



Interim report January – June 2019
Cabonline Group Holding AB (publ)

APRIL – JUNE 2019

January – JUNE 2019

- Revenue amounted to MSEK 1,667 (1,616), an increase of 3%. Organically, a decline of 4.7%.
- Operating profit was MSEK -137 (11), which included a write-down of intangible assets amounting to MSEK 124 (0) regarding operations in Finland and items affecting comparability of MSEK -25 (-25).
- Adjusted EBITA was MSEK 47 (69) and the corresponding margin was 2.8% (4.3).
- Net loss for the period was MSEK -142 (-11)
- Earnings per share before and after dilution was SEK -4.35 (-0.65).
- The period's cash flow was MSEK 1 (-32).
- Taxi 4x27 in Denmark and Taxi Västerås were acquired.

- Revenue amounted to MSEK 3,167 (3,183), a decrease of 1%. Organically, a decline of 5.3%.
- Operating profit was MSEK -128 (33), which included a write-down of intangible assets amounting to MSEK 124 (0) and items affecting comparability of MSEK -45 (-40).
- Adjusted EBITA was MSEK 109 (138) and the corresponding margin was 3.4 % (4.3).
- Net loss for the period was MSEK -154 (-13).
- Earnings per share before and after dilution was SEK -5.01 (-1.06).
- The period's cash flow was MSEK -7 (25).

The Group in brief

Amounts in MSEK	2019	2018*		2019	2018*		2018*
	Apr-Jun	Apr-Jun	%	Jan-Jun	Jan-Jun	%	
Revenues	1,667	1,616	3%	3,167	3,183	-1%	6,217
-Transport revenue	1,466	1,401	5%	2,775	2,754	1%	5,385
-Contract revenue	174	169	3%	335	332	1%	648
-Other revenue	28	46	-40%	57	96	-41%	184
Organic growth % *	-4.7%	-	-	-5.3%	-	-	-3.6%
Operating profit (EBIT) *	-137	11	-1326%	-128	33	-486%	-121
Operating margin % *	-8.2%	0.7%	-	-4.0%	1.0%	-	-2.0%
Adjusted EBITDA *	71	94	-25%	156	187	-17%	330
Adjusted EBITA	47	69	-32%	109	138	-21%	239
Adjusted EBITA margin % *	2.8%	4.3%	-	3.4%	4.3%	-	3.8%
Items affecting comparability *	-25	-25	-2%	-45	-40	12%	-77
EBITA *	23	44	-49%	64	98	-35%	162
EBITA margin % *	1.3%	2.7%	-	2.0%	3.1%	-	2.6%
Net income	-142	-11	1228%	-154	-13	1096%	-214
Earnings per share before dilution, SEK	-4.35	-0.65	567%	-5.01	-1.06	371%	-7.36
Earnings per share after dilution, SEK	-4.35	-0.65	567%	-5.01	-1.06	371%	-7.36
Cash flow for the period	1	-32	-104%	-7	25	-130%	-6
Net debt /Adjusted EBITDA, R12 *	5.3	4.4	21%	5.3	4.4	21%	4.8

* 2018 comparable figures have not been changed according to accounting standard IFRS 16, see Note 1

APM, see the basis for calculation and definitions on pages 25-30

CEO's comments

During the first half of the year, we continued to operate and develop the business, while also carrying out the principal owner H.I.G Capital's mission to prepare Cabonline for a potential change of ownership. However, in May, H.I.G. decided to postpone the exit plans, which include the option of a public listing. The decision means no change in substance, we are continuing to run our business in accordance with the established strategy and financial goals. We will in the medium term grow by more than 5% per year, which is to take place both organically and through acquisitions and have an adjusted EBITA margin of more than 4%.

During the year, we have seen a growing challenge in driver recruitment, especially in large cities. This was reflected in a negative trend in organic growth during the second quarter. Through efficient public procurement contracts, we are successful in raising the utilization rate and revenue per car. However, this was counteracted by the challenge of recruiting drivers for the cars, resulting in a lower number of cars. The driver recruitment is high up on our agenda and we have initiated a number of projects to facilitate this and to expand the recruitment base. Our growth strategy is also based on acquisitions partly to increase geographical coverage and partly to utilise the leverage in our business model. In line with this, Taxi Västerås and Taxi 4x27 in Denmark were acquired during the second quarter.

Through the acquisition of Taxi Västerås with 148 cars, we strengthen our position in the Mälardalen region. With the acquisition of Taxi 4x27, Cabonline has entered into the taxi market in Denmark. We have thus strengthened our position as the leading taxi company in the Nordics. Taxi 4x27 was founded more than 90 years ago and is today the third largest taxi company in Denmark. With Taxi 4x27, 40 employees and 240 transporters with 300 cars and 550 drivers have now become part of Cabonline.

In Finland, Kati Rajala took over as new CEO on June 1. Kati will continue the efforts to create a strong position in the Finnish market. Immediate focus is now on increasing the occupancy rate for existing drivers and recruiting new drivers.

Operations in Norway performed well during the quarter, including several new procured public contracts. Cabonline launched in the second quarter the new lifestyle brand "jip" in Trondheim, which will attract new, younger taxi consumers and strengthen the business. The response to the launch has been positive and preparations are now underway to establish "jip" in more locations.

In Sweden, a number of publicly procured contracts were won during the period. These agreements are strategically important since they provide us with stable revenue over a long period of time and lead to a more even occupancy rate and better earnings for transporters and drivers. The new travel service agreements with the traffic management in Stockholm County Council have been in effect since April 1 and offer better conditions for our



riders and drivers. The agreements correspond to a total contract value, including options of close to SEK 3 billion over four years.

Together with our efforts over the past year on a stronger corporate culture, joint leadership for the entire Group and an improvement in quality of the delivery, we are now better equipped to achieve our financial goals, grow with profitability and realise our goal image: a world-class taxi company.

Peter Viinapuu
President and CEO

The Group's financial development

April – June

Revenue and earnings

Revenue increased 3% to MSEK 1,667 (1,616), an organic decline of 4.7%. Revenue decreased 1% in Sweden, 3% in Norway and 5% in Finland while the acquisition in Denmark had a positive impact. Revenue per car increased in Sweden and Norway, which, however, could not fully offset the lower number of cars. In Finland, revenue fell as a result of a driver shortage, which led to lower utilization of the cars.

Operating profit for the first quarter fell to MSEK -137 (11). During the quarter, operating profit was charged with a write-down of intangible assets relating to Finnish operations of MSEK 124 and items affecting comparability of MSEK -25 (-25). The items affecting comparability primarily concern preparations for ownership changes (see Note 3). The long-term strategy for Finland remains and the new CEO who took office during the quarter has begun a comprehensive change programme.

Adjusted EBITA decreased to MSEK 47 (69). The decrease of MSEK 22 is mainly explained by the decrease in earnings in Finland by MSEK 12 and by the Other segment, where the decrease was MSEK 8. Adjusted EBITA in Sweden and Norway was substantially unchanged compared with the previous year. The decrease in earnings in Finland is a result of the lower utilization rate of own cars and to some extent also higher costs. The decrease in earnings in the Other segment is due to higher costs as a result of the strengthening of the central functions and increased costs for strategic initiatives. Adjusted EBITA margin was 2.8% (4.3). IFRS 16 had no material impact on adjusted EBITA.

EBITA amounted to MSEK 23 (44).

Financial items

Net financial items amounted to MSEK -22 (-22), of which MSEK -21 referred to interest expense for the company's issued bond.

Income tax

Income tax amounted to MSEK 16 (0) and comprises current tax of MSEK -6 and positive effects from estimated deferred tax of MSEK 22.

January - June

Revenue and earnings

Revenue declined 1% to MSEK 3,167 (3,183), an organic decrease of 5.3%. Revenue fell 3% in Sweden, in Norway 5% and in the Other segment 28%, but increased 1% in Finland. The new segment Denmark contributes to sales compared with the previous year. The performance in Sweden and Norway was due to a lower number of connected cars, while the trend in Finland is the result of an increased number of cars.

Operating profit decreased to MSEK -128 (33). Operating profit was negatively impacted by MSEK 124 from the write-down of intangible assets relating to the Finnish operations. In addition, the interim year is charged with items affecting comparability of MSEK -45 (-40).

