



# Interim Report

JANUARY–MARCH 2024

Railway Metrics and Dynamics Sweden AB (publ)  
556846-5560

# **Railway Metrics and Dynamics AB (publ)**

## **Interim Report January-March 2024**

### **The Period Januari 1 – March 31, 2024**

- The Company's net sales for the period amounted to SEK 760 thousand (SEK 1,760 thousand).
- The operating profit (EBIT) for the period amounted to SEK -2,573 thousand (SEK 857 thousand).
- EBITDA for the period amounted to SEK -2,573 thousand (SEK 881 thousand).
- Earnings per share for the period were SEK -0.14 (SEK 0.05).
- The Company capitalized costs totaling SEK 2,528 thousand (SEK 1,577 thousand) during the period.

### **Significant Events During the Reporting Period**

- Series T02 subscription warrants were exercised at 92.65 percent
- RMD selected for Business Sweden's growth program Catalyst
- First series delivery of PMUs
- Camera being tested at VÄTE Rail
- 3 tollgates delivered and invoiced in the MAJ project with the Swedish Transport Administration

### **Significant Events After the End of the Reporting Period**

- Listing change from Spotlight Stock Market to Nordic Growth Market
- Expanding to South America
- 1 million SEK additional funding from the Swedish Transport Administration for continued development of AI and Machine Learning
- Green Cargo's MB locomotives equipped with RMD's infrastructure sensors
- TX Logistik ensures all locomotives in Sweden are equipped with rear cameras
- AWA Patent values RMD's patent portfolio at 20.71 million euro

## CEO'S STATEMENT

# Intensive start to 2024 for Railway Metrics and Dynamics

2024 has started intensively for the company, and both tests and production have been carried out and will be carried out. More actors have become aware of the company's products and have shown interest in them. We are working intensively to reach out to more actors across larger parts of the world. In connection with the full-scale production of sensors and cameras, we have placed a strong focus on AI and Machine Learning - work that is highly relevant in the digitalization of railways.



*Jan Lindqvist, CEO*

It has become a government issue how we can change the railway, and we have and will continue to participate in that discussion. Safety issues have also become very topical, with the Swedish Work Environment Authority focusing heavily on having personnel outside the trains during switching. Here too, we see that our camera solution will become relevant for these issues. 2024 will continue at a high pace, and our visibility in the railway industry will increase both domestically and internationally. We continue to focus heavily on further developing the product to stay at the forefront of the changes the railway is facing.

## **The camera market is accelerating and is estimated to reach 800-1200 units in Sweden.**

Railway Metrics and Dynamics has conducted an assessment of the Swedish market for rear-view cameras and estimates the demand to be somewhere between 800 and 1200 units. With today's increased focus on safety within the railway sector, the expectation is that the Nordic market will follow Sweden's example with rear-view cameras and that the rest of Europe will also follow suit.

The transition to digital solutions for train reversing, for example during shunting, is expected to be accelerated by the Swedish Work Environment Authority's decision to prohibit riding on footboards. The prohibition takes effect from September 3rd this year, and is associated with a penalty of 15 million SEK for a railway company. RMD's updated and state-of-the-art rear-view camera, already in use by, among others, VÄTE Rail, is therefore a highly relevant option..

## **Patent Valuation**

During the period, the company's portfolio of patents has been evaluated by the market-leading AWA Patent, with a value set at 20 million euros for all published patents owned by the company. After consideration with tax and accounting advice, the company's board has decided to write up its intangible assets to 65% of the value of the patents, including the already accrued intangible assets reported in the accounts.

The write-up is based on the company's expected turnover on the patents and the value it is expected to generate and should therefore be considered as an asset to be reported. The amount of the write-up has been set with caution and is therefore only a part of the total valuation.

## **Business Sweden**

RMD has been selected for Business Sweden's growth program Catalyst, which will facilitate RMD's global expansion. The program includes, among other things, a tailored project plan for market entry, coaching by advisors, and access to Business Sweden's global network.

