing significant risks and uncertainties affecting the Parent Company and the companies within the Group.

SKELLEFTEHAMN, SWEDEN, 11 APRIL 2025

Anders Westermark Chairman of the Board

Linn Andersson

Board member

Mattias Remahl

CEO

Our auditor's report was submitted on 11 April 2025 Ernst & Young AB

Micael Engström Authorised Public Accountant **Catharina Elmsäter-Svärd** Board member

Andreas Lantto Board member **Björn Östlund** Board member

Maria Kröger Board member

Audit Report

To the Board of Directors of Railcare Group AB Corp. ID no. 556730- 7813

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLI-DATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Railcare Group AB (publ) except for the corporate governance statement on pages 54-65 and the statutory sustainability report on pages 39-52 for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 33-119 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 54-65 and the statutory sustainability report on pages 39-52. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description

The value of locomotives and wagons, work machines and ongoing new facilities amounts to KSEK 767,995 and constitutes approx. of 74% of the group's total assets. Accounting takes place at acquisition value with deductions for accumulated depreciation and any devaluations. Capitalization of additional expenses takes place for measures that are likely to bring financial benefit in the future. The value is reviewed annually. Accounting for tangible fixed assets is deemed to be a particularly important area as a result of incorrect assessments and assumptions in the following three areas can have a significant impact on the group's results and position:

- analysis of devaluation needs and associated assessments and assumptions such as estimated future cash flows, discount rate and growth
- assessments of period of use
- delineation of whether expenses for repair and maintenance must be capitalized or expensed.

CONTENTS ABOUT RAILCARE OPERATIONS SHARES ADMINISTRATION REPORT SUSTAINABILITY REPORT FINANCIAL STATEMENTS, NOTES

For the group's impairment test and also the group's important estimates and judgment related see note K15 and K11. Our audit included, but was not limited to:

- review of the process for accounting for tangible fixed assets
- assessment of the reasonableness of assumptions that have been used in the model for impairment testing such as return requirements and forecast assumptions and that the required note information has been provided
- review of the company's assessment of useful periods for a selection of assets
- review of a selection of activations and repair regarding maintenance costs

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-32, 53 and 125-130. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated. If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error. In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or. if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial

information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified. We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied. From the matters communicated with the Board of Directors. we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY RE-QUIREMENTS

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Railcare Group AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss. We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of

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Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act. As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation.

We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Railcare Group AB (publ) for the financial year 2024. Our examination and our opinion relate only to the statutory requirements. In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section.

We are independent of Railcare Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in

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Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report. The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 54-65 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions. A corporate governance statement has been prepared.

Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 39–52, and that it is prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024. My (Our) examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion. A statutory sustainability report has been prepared.

Ernst & Young AB, with Micael Engström as auditor incharge, Hamngatan 26, 111 47 Stockholm, was appointed auditor of Railcare Group AB (publ) by the general meeting of the shareholders on the 8th of May 2024 and has been the company's auditor since the 19th of October 2009.

Skellefteå, Sweden 11 April 2025 Ernst & Young AB

Micael Engström Authorised Public Accountant

→ MISCELLANEOUS

Multi-year summary

Amounts in SEK million	2024	2023	2022	2021	2020	2019	2018	2017
Net sales	635.3	564.2	497.0	437.9	401.3	370.6	270.1	292.6
Other operating income	6.8	4.0	3.1	6.4	3.6	1.8	1.2	1.8
Capitalised work on own account	18.6	14.2	12.1	8.3	16.2	7.5	5.5	2.2
Raw materials and consumables	-199.8	-176.3	-193.1	-141.0	-121.7	-129.6	-70.5	-99.3
Other external costs	-89.3	-85.6	-75.8	-62.9	-58.9	-47.1	-71.3	-61.5
Personnel expenses	-196.9	-170.1	-146.3	-139.0	-124.6	-120.4	-108.4	-92.9
Depreciation and impairment of property, plant and equipment	-106.4	-77.2	-42.8	-52.1	-53.3	-49.7	-24.1	-23.2
Other operating expenses	-2.0	-2.9	-1.8	-1.5	-2.3	-1.2	-0.9	-3.1
Operating profit/loss (EBIT)	66.3	70.3	52.4	56.2	60.4	32.0	1.5	16.7
Profit from participations in associated companies	0.1	-	-	-0.2	0.3	0.3	0.2	0.2
Financial income	0.3	-0.5	0.0	0.1	0.0	0.0	0.0	0.0
Financial expenses	-25.9	-11.9	-5.5	-4.4	-4.8	-5.8	-5.4	-5.0
Net financial income/expense	-25.6	-12.4	-5.5	-4.4	-4.8	-5.8	-5.3	-4.9
Profit/loss before tax	40.8	57.9	46.9	51.7	55.9	26.5	-3.6	12.0
Tax	-10.4	-13.8	-10.1	-11.2	-12.1	-5.7	2.2	-3.0
Profit for the period	30.4	44.1	36.8	40.5	43.8	20.8	-1.4	9.0
Equity/assets ratio, %	27.4	30.5	41.2	39.6	37.4	33.5	32.3	31.7

During 2024, the Group adjusted to the IFRS Interpretation Committee's clarification regarding identifiable assets under IFRS 16. The adjustment has been applied retroactively and calculated from the start dates of the contracts. The comparative period for 2023 has been restated, while earlier periods have not been restated. For more information, see Note G31 Impact of the adoption of IFRS 16.