Adjusted EBITA decreased MSEK 29 to MSEK 109 (138). Earnings in Sweden increased MSEK 8 as a result of a favourable profitability trend regarding public contracts. However, this could not offset the lower results in Finland and Other, where the decline was MSEK 19 and MSEK 25, respectively. The decrease in earnings in Finland is a result of the lower utilization rate of own cars. The decrease in earnings in the Other segment was due to higher costs as a result of the strengthening of the central functions, lower taximeter sales and lower commissions on purchases from franchisees. Adjusted EBITA was essentially unchanged in Norway. Adjusted EBITA margin was 3.4% (4.3). IFRS16 had no material impact on adjusted EBITA.

EBITA amounted to MSEK 64 (98).

Financial items

Net financial items amounted to MSEK -43 (-39), of which MSEK -43 refers to interest expenses for the company's issued bond, other significant items comprise positive currency translation effects of MSEK 8 and accrued bond costs of MSEK -4.

Income tax

Income tax amounted to MSEK 18 (-7) and comprised current tax of MSEK -11 and positive effects from calculated deferred tax of MSEK 29.

Financial position

Net debt amounted to MSEK 1,578 (1,507) as of 30 June 2019 and net debt/adjusted EBITDA, R12 to 5.3 times (4.4). Net debt increased MSEK 32 as a result of reporting in accordance with IFRS 16. Comparative figures have not been restated for IFRS 16.

The Group has an outstanding bond loan with a total scope of MSEK 2,000. As of 30 June 2019, MSEK 1,550 was utilised. The Company's possibilities to utilise the remaining space are regulated in the bond terms. The bond is listed on Nasdaq Stockholm with maturity until June 2020. The market value as of 30 June 2019 amounted to MSEK 1,569 and the price was SEK 101.25.

At the end of the period, the Group had a guaranteed credit facility (overdraft facility) with maturity until March 2020, corresponding to MSEK 200 (200), of which MSEK 27 (0) had been utilised at the end of the period. The company is currently evaluating various refinancing options for the bond and the guaranteed credit facility.

Cash flow

Comparative figures for cash flow have not been restated for IFRS 16.

April – June

Cash flow from operating activities amounted to MSEK 16 (29) during the second quarter. The decrease compared with the preceding year was due to a lower cash flow affecting operating profit, which was offset somewhat by a higher cash flow from changes in working capital compared with the previous year. The net effect on the current cash

flow of IFRS 16 is not material since both operating income and operating expenses were affected by IFRS 16.

Cash flow from investing activities was MSEK -22 (-46). Lower additional purchase prices and a positive effect of IFRS 16 of MSEK 7, relating to payments from car leasing previously reported in the cash flow from operating activities, were the reasons for the increase compared with the year-earlier period.

Cash flow from financing operations amounted to MSEK 7 (-15). The increase was mainly due to the utilization of overdraft facilities of MSEK 26, which was offset by a negative effect of IFRS16 of MSEK 6.

January - June

Cash flow from operating activities amounted to MSEK 59 (117). The decrease compared to the previous year was due to a lower cash flow affecting operating income and a lower cash flow from changes in working capital compared with the previous year. The net effect on the current cash flow of IFRS 16 is not material since both operating income and operating expenses were affected by IFRS 16.

Cash flow from investing activities was MSEK -24 (-65). Lower additional purchase prices and a positive effect of IFRS 16 of MSEK 14, on payments from car leasing previously reported in the cash flow from operating activities, were the reason for the increase compared with the year-earlier period.

Cash flow from financing activities amounted to MSEK -42 (-27). The decrease compared with the preceding year was mainly due to a negative effect of IFRS16 of MSEK 13.

Development by segment

Sweden

Segment Sweden brings together the client with the transporter in an efficient franchising network. Mediation of trips occurs on behalf of public clients, businesses and private customers. The operations are primarily conducted under the TaxiKurir, Sverigetaxi and TOPCAB brands, as well as a number of local brands. In addition, support services are also performed on behalf of transporters, such as the leasing of taxi cabs and mediation of taxi insurance. On a small scale, in-house transporter operations are also conducted in this segment.

Amounts in MSEK	2019		2018		2019		2018		2018	
	Apr-Jun	Apr-Jun	Apr-Jun	%	Jan-Jun	Jan-Jun	Jan-Jun	%	Jan-Dec	
Sweden										
Revenues	1,297	1,311	-1%		2,523	2,592	-3%		5,063	
Revenues (external)	1,292	1,305	-1%		2,512	2,580	-3%		5,039	
-Transport revenue	1,128	1,120	1%		2,187	2,218	-1%		4,331	
-Contract revenue	150	150	0%		292	295	-1%		572	
-Other revenue	14	35	-59%		33	67	-51%		136	
Organic growth %	-4.0%	-	-		-4.4%	-	-		-1.6%	
Operating profit (EBIT)	-16	4	-		-24	4	-		-13	
Operating margin %	-1.2%	0.3%	-		-0.9%	0.2%	-		-0.3%	
Adjusted EBITDA	103	109	-5%		211	210	0%		413	
Adjusted EBITA	94	95	-1%		195	187	4%		363	
Adjusted EBITA margin %	7.2%	7.3%	-		7.7%	7.2%	-		7.2%	
Items affecting comparability	-83	-65	28%		-166	-131	26%		-270	
EBITA	11	30	-64%		29	56	-48%		93	

April - June

External revenue decreased 1% to MSEK 1,292 (1,305). The decrease in other income is explained by changes in the accounting of leasing income as a result of IFRS16. The acquisition of Taxi Västerås (second quarter 2019) made a positive contribution to revenue trend.

Organically, revenue decreased 4.0%. Revenue per car increased but could not compensate for fewer connected cars. The decrease in cars was an effect of driver recruitment challenges and an estimated increased in competition in the B2C segment.

Operating profit amounted to MSEK -16 (4) and includes items affecting comparability of MSEK -83 (-65). Items affecting comparability include internal licensing fees and fees for management functions of MSEK -82 (-61). These sum to zero for the Group and the positive effect is found in the Other segment.

Adjusted EBITA amounted to MSEK 94 (95) during the second quarter. The decrease is mainly explained by the car tap. Increased transport margins on public contracts and reduced customer service costs contributed positively to earnings growth.

January - June

External revenue decreased 3% to MSEK 2,512 (2,580). The negative development in other income is explained by the changes in accounting policies (see second quarter). Organically, revenue fell 4.4% as a result of fewer connected cars.

Operating profit amounted to MSEK -24 (4) and includes items affecting comparability of MSEK -166 (-131), of which MSEK -164 (-122) pertains to internal licensing fees and fees for management functions (totals zero for the Group).

Adjusted EBITA amounted to MSEK 195 (187). The higher earnings were driven by a positive price trend on public contracts as a result of an increased quality focus on contracting parties and is essentially organic. Reduced customer service costs also contributed to the positive earnings trend.

Norway

Segment Norway brings together the client with the transporter in an efficient franchising network in Oslo, as well as other urban areas such as Bergen, Trondheim and Stavanger. Mediation of trips occurs on behalf of public clients, businesses and private customers. The operations are conducted under the brand NorgesTaxi.

Amounts in i MSEK	2019		2018		2019		2018		2018	
	Apr-Jun	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Dec			
Revenues	209	217	-3%	398	417	-5%	815			
Revenues (external)	209	216	-3%	398	417	-5%	815			
- <i>Transport revenue</i>	190	197	-4%	361	378	-5%	739			
- <i>Contract revenue</i>	19	19	-1%	37	38	-3%	74			
- <i>Other revenue</i>	0	0	-1525%	1	1	-31%	2			
Organic growth %	-4.3%	-	-	-6.6%	-	-	-13.4%			
Operating profit (EBIT)	0	1	-140%	-4	-6	-26%	-16			
<i>Operating margin %</i>	-0.1%	0.3%	-	-1.0%	-1.3%	-	-2.0%			
Adjusted EBITDA	5	5	2%	8	6	28%	9			
Adjusted EBITA	4	5	-14%	5	5	-	7			
<i>Adjusted EBITA margin %</i>	2.0%	2.3%	-	1.3%	1.2%	-	0.9%			
Items affecting comparability	0	0	-118%	-1	-2	-65%	-5			
EBITA	4	5	-15%	5	3	49%	2			

April - June

External revenue declined 3% to MSEK 209 (216). The organic decline, which also takes into account currency effects, amounted to 4.3%.

