

# Half-Year Report

JANUARY–JUNE 2024

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

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# Railway Metrics and Dynamics AB (publ) Half-Year Report, January-June 2024

## Other information for the report

In connection with the company's transition to NGM Nordic SME, the reporting periods have been adjusted according to the marketplace's regulations. Reporting will be conducted semi-annually starting with the Half-Year Report for January-June 2024. Therefore, this report includes information previously published in the interim report as of March 31, 2024, and for the period thereafter until June 30, 2024.

## Period January 1 – June 30, 2024

- The company's net sales for the period amounted to SEK 1,820 thousand (4,689)
- The operating result (EBIT) for the period amounted to SEK -3,003 thousand (1,286)
- EBITDA for the period amounted to SEK -3,003 thousand (1,316)
- Earnings per share for the period were SEK -0.14 (0.07)
- The company capitalized costs of SEK 7,099 thousand (4,051) during the period

## Significant Events During the Reporting Period

- Warrants of series T02 were exercised at a rate of 92.65 percent, and a set-off issue and a new share issue were carried out, which together provided the company with 8 326 thousand SEK after issuance costs
- RMD selected for Business Sweden's growth program Catalyst
- First serial delivery of new PMUs
- VÄTE Rail initially purchased two cameras
- Five "tollgates" delivered and invoiced in the MAJ project with Trafikverket
- Listing transfer from Spotlight Stock Market to Nordic Growth Market
- AWA Patent values RMD's patent portfolio at 20.71 million euros
- 1 million SEK in additional funding from Trafikverket for continued AI and Machine Learning development
- TX Logistik orders rear-view cameras for all locomotives in Sweden
- Green Cargo's MB locomotives equipped with RMD's infrastructure sensors

## Significant Events After the Reporting Period

- RMD Expands Product Portfolio with New Patent for Weight Sensors
- The company begins serial production of both backup cameras and PMUs.
- RMD enters an agency agreement with Indonesian firm Artindo.
- Given the expressed interest, the company has decided to manufacture 100 rear-view cameras during the fall and upcoming winter
- VÄTE Rail has placed an order for 120 PMUs
- Serial delivery of 25 rear-view cameras

# First half of the year fully on track for Railway Metrics and Dynamics

In 2024, the company began with high intensity, carrying out both testing and production, and this momentum continued with good progress into the second quarter. We have seen increased interest in our products from several new players, and our efforts to expand our presence in international markets are advancing rapidly.

Serial production of our sensors and cameras is now in full swing, and we have also placed significant focus on further developing the advanced AI and Machine Learning solutions that are the core of our system. This is a central component in the digitalization of the railway sector, and we see substantial potential for our products.

The future of railways has become a priority at the government level. We have been, and will continue to be, active participants in these discussions. Safety concerns have also gained increased attention in the industry, particularly with the Swedish Work Environment Authority's heightened safety requirements for personnel working with track switching. We believe our camera solution will play a crucial role in meeting these new demands.

Our revenue has so far predominantly come from our agreement with Trafikverket (see page 6). During the first half of 2024, we invoiced a lower amount to this customer for various reasons, which fully explains the decline in revenue this year. We expect to return to invoicing higher amounts for the rest of the year and into 2025. Costs have risen as planned, in line with the growth of the organization and the number of employees. We believe that our personnel and other external costs are now at a level that allows for the planned expansion. Starting in the second half of 2024, we expect our revenue to gradually increase from rental agreements with our customers, according to our business model.

For the remainder of 2024, we expect to maintain a high pace, with increased visibility and presence in the railway market, both nationally and internationally. Our continued efforts will focus on advancing our products so that we can remain at the forefront of the ongoing transformation in the railway sector.



*Jan Lindqvist, VD*

## **Serial production of RMD's rear-view cameras and PMUs has commenced**

During the spring, RMD received a number of orders for its products and is in advanced negotiations with several customers for additional orders. As a result, the company has decided to begin serial production, initially producing 120 PMUs (Performance Monitoring Units) and 100 rear-view cameras for delivery to customers in the upcoming fall and winter.

## **Long-term and stable revenue model**

RMD has strong financial backing from its owners, which provides both freedom and security in our business relationships with the largest players in the railway industry. Therefore, we have chosen a revenue model based on charging our customers on a daily basis according to contract.