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

This Annual Report refers to a number of financial measures not defined in accord-**PERFORMANCE MEASURES** ance 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		
<i>Operating profit/loss (EBIT)</i>	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.		
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.		
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 per- formance, contributing to an under- standing of the company's development.		

Definitions

FINANCIAL PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE	FINANCIAL PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE		
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.Earnings per share after dilution, SEK		illustrates how much of the company's profit/loss is generated by its operatingdilution, SEKthe weighted average number of shares of adjusted for the dilution effect of all pote The Parent Company has a category of pote		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	is illustrates the company's
Equity/assets ratio, %	Calculated as equity divided by total assets.	This performance measure illustrates the company's financial position and long- term solvency.		debentures. The convertible debentures are assumed to have been converted into shares and net profit is adjusted to eliminate interest expenses less the tax effect.			
Dividend per share, SEK	Dividend per share approved by a General Meeting at which the Annual Report for the specified financial year is adopted.			Convertible debentures do not give rise to a dilu- tion effect when the interest per share that may be			
Earnings per share before dilution, SEK	Calculated as profit/loss attributable to Parent Com- pany shareholders divided by the weighted average number of shares outstanding in the period.	This performance measure illustrates the company's earnings per share, exclud- ing any dilution effect from outstanding convertibles.		received upon conversion exceeds earnings per share before dilution.			

Glossary

CLEARANCE LOCOMOTIVE/ STANDBY LOCOMOTIVE	A 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 open the track for traffic again.	MPV
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.	ONE
CULVERT INSPECTIONS	Assessment and documentation of the condition and potential maintenance need for culverts, mainly under railways and roads.	PAN
ECM	The unit responsible for maintenance for freight wagons and locomotives.	RAIL
ERTMS	New signalling system for Sweden's entire rail network. Replaces an old system, sim- plifies traffic management and maintenance, and in the long term facilitates interna- tional traffic.	REB
ETCS	The on-board system required in locomotives once the new ERTMS signalling system has been implemented on Sweden's railways.	
EXTENDING SERVICE LIFE	Obsolete locomotives are upgraded with better engines, new signalling systems and a modernised working environment with the aim of better meeting future environmen-	SLE
	tal requirements and technical standards.	STA
INFRASTRUCTURE MANAGER	The organisation or company responsible for constructing, managing and maintain- ing railway infrastructure, including traffic management, traffic control and signal- ling. The largest infrastructure manager in Sweden is the Swedish Transport Admin- istration.	TRA

MPV	Railcare's newest maintenance machine, Multi Purpose Vehicle, which is battery powered. Equipped with its own power source, vacuum pumps, hydraulics and oper- ator 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 on board locomotives to enable communication with the relevant railway signalling system.
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.
RAILVAC	Railcare's machines that are able to perform various types of track maintenance on the railways using vacuum technology.
REBALLASTING	Replacement of the top layer of the rail embankment in which the sleepers are set.
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.
SLEEPER REPLACEMENT	Replacement of the sleepers distributing the track load across the rail embankment.
STAGE V ENGINES	Engines that meet the standard for emissions class stage V. Classification for industri- al vehicles that regulates permitted emissions.
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.

Shareholder information

2025 ANNUAL GENERAL MEETING

Railcare's Annual General Meeting will take place on Wednesday, 7 May 2025 11:00 a.m. CEST at the company's premises at Näsuddsvägen 10, SE-932 32 Skelleftehamn, Sweden.

Notification of participation

Shareholders wishing to participate in the Annual General Meeting must be included in the share register maintained by Euroclear Sweden AB by Monday 28 April 2025 and should notify the company in writing of their participation by Wednesday 30 April 2025, addressing this notification to:

Railcare Group AB Att: Annual General Meeting Box 34 SE-932 21 Skelleftehamn, Sweden.

Notification may also be provided by calling +46 (0)70-250 76 66 or by email to: ir@railcare.se.

The notification must state the shareholder's full name, personal ID number or corporate ID number, number of shares held, address, daytime telephone number and, where applicable, details of any deputies or assistants (maximum two). Where applicable, the notification should be accompanied by Power of Attorney, registration certificates and other authorisation documents.

FINANCIAL CALENDAR

- The Interim Report for January-March 2025 will be published on 7 May 2025.
- The Annual General Meeting will take place on 7 May 2025 at Railcare's head office in Skelleftehamn, Sweden.
- The Interim Report for January-June 2025 will be published on 14 August 2025.
- The Interim Report for January–September 2025 will be published on 6 November 2025.
- The Year-End Report for 2025 will be published on 12 February 2026.

For further information, see www.railcare.se or www.railcare.se/en/

Offices & Addresses

HEAD OFFICE

Railcare Group AB Visiting address: Näsuddsvägen 10 Postal address: Box 34 SE-932 21 Skelleftehamn, Sweden

Tel no: +46 (0)910-43 88 00 Email: info@railcare.se

ABOUT RAILCARE

The railway specialist Railcare offers innovative products and services for the railway; for example, railway maintenance with internally 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, development of cost-effective freight and passenger transport, and rising environmental awareness. Railcare delivers both sustainable and efficient solutions that ensure that railway services 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 190 employees and annual sales of approximately SEK 630 million. The company's registered office is located in Skellefteå, Sweden.