The lower revenue is the effect of fewer cars connected compared to the year-earlier period. The number of connected cars decreased in 2018, especially in Oslo, due to lack of attractiveness in procurement contracts. However, car development has stabilised in 2019. Revenue per car increased compared with the corresponding quarter last year, driven, for example, by a higher price level in some public contracts.

Operating profit amounted to MSEK 0 (1).

Adjusted EBITA amounted to MSEK 4 (5) as a result of a decrease in the number of cars but is offset by reduced fines regarding public contracts.

January - June

External revenue decreased 5% to MSEK 398 (417). The organic decline, which also takes into account currency effects, amounted to 6.6%. The lower revenue is a result of fewer connected cars, which is, however, offset by higher revenue per car.

Operating profit amounted to MSEK -4 (-6) and includes items affecting comparability of MSEK -1 (-2).

Adjusted EBITA amounted to MSEK 5 (5). Increased profitability on public contracts is offset by a fewer number of connected cars.

Finland

Segment Finland's operations consist primarily of taxi ordering and dispatching, and in-house transporter activities in the Helsinki area and in Oulu. The in-house transporter activities account for the largest part of revenue. Mediation of trips occurs primarily on behalf of businesses and private customers, as well as for public clients. The operations are conducted under the Kovanen and FixuTaxi brands.

Amounts in MSEK	2019		2018		2019		2018		2018	
	Finland	Apr-Jun	Finland	Apr-Jun	%	Jan-Jun	Jan-Jun	%	Jan-Dec	
Revenues		83		87	-5%	166	165	1%	329	
Revenues (external)		83		87	-5%	166	165	1%	329	
-Transport revenue		79		85	-7%	159	158	0%	315	
-Contract revenue		2		0	-	4	0	-	1	
-Other revenue		1		2	-25%	3	7	-49%	13	
Organic growth %		-16.3%		-		-12.1%	-	-	-7.8%	
Operating profit (EBIT)		-136		-3	4775.8%	-145	-8	1766%	-180	
Operating margin %		-164.6%		-3.2%	-	-87.7%	-4.7%	-	-54.6%	
Adjusted EBITDA		-5		8	-155%	-6	17	-134%	10	
Adjusted EBITA		-9		3	-408%	-16	3	-	-6	
Adjusted EBITA margin %		-11.3%		3.5%	-	-9.9%	1.8%	-	-2.0%	
Items affecting comparability		0		-4	-94%	0	-7	-94%	-13	
EBITA		-10		-1	964%	-17	-4	382%	-20	

April - June

External revenue decreased 5% to MSEK 83 (87). Revenue were positively affected by acquisitions (third quarter 2018) and more cars as a result of an influx of external carriers. However, revenue per car decreased compared to the year-earlier period. This is mainly an effect of a driver shortage which leads to a lower utilization rate of the cars in their own fleet. Organically, revenue decreased by 16.3% as a result of the above.

Operating profit amounted to MSEK -136 (-3) and includes items affecting comparability of MSEK 0 (-4). Operating profit is adversely affected by a write-down of intangible assets of MSEK 124.

Adjusted EBITA amounted to MSEK -9 (3). The decrease in revenue in own cars, for which the cost base is partly fixed, was the reason for most of the deterioration. The cost base for support functions has also increased compared with the previous

year. The influx of external carriers contributes positively to profitability.

January - June

External revenue increased 1% to MSEK 166 (165). The revenue trend was positively affected by acquisition effects and more connected cars, which was, however, offset by reduced revenue per car. Organically, revenue decreased 12.1%.

Operating profit amounted to MSEK -145 (-8) and includes items affecting comparability of MSEK 0 (-7). Impairment of intangible assets had a negative impact on earnings of MSEK 124.

Adjusted EBITA amounted to MSEK -16 (3). The lower profitability is driven by the lower utilization rate of the cars in their own fleet and the higher cost base for support functions.

Denmark

Segment Denmark brings together the client with the transporter in an efficient franchising network in Copenhagen, as well as other locations in Denmark. Mediation of trips occurs on behalf of businesses and private customers. The operations are conducted under the 4x27 brand.

Amounts in i MSEK	2019		2018		2019		2018		2018	
	Denmark	Apr-Jun	Apr-Jun	%	Jan-Jun	Jan-Jun	%	Jan-Dec		
Revenues	76	-	-		76	-	-	-		
Revenues (external)	76	-	-		76	-	-	-		
- <i>Transport revenue</i>	69	-	-		69	-	-	-		
- <i>Contract revenue</i>	3	-	-		3	-	-	-		
- <i>Other revenue</i>	4	-	-		4	-	-	-		
Organic growth %	-	-	-		-	-	-	-		
Operating profit (EBIT)	-2	-	-		-2	-	-	-		
<i>Operating margin %</i>	<i>-3.0%</i>	-	-		<i>-3.0%</i>	-	-	-		
Adjusted EBITDA	0	-	-		0	-	-	-		
Adjusted EBITA	0	-	-		0	-	-	-		
<i>Adjusted EBITA margin %</i>	<i>-0.4%</i>	-	-		<i>-0.4%</i>	-	-	-		
Items affecting comparability	0	-	-		0	-	-	-		
EBITA	0	-	-		0	-	-	-		

April - June

Cabonline acquired Taxi 4x27 in Denmark in May. Taxi 4x27 was consolidated on 1 May 2019 and the new Segment Denmark was formed. For more

information about the acquisition, refer to Note 2 on page 21.

Other

Group-wide functions such as management functions and administrative IT and accounting support are collected within segment Other. It also includes Group-wide development of technical platforms used in the Group.

Amounts in i MSEK	2019		2018		2019		2018		2018	
	Apr-Jun	Apr-Jun	%	Jan-Jun	Jan-Jun	%	Jan-Dec			
Revenues	103	82	26%	206	175	18%	348			
Revenues (external)	8	8	0%	15	21	-28%	33			
- <i>Transport revenue</i>	0	-1	-100%	0	0	-102%	0			
- <i>Contract revenue</i>	0	0	-	0	0	-	0			
- <i>Other revenue</i>	8	9	-18%	15	21	-29%	33			
Organic growth %	0.4%	-	-	-28.1%	-	-	-1.6%			
Operating profit (EBIT)	17	11	57.8%	47	50	-4%	86			
<i>Operating margin %</i>	<i>16.7%</i>	<i>13.3%</i>	-	<i>23.0%</i>	<i>28.4%</i>	-	<i>24.7%</i>			
Adjusted EBITDA	-33	-27	22%	-57	-39	47%	-103			
Adjusted EBITA	-41	-33	26%	-75	-50	49%	-126			
<i>Adjusted EBITA margin %</i>	<i>-40.1%</i>	<i>-40.0%</i>	-	<i>-36.1%</i>	<i>-28.6%</i>	-	<i>-36.2%</i>			
Items affecting comparability	59	44	34%	122	100	23%	211			
EBITA	17	11	58%	47	50	-4%	86			

April - June

External income during the first quarter amounted to MSEK 8 (8).

Operating profit amounted to MSEK 17 (11) and includes items affecting comparability of MSEK 59 (44). Items affecting comparability include internal licensing fees and fees for management functions of MSEK 82 (61). These total zero for the Group and the negative effect is found in the Sweden segment.

Adjusted EBITA during the first quarter amounted to MSEK -41 (-33). The work of building a well-functioning and scalable platform for growth has resulted in increased costs for central functions. In addition, costs related to strategic initiatives have increased compared with the previous year.

commissions on purchases made by franchisees and slightly lower sales of taximeter systems.

Operating profit amounted to MSEK 47 (50) and includes items affecting comparability of MSEK 122 (100), of which MSEK 164 (122) pertains to internal licensing fees and fees for management functions (totals to zero for the Group).

Adjusted EBITA amounted to MSEK -75 (-50). The weaker profitability is mainly explained by the increased cost base linked to the strengthening of central functions and strategic projects. The lower taximeter sales and lower commissions on purchases from franchisees also contribute to the negative profitability trend.

January - June

External revenue decreased 28% to MSEK 15 (21). The lower revenue was mainly explained by lower

Other information

Employees

At the end of the period, the number of employees in the Group was 1,407 (1,410).