## **Expanding to South America**

We have received an order for a "proof-of-concept" in South America and will implement our advanced "System in System," including PMUs, in Brazil. The country has one of the world's largest railway networks, primarily used for freight transport, including the transportation of raw materials such as soybeans, iron ore, and agricultural products.

This project provides RMD with the opportunity to showcase the system to South American railway customers and serves as an excellent entry point into the market.

## **Serial Deliveries of PMUs**

We've received our first serial delivery of PMUs from our supplier. After development and design work, we've scaled up production to meet demand. Our collaboration with our supplier, leveraging their expertise, has been instrumental in developing a sustainable and safe product.

We prioritize partnering with a Swedish supplier, ensuring effective communication and locally produced products of the desired quality, while also promoting environmentally friendly delivery practices.

## **Further Deliveries of RMD Products**

TX Logistik has ordered additional PMUs as well as a new, updated version of the rear camera.

VÄTE Rail has also become a customer and will be testing the rear camera on their vehicles over a period. VÄTE Rail is a great complement to the existing players in our network.

## **Multiple Parallel Projects with the Swedish Transport Administration**

We have dedicated significant effort to the ongoing projects with the Swedish Transport Administration and have also engaged in advocacy efforts, including pushing for a unified call for the digitalization of "Malmбанan".

This work has required considerable time and resources but has also generated significant attention around the digitalization solutions that RMD provides, including concepts such as "data fusion," "sensor fusion," our derailment sensor, and much more. We believe this work will be valuable in the long run.

## Enhancements to RMD's System Solution

In addition to further developing existing technical solutions, we have continued to work on expanding our overall system solution through new technical innovations that complement the existing ones. We have applied for several patents, including:

- Weight sensor. Monitoring of train weight using radar. A state-of-the-art solution that will solve many challenges for both railway companies and infrastructure managers. Development of the sensor unit has begun.
- Trailer lock sensor. Monitoring that trailer wagons are correctly locked. The need for monitoring trailer locks is evidenced not least by the serious accident on the Great Belt Bridge in 2019 and similar incidents. Such a solution even has the potential to become regulatory within the railway industry. The sensor is ready for testing.
- Pantograph and overhead contact line sensor. Condition monitoring of the pantograph and overhead contact line using radar units and accelerometers, enabling, among other things, the minimization of the number of pulled-down overhead contact lines.

## Partner Agreement with Strainlabs

As part of our efforts to enhance our system solution, we've entered into a partnership agreement with Strainlabs. This company manufactures smart screws that detect when temperatures begin to rise. By installing these screws in the axle boxes of trains, RMD's system solution gains supplementary information, further enhancing its ability to predict faults on trains or tracks. For instance, the screws can detect elevated temperatures in thermally overloaded wheel axle boxes, simultaneously with a PMU registering altered vibrations in the same.

The combined technology may prevent derailments caused by thermal overload in the wheel axle box - either as they occur, minimizing infrastructure damage, or ideally before derailment even takes place.

## Success in Swedish Transport Administration Project

On February 1, 2023, RMD signed a contract with Trafikverket for automated measurement of railway installations, with a total order value of approximately 25 million SEK. The experience gained from the project with Trafikverket is beneficial for other markets as well since other infrastructure owners face similar challenges and have the same needs as Trafikverket in gaining a comprehensive overview of their railway installations.

We've now entered the latter part of Stage 2, where all milestones have been achieved, and sensors have been installed on two locomotives for testing and delivering information to Trafikverket. Upon completion of Stage 2, Trafikverket will have the option to utilize their "Purchase of Information Service" in Stage 3, with a preliminary value of 8.6 million SEK plus ongoing costs.

In April, the company won an Innovation Procurement with Trafikverket and was granted an additional 1 million SEK to continue developing the AI and Machine Learning technology that RMD already possesses in projects with Trafikverket. This work is highly advanced and demands expertise, but we recognize its crucial importance for both the project and our product.