Since the contracts extend over longer periods, this daily billing ensures a stable and long-term revenue stream. Rather than relying on high one-time revenues and rapid turnover increases, we gain the advantage of continuously generating revenue over time, while maintaining close relationships with our customers.

## **Additional Deliveries of RMD Products**

TX Logistik has placed an order for additional PMUs and a new, updated version of our rearview camera. Additionally, VÄTE Rail has become a customer and will evaluate the rearview camera on their vehicles during a test period. VÄTE Rail represents a valuable addition to our existing network of customers and partners.

## **The camera market is accelerating and is estimated at 800-1,200 units in Sweden**

Our assessment is that the demand for rearview cameras in the Swedish market amounts to between 800 and 1,200 units. Given the increased focus on safety within the railway sector today, it is expected that the Nordic market will follow Sweden's example with rear-view cameras, and that the rest of Europe will also adopt this trend.

The transition to digital solutions for train reversing, such as during shunting, is expected to accelerate due to the Swedish Work Environment Authority's decision to prohibit railway operator personnel from riding on a footboard outside a railway car. The prohibition is associated with a fine of 15 million SEK. RMD's updated and state-of-the-art rear-view camera, already in use by companies such as VÄTE Rail, is therefore a highly relevant option.

## **RMD selected for Business Sweden's growth program Catalyst - Agency agreement signed in Indonesia**

RMD has been selected to participate in Business Sweden's growth program Catalyst, marking a significant step in the company's global expansion strategy. The program offers a tailored project plan for market entry, advice from experienced coaches, and access to Business Sweden's extensive global network.

As a direct result of participating in the program, RMD, after the end of the reporting period, has entered into an agency agreement with the Indonesian company Artindo. This agreement represents an important milestone for RMD and signifies a strategic opening for us in the Asian market.

## **Expansion to South America**

The company has received an order for a "proof-of-concept" in South America and will implement our advanced "system within a system" including PMUs in Brazil. Brazil has one of the world's top 10 largest railway networks, primarily used for freight transport of raw materials such as soybeans, iron ore, and agricultural products.

This project provides RMD with a strategic opportunity to showcase our system to South American railway customers and represents a significant opening to the market in the region.

## **Valuation of patents and revaluation of intangible assets**

During the period, the company, in collaboration with the leading patent firm AWA Patent, has conducted a valuation of its patent portfolio. The value has been determined to be 20 million euros for all published patents owned by the company. After careful consideration and consultation with tax and accounting experts, the company's board has decided to revalue the intangible assets to 65% of the patents' value, amounting to 156,153,000 SEK. This revaluation also includes previously reported intangible assets.

The basis for the revaluation is the company's anticipated revenue from the patents and the future value these assets are expected to generate. The revaluation has been carried out cautiously, and only a portion of the total value has therefore been included in the balance sheet.

## **RMD Expands System Solution – New Approved Patents**

In addition to advancing our existing technological solutions, we have actively worked to broaden our overall system solution with new technological innovations that complement our current products. We have also applied for and received approval for several new patents:

- **Load Weight Sensor:** During this period, our patent for the load weight sensor has been approved, expanding RMD's patent portfolio. The sensor, which uses radar to monitor train weight, represents a cutting-edge solution that will address many challenges for both railway companies and infrastructure managers. Development of this sensor unit has now begun.
- **Load Securing Sensor:** We have developed a sensor for monitoring whether trailer wagons are correctly secured. The need for such monitoring is particularly evident in light of serious incidents, such as the accident on the Great Belt Bridge in 2019. This solution has the potential to become a future standard within the railway sector. The sensor is now ready for testing.
- **Pantograph and Contact Wire Sensor:** We have also developed a solution for condition monitoring of pantographs and contact wires using radar units and accelerometers. This helps, among other things, to minimize the risk of contact wire failures.

## **Partnership Agreement with Strainlabs**

As part of our efforts to expand our system solution, we have entered into a partnership agreement with Strainlabs, a company specializing in the production of smart bolts. These bolts are designed to detect when temperatures begin to rise to dangerous levels. By integrating these bolts into the wheel axle boxes of trains, RMD's system solution gains an additional dimension of monitoring, enhancing our ability to predict and prevent faults in both trains and tracks.