Parent Company

Cabonline Group Holding AB (publ) is the Parent Company of the Cabonline Group Holding Group. Operations comprise Group management and financing of the Group's operations. Revenue for the quarter was MSEK 4 (0) and net loss for the period was MSEK -16 (-15).

Significant events

Kati Rajala started June 1 as the new CEO of Cabonline Finland. A new segment Denmark was established in conjunction with the acquisition of Taxi 4x27 in May.

Seasonal variations

Demand is normally lower during the summer months, meaning in the third quarter.

Disputes

Sverigetaxi i Stockholm AB, a wholly owned subsidiary of the Cabonline Group, is involved in an ongoing dispute with a former customer pertaining to lack of payment for performed school transports. The agreement has now been terminated. The value of the dispute during the court hearing was

set at MSEK 20.3 and Stockholm County Court ruled in favour of Sverigetaxi i Stockholm AB on 9 March 2018. Connected to this dispute, the company reported a receivable of MSEK 17.9 and a provision of MSEK 5.0 for doubtful receivables. This verdict has been appealed by the counterpart.

Pledged assets and contingent liabilities

Assets pledged for the Parent Company

Cabonline Group Holding AB (publ) has pledged its shares in Ixat Group Holding AB and inter-company receivables as collateral for obligations under the bond loan.

Assets pledged for the Group

In addition to the aforementioned pledging, the following assets have been placed as collateral in accordance with the terms and conditions of the bond.

- i. Floating charges for chattel mortgages in Group companies.
- ii. A lien on operating accessories according to Norwegian law in Group companies.
- iii. Pledging of registered trademarks.

The character and scope of pledged assets and contingent liabilities were unchanged compared with 31 December 2018. For a more detailed description see note 28 in the Annual Report 2018.

Consolidated income statement

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Total Revenue	1,667	1,616	3,167	3,183	6,217
Capitalised development costs	7	6	12	13	25
Transport expenses	-1,342	-1,271	-2,526	-2,506	-4,875
Other external expenses	-139	-137	-251	-255	-561
Personnel expenses	-146	-146	-290	-288	-548
Other operating expenses	-0	-0	-0	0	-5
Amortisation and depreciation of fixed assets	-59	-58	-115	-114	-223
Impairment of goodwill	-124	0	-124	0	-152
Share of earnings from associated companies	0	0	0	1	0
Total operating expenses	-1,804	-1,605	-3,295	-3,150	-6,338
Operating profit (EBIT)	-137	11	-128	33	-121
Financial income	3	3	10	11	13
Financial expenses	-24	-25	-53	-50	-107
Profit/loss from financial items	-22	-22	-43	-39	-94
Profit/loss before tax	-159	-11	-171	-5	-216
Income tax	16	0	18	-7	2
Net profit/loss for the period	-142	-11	-154	-13	-214
Profit/loss attributable to:					
The Parent Company's shareholders	-143	-11	-154	-14	-214
Non-controlling interests	0	0	0	1	1
Net profit/loss for the period	-142	-11	-154	-13	-214
Earnings per share before dilution, SEK*	-4.35	-0.65	-5.01	-1.06	-7.36
Earnings per share after dilution, SEK*	-4.35	-0.65	-5.01	-1.06	-7.36
Average number ordinary shares outstanding	35,556,850	35,556,850	35,556,850	35,556,850	35,556,850
* See definitions p 22-22					

Consolidated statement of comprehensive income

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net profit/loss for the period	-142	-11	-154	-13	-214
Other comprehensive profit/loss					
Translation difference for the period	-1	2	1	5	3
Comprehensive profit/loss for the period	-143	-9	-152	-7	-211
Comprehensive profit/loss attributable to:					
The Parent Company's shareholders	-143	-9	-153	-8	-212
Non-controlling interests	0	0	0	1	1
Total comprehensive profit/loss for the period	-143	-9	-152	-7	-211

Consolidated balance sheet

Amounts in MSEK	2019-06-30	2018-06-30	2018-12-31
Fixed assets			
Intangible fixed assets	1,591	1,902	1,693
Tangible fixed assets	171	177	173
Ownership interests in associated companies	2	4	3
Deferred tax assets	10	7	9
Long-term interest-bearing receivables	7	0	-0
Other financial assets	23	10	10
Total fixed assets	1,792	2,099	1,889
Current assets			
Inventories	5	5	4
Accounts receivable	282	244	264
Other receivables	43	47	41
Short-term interest-bearing receivables	51	18	20
Tax assets	32	26	24
Prepaid expenses and accrued income	84	108	77
Cash and bank balances	77	122	85
Total current assets	574	569	515
TOTAL ASSETS	2,365	2,668	2,404
Amounts in MSEK	2019-06-30	2018-06-30	2018-12-31
Shareholders Equity			
Share capital	4	4	4
Other contributed capital	386	385	386
Reserves	5	6	4
Retained earnings, including result for the period	-565	-211	-411
Total shareholders equity attributable to the parent company's shareholders;	-171	185	-18
Non-controlling interests	6	6	6
Total shareholders equity	-165	191	-12
Provisions and Long-term liabilities			
Provisions	40		
Long-term interest-bearing liabilities	1,616	1,605	1,607
Deferred tax liabilities	73	91	84
Other long-term liabilities	9	4	14
Total provisions and long-term liabilities	1,738	1,700	1,705
Short-term liabilities			
Short-term interest-bearing liabilities	97	42	73
Accounts payable	120	90	107
Current tax liabilities	30	36	26
Other liabilities	70	156	105
Accrued expenses and prepaid income	475	454	401
Total short-term liabilities	791	778	711
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	2,365	2,668	2,404

Consolidated statement of changes in equity

Amounts in MSEK	Share-capital	Other contributed capital	Reserves *	Profits carried forward	Total	Holdings without controlling influence	Total Shareholders equity
Opening balance as at 1 January 2018	4	385	1	-200	191	8	198
Comprehensive profit/loss							
Net profit/loss for the period				-14	-14	1	-13
Other comprehensive profit/loss			5		5		5
Total comprehensive profit/loss	0	0	5	-14	-8	1	-7
Transactions with shareholders:							
Change in the minority's share				3	3	-3	0
Closing balance as at 30 June 2018	4	385	6	-211	185	6	191
Opening balance as at 1 January 2019	4	386	4	-411	-18	6	-12
Comprehensive profit/loss							
Net profit/loss for the period				-154	-154	0	-154
Comprehensive profit/loss			1	0	1		1
Total comprehensive profit/loss	0	0	1	-154	-153	0	-152
Transactions with shareholders:							
Closing balance as at 30 June 2019	4	386	5	-565	-171	6	-165

*Reserves relate to translation differences

Consolidated statement of cash flows

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating activities					
Operating profit	-137	11	-128	33	-121
Adjustments for items not included in the cash flow	183	52	239	109	375
Interest paid	-23	-23	-47	-45	-98
Interest received	0	1	1	1	2
Taxes paid	-7	-2	-14	-12	-20
Cash flow from operating activities before changes in working capital	16	39	51	86	137
Cash flow from changes in working capital					
Increase (-)/Reduction (+) of inventories	-1	-0	-1	4	5
Increase (-)/Reduction (+) of operating receivables	29	31	-1	45	54
Increase (+)/Reduction (-) of operating liabilities	-29	-41	9	-18	-47
Change in working capital	-0	-10	7	31	12
Cash flow from operating activities	16	29	59	117	149
Investment activities					
Received Payments - Sublease of Vehicles	7	-	14	-	-
Acquisition of business operations	-8	-1	-8	-1	-2
Additional paid contingent consideration	-7	-33	-7	-33	-84
Investments in tangible and intangible fixed assets	-13	-11	-22	-29	-45
Acquisition of financial assets	0	-1	-	-2	-1
Cash flow from investment activities	-22	-46	-24	-65	-132
Financing activities					
Repayment of leasing liabilities- Vehicles	-10	-10	-21	-18	-40
Repayment of leasing liabilities- Rent	-6		-13	-	-
Repayment of loans	-2	-5	-5	-9	-13
Change in utilisation of overdraft facility	26	0	-4	0	30
Cash flow from financing activities	7	-15	-42	-27	-23
Cash flow for the year	1	-32	-7	25	-6
Cash and cash equivalents at the beginning of the year	77	152	85	91	91
Exchange rate differences in cash and cash equivalents	-1	3	-1	7	1
Cash and cash equivalents at end of the period	77	122	77	122	85

Parent Company income statement

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating revenues	4	-0	7	0	17
Operating expenses					
Other external expenses	-13	-12	-27	-13	-26
Personnel expenses	-4	-2	-7	-3	-7
Operating result	-14	-14	-27	-16	-16
Net gains/losses from financial items					
Interest income and similar income items	22	22	43	43	86
Interest expenses and similar expense items	-24	-23	-47	-47	-94
Profit after gains/losses from financial items	-16	-15	-32	-19	-23
Appropriations					
Group contributions	0	0	0	0	122
Provisions for tax allocation reserves	0	0	0	0	-25
Profit/loss before taxes	-16	-15	-32	-19	74
Tax on the profits for the period	0	0	0	0	-16
Net profit/loss for the period	-16	-15	-32	-19	58

Because there are no items in the Parent Company that are recognised as other comprehensive income, the total for comprehensive income is the same as net profit/loss for the period.