We're also part of a cooperation agreement with Transitio within the framework of the project we have with Trafikverket (MAJ project). Transitio acquires, finances, and manages rail vehicles, and we'll equip a number of these vehicles with sensors. The sensors will then deliver information to Trafikverket.

## Progress update

Our strategic objectives are on track, with market trends aligning with our projections. We're pleased with the progress and remain focused on delivering value to our stakeholders.

## For more information, please contact

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## Financial development

### Revenue

During the period January - March 2024, the Company generated 760 (1,760) TSEK in sales revenue.

### Operating expenses

The cost of goods sold amounted to -778 (-73) TSEK during the period January 1 - March 31, 2024. Other external costs amounted to -3,904 (-2,121) TSEK for the period January 1 - March 31, 2024, and personnel costs amounted to -1,182 (-262) TSEK.

### Operating profit

The operating result, EBIT, for the period January 1 - March 31, 2024 amounted to -1,673 (857) TSEK. EBITDA for the corresponding period amounted to -1,673 (881) TSEK.

### Financial position and liquidity

The company's cash and cash equivalents amounted to 811 (1,631) TSEK on March 31, 2024. The solvency ratio amounted to 78 (75)%. The company's equity amounted to 148,400 (17,751) TSEK.

The cash flow from operating activities amounted to -658 (-2,849) TSEK during the period.

### Investments

During the period January 1 - March 31, 2024, the Company capitalized development costs amounting to 3,428 (1,577) TSEK.

### Accounting Principles

This interim report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1, Annual Accounts and Consolidated Accounts ("K3").

## Risks and uncertainties

There is a risk that key personnel of the Company may leave RMD, which could lead to difficulties in recruiting replacements to the desired extent, thereby negatively affecting ongoing operations.

Certain advanced and critical components purchased by the Company are custom-made for the Company's products. There is a risk that suppliers of these components may experience delivery difficulties due to external circumstances or that their performances do not meet agreed quality and delivery requirements.

Patents and other intellectual property rights are a central asset for the Company's operations. Therefore, future successes are largely dependent on the ability to maintain existing patent protection and obtain additional protection for ongoing and future commercialization. If the products developed by the Company do not receive necessary intellectual property protection, or if existing protection cannot be maintained or proves inadequate to secure the Company's rights and market position, this could negatively impact operations.

The Company's ability to successfully implement its growth strategy and gain new market shares is crucial to achieving its financial goals. There is a risk that the Company may not successfully implement its growth strategy, for example, by not gaining new market shares or expanding into new markets, which could result in the planned increase in turnover not being achieved.

RMD primarily finances its operations through borrowing, share issuances, and its own cash flows. If the Company fails to accurately estimate its future capital requirements or cannot obtain capital on acceptable terms when needed, this could negatively impact both ongoing operations and the financial position.

## Change in outstanding number of shares

	# of shares	Share capital
<b>Opening Balance 2022-01-01</b>	<b>12 700 600</b>	<b>63 053</b>
New Share Issue in February	1 492 279	7 461
Fund issue in February	-	444 521
New Share Issue in March	311 061	11 297
Receipt Issue in March	163 250	5 929
Fund Issue in May	-	53 975
New Share Issue in September	1 542 212	61 690
New Share Issue in October	88 500	3 540
New Share Issue in October	1 115 000	44 600
New Share Issue in November	342 788	13 712
<b>Closing Balance 2022-12-31</b>	<b>17 775 690</b>	<b>710 228</b>
Subscription Options in May	1 320 776	52 831
<b>Closing Balance 2023-12-31</b>	<b>19 076 466</b>	<b>763 059</b>
Subscription Options in February	1 430 688	820 286
New Share Issue in February	113 562	824 829
Receipt Issue in February	3 246 350	954 683
<b>Closing Balance 2024-03-31</b>	<b>23 867 066</b>	<b>954 683</b>

### Stockholm, 2024-05-23

Howard McCall Jr  
Chairman of the Board

Jan Lindqvist  
CEO

Irmhild Saabel  
Board Member

Helmuth Kristen  
Board Member

This interim report has not been reviewed by the company's auditor.