The combination of our Performance Monitoring Units (PMUs) and these smart bolts can effectively prevent derailments caused by, for example, thermal overloads in wheel axle boxes

## **Success in Trafikverket Project**

On February 1, 2023, RMD signed a contract with Trafikverket for automated measurement of railway infrastructure, with a total order value of approximately 25 million SEK. The experiences from this project are valuable for other markets as well, as similar challenges and needs for oversight of railway infrastructure are present among other infrastructure owners.

We are now in the later stages of Phase 2, where all previous milestones have been achieved. We have installed sensors on two locomotives to test and deliver data to Trafikverket. Upon completion of Phase 2, Trafikverket will have the option to utilize the "Purchase of Information Service" in Phase 3, with a preliminary value of 8.6 million SEK plus ongoing costs.

In April, the company received an additional 1 million SEK from Trafikverket to continue developing the AI and Machine Learning technology already used in the project. This is highly advanced and demanding work, but we consider it crucial for both the success of the project and the further development of our product.

We have also entered into a cooperation agreement with Transitio within the framework of the Trafikverket project (MAJ project). Transitio is responsible for the procurement, financing, and management of rail vehicles, and we will equip several of these vehicles with sensors. These sensors will then provide information directly to Trafikverket.

## **Status Report**

The company is now in a phase moving towards serial deliveries and is expected to see steadily increasing revenues according to our business model. Our strategic goals are in line with the plan, and market trends are consistent with our internal targets. We also look forward to upcoming collaborations with our newly acquired partners in South America and Indonesia. We have made good progress and continue to focus on delivering value to our stakeholders.

### **For more information, please contact:**

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## Financial development

### Operating Revenue

The company generated sales revenue of 1,820 (4,689) thousand SEK for the period January – June 2024

### Operating Costs

The cost of goods sold amounted to –1,356 (–668) thousand SEK for the period January 1 – June 30, 2024. Other external costs amounted to –8,255 (–5,819) thousand SEK for the same period, and personnel costs were –2,314 (–925) thousand SEK.

### Operating Result

The operating result (EBIT) for the period January 1 – June 30, 2024, was –3,003 (1,286) thousand SEK. EBITDA for the corresponding period was –3,003 (1,316) thousand SEK.

### Financial Position and Liquidity

The company's liquid assets amounted to 1,345 (2,882) thousand SEK as of June 30, 2024.

The equity ratio was 76 (76)%.

The company's equity amounted to 147,067 (20,214) thousand SEK.

Cash flow from operating activities for the period was –1,409 (799) thousand SEK.

### Investments

For the period January 1 – June 30, 2024, the company capitalized development costs of 7,099 (4,051) thousand SEK.

### Accounting Principles

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

In connection with the company's move to NGM Nordic SME, reporting periods have changed according to the marketplace's regulations. Reporting will be semi-annual starting with the Half-Year Report for January–June 2024.

### Patent Valuation

During the period, the company's patent portfolio was valued by the market-leading AWA Patent. The value of all published patents owned by the company has been established at 20 million euros. After considering tax and accounting advice, the company's board has decided to revalue its intangible assets to 65% of the patent value, including the already accrued intangible assets in the accounts. The revaluation is made to 156,153 thousand SEK, corresponding to 65% of the valuation

## Risks and Uncertainties

There is a risk that key personnel may leave RMD, which could lead to difficulties in recruiting replacements and negatively impact operations.

Certain critical components are custom-made and may be subject to delivery problems or quality issues from suppliers.

Patents and intellectual property are central to the company's operations. If the company is unable to maintain or obtain necessary protection, it could adversely affect the business.

The company's growth strategy is crucial for achieving financial goals. There is a risk that the strategy may fail, which could result in a lack of revenue growth.

RMD finances its operations through loans, stock issues, and cash flow. Failure to secure necessary capital could negatively affect operations and the financial position.

## Change in outstanding number of shares

	Antal aktier
<b>Opening Balance 2022-01-01</b>	<b>12 700 600</b>
New Share Issue in February	1 492 279
Fund issue in February	-
New Share Issue in March	311 061
Receipt Issue in March	163 250
Fund Issue in May	-
New Share Issue in September	1 542 212
New Share Issue in October	88 500
New Share Issue in October	1 115 000
New Share Issue in November	342 788
<b>Closing Balance 2022-12-31</b>	<b>17 775 690</b>
Closing Balance 2023-03-31	<b>17 775 690</b>
Subscription Options in May	1 320 776
<b>Closing Balance 2023-12-31</b>	<b>19 076 466</b>
Subscription Options in February	1 430 688
New Share Issue in February	113 562
Receipt Issue in February	3 246 350
<b>Closing Balance 2024-06-30</b>	<b>23 867 066</b>

### Stockholm, 2024-08-22

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.