Parent Company balance sheet

Amounts in MSEK	2019-06-30	2018-06-30	2018-12-31
Fixed assets			
<i>Financial assets</i>			
Shares in Group companies	656	656	656
Total financial assets	656	656	656
Total fixed assets	656	656	656
Current assets			
<i>Short-term receivables</i>			
Receivables from Group companies, Short-term	1,819	1,724	1,866
Other short-term receivables	8	1	2
Total short-term receivables	1,827	1,725	1,868
Cash and bank balances	15	24	-0
Total current assets	1,843	1,748	1,868
TOTAL ASSETS	2,498	2,404	2,524
Amounts in MSEK	2019-06-30	2018-06-30	2018-12-31
<i>Shareholder Equity</i>			
<i>Restricted equity</i>			
Share capital	4	4	4
Total restricted equity	4	4	4
<i>Unrestricted equity</i>			
Share premium account (capital surplus)	352	352	352
Retained earnings or loss carried forward	80	22	22
Net profit/loss for the year	-32	-19	58
Total unrestricted equity	400	355	432
Total shareholders equity	404	358	436
<i>Untaxed reserves</i>			
Tax allocation reserves	34	10	34
Total untaxed reserves	34	10	34
<i>Long-term liabilities</i>			
Bond	1,550	1,536	1,539
Other long-term liabilities	1,543	1,536	1,539
<i>Current liabilities</i>			
Accounts payable	7	5	1
Liabilities to Group companies	483	484	486
Current tax liabilities	16	6	20
Other short-term liabilities	-0	0	1
Accrued expenses and prepaid income	11	5	7
Total short-term liabilities	517	500	514
TOTAL SHAREHOLDER EQUITY AND LIABILITIES	2,498	2,404	2,524

Performance measures

Amounts in MSEK	2019		2018*		2019		2018*		2018*	
	Apr-Jun	Apr-Jun	%	Jan-Jun	Jan-Jun	%	Jan-Jun	%	Jan-Dec	
Revenues	1,667	1,616	3%	3,167	3,183	-1%	6,217			
- <i>Transport revenue</i>	1,466	1,401	5%	2,775	2,754	1%	5,385			
- <i>Contract revenue</i>	174	169	3%	335	332	1%	648			
- <i>Other revenue</i>	28	46	-40%	57	96	-41%	184			
Organic growth % *	-4.7%	-	-	-5.3%	-	-	-3.6%			
Operating profit (EBIT) *	-137	11	-1326%	-128	33	-486%	-121			
Operating margin % *	-8.2%	0.7%	-	-4.0%	1.0%	-	-2.0%			
Adjusted EBITDA *	71	94	-25%	156	187	-17%	330			
<i>Adjusted EBITDA margin % *</i>	4.2%	5.8%	-	4.9%	5.9%	-	5.3%			
EBITDA *	46	69	-34%	111	147	-24%	253			
EBITDA margin % *	2.7%	4.3%	-	3.5%	4.6%	-	4.1%			
Adjusted EBITA	47	69	-32%	109	138	-21%	239			
<i>Adjusted EBITA margin % *</i>	2.8%	4.3%	-	3.4%	4.3%	-	3.8%			
Items affecting comparability *	-25	-25	-2%	-45	-40	12%	-77			
EBITA *	23	44	-49%	64	98	-35%	162			
<i>EBITA margin % *</i>	1.3%	2.7%	-	2.0%	3.1%	-	2.6%			
Profit before tax	-159	-11	1323%	-171	-5	3052%	-216			
Net income	-142	-11	1228%	-154	-13	1096%	-214			
Earnings per share before dilution, SEK	-4.35	-0.65	567%	-5.01	-1.06	371%	-7.36			
Earnings per share after dilution, SEK	-4.35	-0.65	567%	-5.01	-1.06	371%	-7.36			
Cash flow for the period	1	-32	-104%	-7	25	-130%	-6			
Net income excl depreciation on excess values *	17	22	-23%	38	52	-27%	70			
Earning per share, excl depreciation on excess values before dilution, SEK	0.14	0.27	-50%	0.39	0.77	-50%	0.61			
Earning per share, excl depreciation on excess values after dilution, SEK	0.14	0.27	-50%	0.39	0.77	-50%	0.61			
Net debt *	1,578	1,507	5%	1,578	1,507	5%	-1,574			
Net debt /Adjusted EBITDA, R12 *	5.3	4.4	21%	5.3	4.4	21%	4.8			
Operating capital *	-218	-209	4%	-218	-209	4%	-196			
Investments, CAPEX	13	11	16%	22	29	-24%	45			
Cash conversion excl items affecting comparability, R12 *	220	249	-12%	220	249	-12%	245			
Cash conversion, R12 % *	85%	79%	-	85%	79%	-	84%			

* 2018 comparable figures have not been changed according to accounting standard IFRS 16, see Note 1.

APM, see the basis for calculation and definitions on pages 25-30.

Development by segment

Amounts in MSEK	2019	2018	%	2019	2018	%	2018
	Apr-Jun	Apr-Jun		Jan-Jun	Jan-Jun		Jan-Dec
Revenues (external)							
Sweden	1,292	1,305	-1%	2,512	2,580	-3%	5,039
Norway	209	216	-3%	398	417	-5%	815
Finland	83	87	-5%	166	165	1%	329
Denmark	76	-	-	76	-	-	-
Other	8	8	0%	15	21	-28%	33
Elim	0	-	-	-	-	-	0
Total	1,667	1,616	3%	3,167	3,183	-1%	6,217
Transport revenue							
Sweden	1,128	1,120	1%	2,187	2,218	-1%	4,331
Norway	190	197	-4%	361	378	-5%	739
Finland	79	85	-7%	159	158	0%	315
Denmark	69	-	-	69	-	-	-
Other	0	-1	-100%	0	0	-102%	0
Elim	0	-	-	-	-	-	0
Total	1,466	1,401	5%	2,775	2,754	1%	5,385
Contract revenue							
Sweden	150	150	0%	292	295	-1%	572
Norway	19	19	-1%	37	38	-3%	74
Finland	2	0	-	4	0	-	1
Denmark	3	-	-	3	-	-	-
Other	0	0	-	0	0	-	0
Elim	0	-	-	-	-	-	0
Total	174	169	3%	335	332	1%	648
Other revenue							
Sweden	14	35	-59%	33	67	-51%	136
Norway	0	0	-1525%	1	1	-31%	2
Finland	1	2	-25%	3	7	-49%	13
Denmark	4	-	-	4	-	-	-
Other	8	9	-18%	15	21	-29%	33
Elim	0	-	-	-	-	-	0
Total	28	46	-40%	57	96	-41%	184
Operating profit (EBIT)							
Sweden	-16	4	-499%	-24	4	-	-13
Norway	0	1	-140%	-4	-6	-26%	-16
Finland	-136	-3	4776%	-145	-8	1766%	-180
Denmark	-2	-	-	-2	-	-	-
Other	17	11	58%	47	50	-4%	86
Elim	0	-1	-	-	-7	-	1
Total	-137	11	-1297%	-128	33	-485%	-121
Adjusted EBITDA							
Sweden	103	109	-5%	211	210	0%	413
Norway	5	5	2%	8	6	28%	9
Finland	-5	8	-155%	-6	17	-134%	10
Denmark	0	-	-	0	-	-	-
Other	-33	-27	22%	-57	-39	47%	-103
Elim	0	-1	-	-	-7	-	1
Total	71	94	-25%	156	187	-17%	330
Adjusted EBITA							
Sweden	94	95	-1%	195	187	4%	363
Norway	4	5	-14%	5	5	-	7
Finland	-9	3	-408%	-16	3	-	-6
Denmark	0	-	-	0	-	-	-
Other	-41	-33	26%	-75	-50	49%	-126
Elim	0	-1	-	-	-7	-	1
Total	47	69	-32%	109	138	-21%	239
Items affecting comparability							
Sweden	-83	-65	28%	-166	-131	26%	-270
Norway	0	0	-118%	-1	-2	-65%	-5
Finland	0	-4	-94%	0	-7	-94%	-13
Denmark	0	-	-	0	-	-	-
Other	59	44	34%	122	100	23%	211
Elim	0	-	-	-	-	-	0
Total	-25	-25	-2%	-45	-40	12%	-77
EBITA							
Sweden	11	30	-64%	29	56	-48%	93
Norway	4	5	-15%	5	3	49%	2
Finland	-10	-1	964%	-17	-4	382%	-20
Denmark	0	-	-	0	-	-	-
Other	17	11	58%	47	50	-4%	86
Elim	0	-1	-	-	-7	-	1
Total	23	44	-49%	64	98	-35%	162