### Upcoming Reports

Interim Report Q2 2024  
Interim Report Q3 2024  
Year-end Report 2024  
Annual Report 2024

### For more information, please contact

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# Income Statement

Amount in thousands of SEK	2024 Q1	2023 Q1	2024 YTD	2023 Annual
<b>Operating Income</b>				
Sales	760	1 760	760	6 170
Capitalized Costs	3 428	1 577	3 428	9 808
Other Operating Income	2	0	2	-2
<b>Total Operating Income</b>	<b>4 191</b>	<b>3 337</b>	<b>4 191</b>	<b>15 976</b>
<b>Operating Expenses</b>				
Raw Materials and Consumables	-778	-73	-778	-2 196
Other External Expenses	-3 904	-2 121	-3 904	-12 611
Personnel Costs	-1 182	-262	-1 182	-2 467
<b>Earnings Before Depreciation (EBITDA)</b>	<b>-1 673</b>	<b>881</b>	<b>-1 673</b>	<b>-1 298</b>
Depreciation	0	-12	0	-25
Other Operating Expenses	0	-12	0	-9
<b>Operating Profit (EBIT)</b>	<b>-1 673</b>	<b>857</b>	<b>-1 673</b>	<b>-1 332</b>
<b>Results Before Financial Items</b>				
Interest Income and Similar Items	0	0	0	0
Interest Expenses and Similar Items	-1	-25	-1	-1
<b>Profit for the Period Before Tax</b>	<b>-1 674</b>	<b>832</b>	<b>-1 674</b>	<b>-1 333</b>
Income Tax	0	0	0	0
<b>Profit for the Period After Tax</b>	<b>-1 674</b>	<b>832</b>	<b>-1 674</b>	<b>-1 333</b>

# Balance Sheet

Amount in thousands of SEK	2024-03-31	2023-12-31	2023-03-31
<b>Assets</b>			
<b>Fixed Assets</b>			
<b>Intangible Assets</b>			
Patent	156 153		
Balanced Expenditure for Development Work	30 944	27 516	19 297
<b>Total Intangible Fixed Assets</b>	<b>187 098</b>	<b>27 516</b>	<b>19 297</b>
<b>Total Fixed Assets</b>	<b>187 098</b>	<b>27 516</b>	<b>19 297</b>
<b>Current Assets</b>			
<b>Receivables</b>			
Accounts Receivable	124	-	2 153
Other Short-Term Receivables	977	1 047	446
Prepayments and Accrued Income	52	180	109
Capital Subscribed But Not Paid Up	-	-	25
<b>Total Current Receivables</b>	<b>1 153</b>	<b>1 227</b>	<b>2 733</b>
Cash and Bank Balances	811	1 469	1 631
<b>Total Current Assets</b>	<b>1 964</b>	<b>2 696</b>	<b>4 364</b>
<b>Total Assets</b>	<b>189 062</b>	<b>30 212</b>	<b>23 661</b>

## Balance Sheet, continued

Amount in thousands of SEK	2024-03-31	2023-12-31	2023-03-31
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<i>Restricted Equity</i>			
Share Capital	955	763	710
Unregistered Share Capital		0	0
Fund for development costs	29 546	27 018	18 786
Fund for revaluation of assets	123 985	-	-
<b>Total Tied Up Equity</b>	<b>154 486</b>	<b>27 781</b>	<b>19 496</b>
<i>Unrestricted Equity</i>			
Balanced Unrestricted Equity	-4 412	-8 744	-2 577
The Result of the Period	-1 674	-1 333	832
<b>Total Unrestricted Equity</b>	<b>-6 087</b>	<b>-10 077</b>	<b>-1 745</b>
<b>Total Equity</b>	<b>148 400</b>	<b>17 704</b>	<b>17 751</b>
<b>Allocations</b>			
Allocations for Taxes	32 168	-	-
<b>Total Allocations</b>	<b>32 168</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>			
Accounts Payable	4 561	4 446	1 586
Other Current Liabilities	3 783	7 388	3 862
Accrued Costs and Prepaid Income	150	674	462
<b>Total Short-Term Liabilities</b>	<b>8 494</b>	<b>12 508</b>	<b>5 910</b>
<b>Total Equity and Liabilities</b>	<b>189 062</b>	<b>30 212</b>	<b>23 661</b>