In connection with the company's move to NGM Nordic SME, the reporting periods have changed according to the marketplace's regulations. Reporting will be semi-annual starting with the Half-Year Report for January-June 2024

#### Upcoming Reports

Year-end Report 2024 (February 25, 2025)  
Annual Report 2024 (27 March, 2025)

#### For more information, please contact

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# Income Statement

Amount in thousands of SEK	2024 2401-2406	2023 2301-2306	2023 Helår
<b>Operating Income</b>			
Sales	1 820	4 689	6 170
Capitalized Costs	7 099	4 051	9 808
Other Operating Income	2	-12	-2
<b>Total Operating Income</b>	<b>8 922</b>	<b>8 728</b>	<b>15 976</b>
<b>Operating Expenses</b>			
Raw Materials and Consumables	-1 356	-668	-2 196
Other External Expenses	-8 255	-5 819	-12 611
Personnel Costs	-2 314	-925	-2 467
<b>Earnings Before Depreciation (EBITDA)</b>	<b>-3 003</b>	<b>1 316</b>	<b>-1 298</b>
Depreciation	0	-25	-25
Other Operating Expenses	0	-5	-9
<b>Operating Profit (EBIT)</b>	<b>-3 003</b>	<b>1 286</b>	<b>-1 332</b>
<b>Results Before Financial Items</b>			
Interest Income and Similar Items	0	0	0
Interest Expenses and Similar Items	-4	0	-1
<b>Profit for the Period Before Tax</b>	<b>-3 007</b>	<b>1 286</b>	<b>-1 333</b>
Income Tax	0	0	0
<b>Profit for the Period After Tax</b>	<b>-3 007</b>	<b>1 286</b>	<b>-1 333</b>

# Balance Sheet

Amount in thousands of SEK	2024-06-30	2023-06-30	2023-12-31
<b>Assets</b>			
<b>Fixed Assets</b>			
<b>Intangible Assets</b>			
Patent	156 153	-	-
Balanced Expenditure for Development Work	34 616	21 758	27 516
<b>Total Intangible Fixed Assets</b>	<b>190 769</b>	<b>21 758</b>	<b>27 516</b>
<b>Total Fixed Assets</b>	<b>190 769</b>	<b>21 758</b>	<b>27 516</b>
<b>Current Assets</b>			
<b>Receivables</b>			
Accounts Receivable	316	150	-
Other Short-Term Receivables	811	168	1 047
Prepayments and Accrued Income	544	1 450	180
Capital Subscribed But Not Paid Up	-	25	-
<b>Total Current Receivables</b>	<b>1 671</b>	<b>1 793</b>	<b>1 227</b>
Cash and Bank Balances	1 345	2 882	1 469
<b>Total Current Assets</b>	<b>3 017</b>	<b>4 675</b>	<b>2 696</b>
<b>Total Assets</b>	<b>193 786</b>	<b>26 433</b>	<b>30 212</b>

## Balance Sheet (continued)

Amount in thousands of SEK	2024-06-30	2023-06-30	2023-12-31
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<i>Restricted Equity</i>			
Share Capital	955	763	763
Unregistered Share Capital			
Fund for development costs	34 117	21 260	27 018
Fund for revaluation of assets	123 986	-	-
<b>Total Tied Up Equity</b>	<b>159 058</b>	<b>22 023</b>	<b>27 781</b>
<i>Unrestricted Equity</i>			
Balanced Unrestricted Equity	-8 984	-3 095	-8 744
The Result of the Period	-3 007	1 286	-1 333
<b>Total Unrestricted Equity</b>	<b>-11 991</b>	<b>-1 809</b>	<b>-10 077</b>
<b>Total Equity</b>	<b>147 067</b>	<b>20 214</b>	<b>17 704</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	4 055	2 609	4 446
Other Current Liabilities	10 313	3 401	7 388
Accrued Costs and Prepaid Income	184	209	674
<b>Total Short-Term Liabilities</b>	<b>14 551</b>	<b>6 219</b>	<b>12 508</b>
<b>Total Equity and Liabilities</b>	<b>193 786</b>	<b>26 433</b>	<b>30 212</b>