Notes

Company information

Cabonline Group Holding AB (publ), corporate registration number 559002–7156, is domiciled in Stockholm, Sweden.

Ownership structure

The private equity fund H.I.G. Europe Capital Partners II holds 93% of the shares of Cabonline Group Holding AB (publ) and thus has a controlling influence over the Group. The remaining 7% is owned by current and former Board Members and members of company management.

H.I.G. Capital is a global private equity fund that specialises in investments in medium-sized companies. H.I.G. actively supports the companies' growth through product development, internationalisation and acquisitions and has a team of more than 250 professional investors with experience of operational management, technology and finance, which contributes to the portfolio companies' development.

Note 1

Accounting policies

This interim report has been compiled pursuant to IAS 34 Interim Financial Reporting and applicable sections of the Annual Accounts Act. The same accounting policies and calculation bases have been applied as in the most recent Annual Report, apart from in respect to the amendments described below.

The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, which complies with the stipulations of RFR 2. The same accounting policies and calculation bases have been applied as in the most recent Annual Report

Disclosures according to IAS 34 Interim Financial Reporting are provided in notes elsewhere in this interim report.

New accounting policies for 2019

As of 1 January 2019, IFRS 16 replaces IAS 17 and associated interpretations IFRIC 4, SIC 15 and SIC 27. IFRS 16 will primarily affect lessees in cases where the current difference between operating and finance leases is removed and essentially all leases are recognised in the balance sheet.

Most of the Group's leasing agreements as a lessee were previously recognised as financial leasing, for which the transition to IFRS 16 will not lead to any effects. However, the Group has a number of operating leases as lessee, primarily for leased

premises, which are affected by the transition to IFRS 16. In addition, a large part of the Group's financial leases is subleased and the classification of subleasing is affected by IFRS 16. The company's 2018 Annual Report contains a more comprehensive description of the IFRS16 effects on the group reporting.

Operating leases where Cabonline is the lessee

As a result of the introduction of IFRS 16, the balance sheet total will increase through recognition of right-of-use assets and lease liabilities for leases that were previously classified as operating leases. Lease payments that under IAS 17 were recognised as a cost in operating profit are replaced by depreciation of the right-of-use assets, which are recognised as a cost in operating profit, and as interest on the lease liability which is recognised as a financial expense. Leasing charges paid are recognised partly as payment of interest and partly as repayment of the lease debt.

The Group applied the modified retrospective approach to the transition, which entails that comparative data for prior periods is not restated. As per 1 January 2019, Cabonline has recognised all rights of use in an amount that corresponds to the lease liability, adjusted for any prepaid or accrued lease payments, which means that equity was not impacted by the transition. Cabonline has applied the relaxation rules to leases whereby where the underlying asset has a low value and to leases shorter than 12 months, including leases with a remaining term of less than 12 months. These leases will not be included in amounts recognised in the balance sheet.

On transition to IFRS 16, all remaining lease payments attributable to operating leases were calculated at present value using the marginal borrowing rate. The transition gives rise to additional right-of-use assets and lease liabilities amounting to about MSEK 85. The classification means that operating expenses throughout 2019 are estimated to decline about MSEK 26, that depreciation will increase about MSEK 24 and that interest expenses will increase about MSEK 4, compared with recognition according to the policies used in 2018.

Financial leases where Cabonline is the lessee that are subleased

A large part of the assets held by the Group through financial leasing pertains to vehicles that are subleased to transporters. Under IAS 17, this subleasing was classified as operating leasing, which entailed that Cabonline retained the leased asset and the liability in the balance sheet and recognised revenue from Cabonline's customers on

a straight-line basis. On the transition to IFRS 16, the policy for classifying subleasing was changed to some extent, which entails that as of 1 January 2019 Cabonline's subleasing has been classified as financial leasing. Accordingly, Cabonline has derecognised that part of the right of use that is subleased, which amounts to about MSEK 52, and instead recognises a net investment in leases, which amounts to MSEK 52, which is classified as a non-current receivable of MSEK 23 and a current receivable of MSEK 29 in the balance sheet. The changed classification means that revenue throughout 2019 is estimated to decline about MSEK 28, that depreciation will decline about MSEK 27 and that interest expenses will increase about MSEK 2, compared with recognition according to the policies used in 2018.

Note 2. Business combinations

In the quarter, 100% of the shares in Taxi Västerås was acquired by Segment Sweden and Taxi 4x27 in Denmark was acquired. Taxi Västerås is a leading player in the Västerås area with 148 cars, of which 40 in in-house transporter operations. Taxi 4x27 mainly serves the Copenhagen area, has about 300 connected vehicles, and delivers services to both the B2C and B2B-segments.

The table below summarises the assets acquired and liabilities assumed on the acquisition date, and the impact of these on cash and cash equivalents.

Aquired identifiable assets and debts,			
MSEK	Sweden	Denmark	Total
Intangible fixed assets	0		0
Tangible fixed assets	4	6	10
Financial assets	1	-	1
Operating receivables	26	7	33
Cash and cash equivalents	2	0	2
Total assets	33	13	46
Deferred tax liabilities	0	-	0
Debt to credit institutions	3	-	3
Operating liabilities	31	7	39
Total liabilities	34	7	42
Total aquired identifiable assets and debts	-1	6	4
Agreements with transport operations	9	52	61
Purchase price	7	58	65
- whereof contingent consideration, fully recognised as debt	2	56	58
Aquired cash and cash equivalents	2	0	2
Total impact on cash and cash equivalents	-3	-2	-5

Both of the acquisitions were consolidated on 1 May 2019. During the quarter, Taxi Västerås contributed MSEK 28 in revenue and MSEK -1 to

EBITDA. For the full-year from 1 May to 31 December, Taxi Västerås is expected to contribute MSEK 95 in revenue and MSEK 0 at EBITDA level. A provision for an earn-out of MSEK 2, conditional on the achievement of certain performance measures, has been established.

Taxi 4x27 contributed MSEK 76 in revenue for the quarter and MSEK 0 to EBITDA. For the full-year from 1 May to 31 December, Taxi 4x27 is expected to contribute MSEK 310 in revenue and MSEK 0 at EBITDA level. MSEK 56, comprising most of the total acquisition proceeds of MSEK 58, will be paid over 36 months based on existing taxis in Denmark receiving a lower fixed fee and based on a conditional earn-out after 48 months.

During 2018, the Group implemented acquisitions of Taxia OY, Autopalvelu Kovanen Oy and another 17 companies in Segment Finland as well as Taxi 10 000 in Segment Sweden.

The acquisitions in Finland have been consolidated since 2 July 2018 and Taxi 10 000 since 1 September 2018. The acquisitions contributed revenue of MSEK 68 and EBITDA of MSEK -5 in 2018.