## Change In Equity

	Share capital	Fund for development costs	Balanced result	The result of the period	Total equity
<b>Equity 2024-01-01</b>	<b>763</b>	<b>27 018</b>	<b>-8 744</b>	<b>-1 333</b>	<b>17 703</b>
Disposition of the Previous Period's Results			-1 333	1 333	0
Provision Fund for Development Costs		2 528	-2 528		0
Provision fund for revaluation of assets		123 986			123 986
Issue Costs			59		59
New Issue	192		6543		6 735
Subscription Options			1 591		1 591
The Result of the Period				-1 674	-1 674
<b>Equity 2024-03-31</b>	<b>955</b>	<b>153 152</b>	<b>-4 412</b>	<b>-1 674</b>	<b>148 400</b>

## Financial ratios

	2024-03-31	2023-03-31	2023-12-31
Number of Months to which the Report Refers	3	3	12
Adjusted Equity (SEK thousand)	148 400	17 751	17 703
Equity Ratio, %	78	75	59
Cash flow = current assets excluding inventory and work in progress in addition to short-term liabilities.	0,23 0	0,74	0,22
Dividend/Share (SEK)	-0,09	0	0
Earnings Per Share Before Dilution (SEK)	-0,09	0,05	-0,07
Earnings Per Share After Dilution (SEK)	7,78	0,04	-0,07
Equity Per Share Before Dilution (SEK)	0	1,00	0,93
Net Investments, Tangible Fixed Assets (TSEK)		0	0
Net Investments, Intangible Fixed Assets (TSEK)	3 313	1 577	9 808
Quota Value of the Share (SEK)	0,050	0,040	0,040
Cash Flow for the Period (TSEK)	-658	-2 849	-3 011

## Cash Flow Analysis

Amount in thousands of SEK	2024 Q1	2023 Q1	2024 YTD	2023 Annual
<b>The Current Operations</b>				
Profit for the Period Before Tax	-1 674	832	-1 674	-1 333
Adjustment For Items Not Affecting Cash Flow: Depreciation and Write-downs	0	12	0	25
<b>Cash Flow From Current Operations Before Changes in Working Capital</b>	<b>-2 574</b>	<b>844</b>	<b>-2 574</b>	<b>-1 308</b>
Change in Working Capital	-3 939	-1 762	-3 939	6 342
<b>Cash Flow From Current Operations</b>	<b>-5 613</b>	<b>-918</b>	<b>-5 613</b>	<b>5 034</b>
<b>The Investment Business</b>				
Change Intangible Fixed Assets	-3 429	-1 577	-3 429	-9 808
<b>Cash Flow From Investment Activities</b>	<b>-2 529</b>	<b>-1 577</b>	<b>-2 529</b>	<b>-9 808</b>
<b>Financing Activities</b>				
Correction Issue Costs	59	-354	59	68
Rights Issue	8 326	0	8 326	1 695
<b>Cash Flow From Financing Activities</b>	<b>8 385</b>	<b>-354</b>	<b>8 385</b>	<b>1 763</b>
<b>Cash Flow For the Period</b>	<b>-658</b>	<b>-2 849</b>	<b>-658</b>	<b>-3 011</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>1 469</b>	<b>4 480</b>	<b>1 469</b>	<b>4 480</b>
<b>Liquid Funds at the End of the Period</b>	<b>811</b>	<b>1 631</b>	<b>811</b>	<b>1 469</b>