## Change in Equity (240101-240630)

Amount in thousands of SEK	Aktiekapital	Fond för utvecklingskostnader	Balanserat resultat	Periodens resultat	Summa eget kapital
<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		7 099	-7 099		0
Provision fund for revaluation of assets		123 986			123 986
Issuance Costs			59		59
New Issue	192		6543		6 735
Subscription Options			1 591		1 591
The Result of the Period				-3 007	-3 007
<b>Equity 2024-06-30</b>	<b>955</b>	<b>158 103</b>	<b>-8 983</b>	<b>-3 007</b>	<b>147 067</b>

## Change in Equity (230101-231231)

Amount in thousands of SEK	Aktiekapital	Fond för utvecklingskostnader	Balanserat resultat	Periodens resultat	Summa eget kapital
<b>Equity 2023-01-01</b>	<b>710</b>	<b>17 228</b>	<b>5 361</b>	<b>-6 025</b>	<b>17 274</b>
Disposition of the Previous Period's Results			-6 025	6 025	0
Provision Fund for Development Costs		9 808	-9 808		0
Issuance costs			-269		-269
Subscription Options	53		1 979		2 032
The Result of the Period				-1 333	-1 333
<b>Equity 2023-12-31</b>	<b>763</b>	<b>27 018</b>	<b>-8 744</b>	<b>-1 333</b>	<b>17 703</b>

## Financial Ratios

	2024-06-30	2023-06-30	2023-12-31
Number of Months to which the Report Refers	6	6	12
Adjusted Equity (SEK thousand)	147 067	20 214	17 703
Equity Ratio, %	76	76	59
Cash flow	0,21	0,75	0,22
Dividend/Share (SEK)	0	0	0
Earnings Per Share Before Dilution (SEK)	-0,14	0,07	-0,07
Earnings Per Share After Dilution (SEK)	-0,14	0,07	-0,07
Equity Per Share Before Dilution (SEK)	6,16	1,06	0,93
Net Investments, Tangible Fixed Assets (TSEK)	0	0	0
Net Investments, Intangible Fixed Assets (TSEK)	7 099	4 051	9 808
Quota Value of the Share (SEK)	0,040	0,040	0,040
Average number of shares during the period (thousands), before dilution	20 873	17 932	18 482
Average number of shares during the period (thousands), after dilution	21 838	20 621	20 621
Number of shares at the end of the period (thousands), before dilution	23 867	19 076	19 076
Number of shares at the end of the period (thousands), after dilution	23 867	20 621	20 621
Cash Flow for the Period (TSEK)	-124	-1 598	-3 011

# Cash Flow Analysis

Amount in thousands of SEK	2024 2401-2406	2023 2301-2306	2023 Helår
<b>The Current Operations</b>			
Profit for the Period Before Tax	-3 007	1 286	-1 333
Adjustment For Items Not Affecting Cash Flow: Depreciation and Write-downs	0	26	25
<b>Cash Flow From Current Operations Before Changes in Working Capital</b>	<b>-3 007</b>	<b>1 312</b>	<b>-1 308</b>
Change in Working Capital	1 598	-513	6 342
<b>Cash Flow From Current Operations</b>	<b>-1 409</b>	<b>799</b>	<b>5 034</b>
<b>The Investment Business</b>			
Change Intangible Fixed Assets	-7 041	-4 051	-9 808
<b>Cash Flow From Investment Activities</b>	<b>-7 041</b>	<b>-4 051</b>	<b>-9 808</b>
<b>Financing Activities</b>			
Correction Issue Costs	0	-	68
Rights Issue	8 326	1 654	1 695
<b>Cash Flow From Financing Activities</b>	<b>8 326</b>	<b>1 654</b>	<b>1 763</b>
<b>Cash Flow For the Period</b>	<b>-124</b>	<b>-1 598</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>4 480</b>
<b>Liquid Funds at the End of the Period</b>	<b>1 345</b>	<b>2 882</b>	<b>1 469</b>