Note 3. Items affecting comparability

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Adjusted EBITDA	71	94	156	187	330
Adjusted EBITA	47	69	109	138	239
H.I.G Capital - strategic consulting	-5	-4	-9	-8	-18
Aquisition-related expenses	-3	0	-5	-2	-5
Preparing for ownership change	-14	-13	-27	-13	-28
Rebranding	0	-3	0	-3	-5
Restructuring	0	-4	-1	-11	-15
Miscellaneous	-2	-1	-2	-3	-6
Total Items affecting comparability	-25	-25	-45	-40	-77
EBITDA	46	69	111	147	253
EBITA	23	44	64	98	162

Note 4. Related-party transactions

Related-party transactions were conducted between H.I.G. Capital and the Group corresponding to MSEK 4 (4) and between the Parent Company and its subsidiaries in the form of lending of cash and cash equivalents and invoicing of internal administrative services

Note 5.

Significant risks and uncertainties

The Group is active in the transport market and is exposed to fluctuations that impact the purchasing behaviour of customers. There is a risk that the Group could be adversely affected by a change in purchasing behaviour caused by macroeconomic changes. There is a risk that the taxi industry could be adversely affected by increased environmental requirements from both consumers and legislators. Political decisions, increased or changed regulations and other decisions beyond the company's control could impact the operations. The Group is also active in a highly competitive market with both new and old players in the taxi industry. There are risks associated with the majority of the Group's taxi firms and drivers who are not employees and are only connected via agreements, which could result in defections and material variations in numbers of cars and thus profitability. Public transport activities are or could become competitors for end customers. There is a risk associated with dependence on a number of large-scale contracts that are important to the Group's profitability. Technology in the industry changes rapidly and there is a risk that the Group becomes dependent on being able to offer competitive technology. The Group is exposed to data security risks, in part connected to the introduction of GDPR on 25 May 2018. There are also risks associated with, for example, incidents or other unsuitable types of behaviour by connected taxi firms and drivers, which could damage the Group's brands, lead to negative media coverage and thus adversely impact the operations.

Financial risks are connected to such matters as a residual value risk associated with leased assets. The Group is exposed to an interest-rate risk, since the cost of a large part of financing is dependent on current market interest rates. There is a financing risk because the issued bond has to be refinanced in 2020 and the risk is that access to equity capital cannot be guaranteed. Given its geographical coverage, the Group is also exposed to currency risks.

The taxi market in Finland was deregulated on 1 July 2018. This entails a major change in how various players, such as drivers, taxi firms and order centres, may react. There is a risk that it could be difficult to attract taxi firms, drivers and end customers. As a result, it is difficult to predict developments in Finland following deregulation

than developments in other markets served by Cabonline.

In 2019, through acquisitions, the Group established itself in Denmark in connection with the liberalization of the taxi market there. Such an establishment in a new country and at a stage when market conditions change involves risks linked to, among other things, market position, growth and profitability.

The company's 2018 Annual Report contains a more comprehensive description of risks and uncertainties.

Note 6.

Fair value measurement

The only items that are measured at fair value are conditional earn-outs, in level 3 in the fair value hierarchy, which amount to MSEK 61 (52), of which MSEK 52 is recognised as a provision and MSEK 8 as non-current liabilities. The purpose of the fair value measurement is to estimate the price at the time of measurement of the transfer of debt through a transaction under normal conditions between market participants on current market conditions. The fair value of the bond loan is based on the exchange rate on the balance sheet date, which is level 1 in the fair value hierarchy. The market value at 30 June 2019 was MSEK 1,569, at a price of SEK 101.25.

Note 7.

Segment reporting

An operating segment is a part of the Group that conducts operations from which it can generate income and incur costs, and for which separate financial information is available. Furthermore, the results of an operating segment may be reviewed by the company's chief operating decision maker to evaluate the outcomes and to allocate resources to the operating segment. The chief operating decision maker is the CEO. For Cabonline, geographic areas represent the primary lines of business and the geographic areas comprise countries. Shared support functions, including customer service, as well as smaller ancillary activities not directly related to operation of order centres, are recognised in the Other segment.

Note that parts of the organisation have been moved from Other segment to Segment Sweden in 2019. All historical figures have been restated to reflect these changes. See the Group website for more information.

Note 8.**Forward-looking statements**

In this report, forward-looking statements are based on management's expectations at the time of the report. Although management considers the expectations to be reasonable, there is no guarantee that these expectations are or will prove to be correct. Accordingly, future outcomes may differ significantly from those expressed in the forward-looking statements due to such factors as changed market conditions for the Group's services and more general changes in respect of economic, market and competitive conditions, changes in regulatory requirements and other policy measures and fluctuations in exchange rates. Cabonline Group Holding AB (publ) does not undertake to update or correct such forward-looking statements, other than what is stipulated in law.

Note 9.**Income tax, new regulations in 2019 for tax deductions for interest payments**

As of 2019, new regulations placing a limit on tax deductions for interest payments are being introduced in Sweden and the Group estimates that this could increase the Group's current tax cost by approximately MSEK 5 per year.

Auditors' examination

This interim report has not been examined by the company's auditors.

The undersigned assure that the interim report provides a fair view of the Parent Company's and the Group's operations, financial position and profits, and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 23 August 2019

Jon Risfelt
Board Chairman

James Mitchell
Board member

Carl Harring
Board member

Andreas Rosenlew
Board member

Anna Söderblom
Board member

Peter Viinapuu
CEO

Financial calendar

Interim report January-September 2019

20 November 2019

Year-end report 2019

20 February 2020

Interim report January-March 2020

7 May 2020

Interim report January-June 2020

20 August 2020

Interim report January-September 2020

26 November 2020

This interim report, as well as other information, is available on the website of Cabonline Group Holding AB (publ) www.cabonline.com

For further information, please contact:

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Definitions

Alternative performance measures are used in the consolidated financial statements. The reason is that executive management uses these performance measures to evaluate the Group's financial performance.

Revenue

Transport revenue, Contract revenue and Other revenue. All revenue derives from contract with customers.

Transport expenses

Bought transportation services from suppliers or external contracted transporters.

Organic growth

Organic revenue means revenue adjusted for effects from change in exchange rates, acquisitions and accounting policies in relation to the comparative period.

Adjusted EBITDA

Operating profit before depreciation, amortisation, impairment and items affecting comparability.

Adjusted EBITDA, %

Operating profit before depreciation, amortisation, impairment and items affecting comparability as a percentage of revenue.

Adjusted EBITA

Operating profit before depreciation, amortisation, impairment of surplus value attributable to business combinations, and items affecting comparability.

Adjusted EBITA, %

Operating profit before depreciation, amortisation, impairment of surplus value attributable to business combinations, and items affecting comparability as a percentage of revenue.

EBITDA

Operating profit before depreciation, amortisation and impairment.

EBITDA margin, %

Operating profit before depreciation, amortisation and impairment as a percentage of revenue.

EBITA

Operating profit before depreciation, amortisation and impairment of surplus value attributable to business combinations.

EBITA margin, %

Operating profit before depreciation, amortisation and impairment of surplus value attributable to business combinations, as a percentage of revenue.

Operating profit

Profit/loss before financial items and tax.

Operating margin, %

Profit/loss before financial items and tax as a percentage of revenue.

Profit/loss before tax

Profit/loss after financial items.

Profit/loss excluding amortisation of surplus values

Profit/loss for the period following reversal of amortisation and impairment attributable to acquisitions.

Earnings per share

Net profit for the period attributable to the parent company shareholders plus additional interest expense/dividend on preference shares divided by the average number of ordinary shares outstanding.

Net debt

Cash and cash equivalents and interest-bearing receivables less interest-bearing liabilities.

Net debt/Adjusted EBITDA R12 multiple

Net debt divided by rolling 12 months EBITDA before items affecting comparability.

Working capital

Total current assets according to the consolidated balance sheet less total current liabilities according to the consolidated balance sheet; i.e. the calculation of working capital includes cash and cash equivalents in current assets and current liabilities include current interest-bearing liabilities.

Investments (CAPEX)

Investment in tangible and intangible assets according to the consolidated statement of cash flows.

Cash flow conversion R12, adjusted for items affecting comparability

Rolling 12 months EBITDA before items affecting comparability less CAPEX and lease payments divided by rolling 12 months EBITDA before items affecting comparability excluding payments for financial leases.

Number of employees

Number of employees at the end of the period.

Alternative performance measures – APMs

Information concerning the company's alternative performance measures is provided below under the heading Definitions of APMs.

Definitions of APMs

Organic growth

Description

Percentage change in revenue during the period less revenue in acquired companies that were not included in the comparative period.

Amounts in MSEK	2019	2019	2018
	Apr-Jun	Jan-Jun	Jan-Dec
Revenues	1,667	3,167	6,217
Revenues from acquisitions	-130	-153	-427
Fx effect, from translation to comparable period Fx rate	-4	-13	-37
Effect from changes in accounting principles- IFRS 16 Sublease	7	14	
Organic revenue	1,541	3,015	5,753
Reported revenue in comparable period	1,616	3,183	5,968
Organic growth %	-4.7%	-5.3%	-3.6%

The performance measure shows the underlying performance of the company's operations.

Operating margin

Operating profit as a percentage of revenue.

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Revenues	1,667	1,616	3,167	3,183	6,217
Operating profit	-137	11	-128	33	-121
Operating margin %	-8.2%	0.7%	-4.0%	1.0%	-2.0%

Adjusted EBITDA and adjusted EBITDA margin

Operating profit before depreciation, amortisation, impairment and items affecting comparability as a percentage of revenue.

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating profit (EBIT)	-137	11	-128	33	-121
-Depreciation of fixed assets	24	25	47	49	91
-Amortisation of acquired excess values	35	33	68	65	132
-Impairment of Goodwill	124	0	124	0	152
-Items affecting comparability	25	25	45	40	77
Adjusted EBITDA	71	94	156	187	330
Revenues	1,667	1,616	3,167	3,183	6,217
Adjusted EBITDA margin %	4.2%	5.8%	4.9%	5.9%	5.3%

EBITDA is a measure of the underlying operational activities and an indicator of cash flow. Depreciation, amortisation and impairment of tangible and intangible assets are reversed from operating profit to calculate EBITDA.

Adjusted EBITDA are used to more clearly see the result that would have been achieved in a stable condition if there was no other objective for the operations than maintaining current revenue and results. Items affecting comparability include items such as refinancing costs, the cost of major business combinations, restructuring measures, strategic consultancy and technology shifts affecting the entire fleet (i.e. not continuous replacement of equipment in individual cars).

EBITA and EBITA margin before items affecting comparability

Description

Operating profit before depreciation, amortisation, impairment of surplus value attributable to business combinations, and items affecting comparability as a percentage of revenue.

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating profit	-137	11	-128	33	-121
-Amortisation of aquired excess values	35	33	68	65	132
-Impairment of Goodwill	124	0	124	0	152
-Items affecting comparability	25	25	45	40	77
Adjusted EBITA	47	69	109	138	239
Revenues	1,667	1,616	3,167	3,183	6,217
Adjusted EBITA margin %	2.8%	4.3%	3.4%	4.3%	3.8%

EBITA is a measure of the underlying operational activities and, together with EBITDA, is an indicator of cash flow. Depreciation, amortisation and impairment of items related to intangible assets that resulted from business combination have been reversed from the operating profit to arrive at EBITA.

Adjusted EBITA are used to more clearly see the result that would have been achieved in a stable condition if there was no other objective for the operations than maintaining current revenue and results. Items affecting comparability include items such as refinancing costs, the cost of major business combinations, restructuring measures, strategic consultancy and technology shifts affecting the entire fleet (i.e. not continuous replacement of equipment in individual cars).

EBITDA margin, %

Description

Operating profit before depreciation, amortisation and impairment as a percentage of revenue.

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating profit	-137	11	-128	33	-121
-Depreciation of fixed asset	24	25	47	49	91
-Amortisation of aquired excess values	35	33	68	65	132
-Impairment of Goodwill	124	0	124	0	152
EBITDA	46	69	111	147	253
Revenues	1,667	1,616	3,167	3,183	6,217
EBITDA margin %	2.8%	4.3%	3.5%	4.6%	4.1%

EBITA margin, %

Description

Operating profit before depreciation, amortisation and impairment of surplus value attributable to acquisitions, as a percentage of revenue.

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating profit	-137	11	-128	33	-121
-Amortisation of aquired excess values	35	33	68	65	132
-Impairment of Goodwill	124	0	124	0	152
EBITA	23	44	64	98	162
Revenues	1,667	1,616	3,167	3,183	6,217
EBITA margin %	1.3%	2.7%	2.0%	3.1%	2.6%

Net profit/loss excluding amortisation of surplus value

Description

Net profit/loss for the period excluding amortisation of surplus value and goodwill impairment

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net profit/loss for the period	-142	-11	-154	-13	-214
-Amortisation of aquired excess values	35	33	68	65	132
-Impairment of Goodwill	124	0	124	0	152
Net profit/loss for the period excl amortisation and impairment	17	22	38	52	70
Revenues	1,667	1,616	3,167	3,183	6,217
Net profit/loss for the period excl amortisation and impairment, margin %	1.0%	1.4%	1.2%	1.6%	1.1%

Earnings before amortisation of surplus value is a measurement used by the company when assessing the generation of distributable funds.

Earnings per share before and after dilution excluding amortisation of surplus value

Profit/loss for the period excluding amortisation of surplus value, per share before dilution, and after the dilution that results from interest expenses related to outstanding preference shares.

Amounts in MSEK	2019	2018	2019	2018	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net profit/loss for the period attributable to parent company shareholders	-143	-11	-154	-14	-214
-Amortisation of aquired excess values	35	33	68	65	132
-Impairment of Goodwill	124	0	124	0	152
Net profit/loss for the period excl amortisation and impairment	17	22	38	51	69
Cost of outstanding preference shares	320	320	320	320	320
Interest cost/dividend to preference shares, 15%	-12	-12	-24	-24	-48
Net profit/loss for the period including dividend to preference shares	5	10	14	27	21
Earnings per share, excl depreciation on excess values before dilution, SEK	0.14	0.27	0.39	0.77	0.61
Earnings per share, excl depreciation on excess values after dilution, SEK	0.14	0.27	0.39	0.77	0.61

Cash flow conversion R12, adjusted for items affecting comparability

Description

Rolling 12 months EBITDA before items affecting comparability less CAPEX and lease payments divided by rolling 12 months EBITDA before items affecting comparability with financial lease payments added back.

Amounts in MSEK	2019 R12, Jun	2018 R12, Jun	2018 Jan-Dec
Adjusted EBITDA, R12	299	344	330
-Investments CAPEX, R12	-38	-67	-45
-Received Payments - Sublease Vehicles	14	-	-
-Leasing payments- Vehicles	-43	-27	-40
-Leasing payments- Rent	-13	-	-
Cash conversion excl items affecting comparability, R12	220	249	245
Adjusted EBITDA, incl payment of financial lease, R12	258	316	290
Cash conversion, R12 %	85%	79%	84%

Cash flow generation R12, adjusted for items affecting comparability, is a measurement used by the company for assessing how efficiently the company generates funds for financing and investment purposes.

Net debt and Net debt/adjusted EBITDA R12

Description

Net debt is defined as cash and cash equivalents and interest-bearing receivables less interest-bearing liabilities. Net debt/adjusted EBITDA (R12) is calculated as net debt in relation to rolling 12 months adjusted EBITDA.

Amount in MSEK	2019-06-30	2018-06-30	2018-12-31
Cash and bank balances	77	122	85
Short-term interest-bearing receivables	51	18	20
Long-term interest-bearing receivables	7	-	-
Long-term interest-bearing liabilities	1,616	1,605	1,607
Short-term interest-bearing liabilities	97	42	73
Net debt	1,578	1,507	1,574
Rolling 12 months	2019 R12, Jun	2018 R12, Jun	2018 Jan- Dec
Operating profit	-283	57	-121
-Depreciation of fixed assets	90	94	91
-Amortisation of excess values	134	126	132
-Impairment of Goodwill	276	-	152
-Items affecting comparability	82	67	77
Adjusted EBITDA, R12	299	344	330
Net debt/ Adjusted EBITDA, R12	5.3	4.4	4.8

Net debt is a measure used to calculate the Group's net debt/adjusted EBITDA (R12) ratio and for determining scope for additional borrowing within the framework of existing bond financing. Net debt/ adjusted (R12) is calculated based on 12-months rolling EBITDA.