

Press release

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Cabonline preliminary financial results Q1 2020

Due to changing market conditions following the global outbreak of Covid-19, Cabonline Group Holding AB (publ) ("Cabonline") hereby provides a trading update on first quarter 2020 earnings. A company presentation will be held via video link on Monday, May 4, 2020.

Preliminary financials for Q1 2020 (Q1 2019 for comparison)

- Revenue amounted to MSEK 1,410 (1,499), a decrease of 6 percent
- Adjusted EBITDA amounted to MSEK 71 (85), corresponding to an EBITDA margin of 5.0 percent (5.7)
- Adjusted EBITA amounted to MSEK 44 (61), corresponding to an EBITA margin of 3.1 percent (4.1)
- Operating profit amounted to MSEK -10 (9), including items affecting comparability of MSEK -19 (-20)
- Net debt amounted to MSEK 1,707 as of March 31, 2020 and Net debt/Adjusted EBITDA R12 amounted to 5.8 times
- Cash flow for the period was MSEK -37 (-9) and cash and cash equivalents as of March 31, 2020 amounted to MSEK 316. Cabonline has fully utilized its revolving credit facility of MSEK 125, with a maturity of 3 years, to strengthen the cash position
- At the end of the quarter, Cabonline complied with all of its covenants under the revolving credit facility and 2019/2022 senior secured bonds

Operational update

In mid-March, the demand for taxi service was clearly reduced as a result of the actions implemented throughout the Nordic region in order to limit the spread and effects of Covid-19. The taxi industry as a whole is under severe pressure with trip volumes down as much as 80%. Although Cabonline's operations are directly affected by Covid-19, our fixed fee revenue model, strong liquidity position and diversified operations, including the critical to society B2P segment, place Cabonline in a stronger position to withstand the crisis than many peers in the industry.

Trip volumes in the B2C and B2B segments, which represent 58% of transport revenue in aggregate, have seen declines versus prior year of 60-70% in some weeks, as a direct consequence of government authorities' decision to restrict travel and social gatherings and encouragement to work from home. The B2P segment, which represents 42% of transport revenue, provides critical transportation services to elderly, disabled and school children. Demand for these services are typically of a less discretionary nature. Furthermore, Sweden's decision to keep schools open led to a lower decline in school transfers in Sweden compared to other Nordic countries. As such, the B2P segment experienced a less steep decline in trip volumes, which highlights the resilient dynamics of the B2P segment. The recent decision by authorities in Denmark and Norway to re-open schools and start to lift travel restrictions is expected to have a positive impact on trip volumes going forward.

Cabonline closely monitors daily driver activity and has swiftly taken actions at an early stage of the Covid-19 crisis to adapt the business to the current market headwinds by preserving liquidity through revenue initiatives, reduced costs and postponement of non-critical investments and projects.

Cabonline has found new business opportunities for transporters, such as home delivery of groceries, medicine or passenger transportation to companies that want their employees to avoid public transportation.

Further, permanent and temporary layoffs have been implemented in all of Cabonline's markets in accordance with the respective country's governments rules. Approximately 80% of all employees have been permanently or temporarily laid off or have had their work hours reduced and contracts with external consultants have been terminated. Furthermore, several cost saving programs have been launched, such as various restructuring efforts to trim the organisation further. Available government financial support packages, in the form of deferral of taxes and fees, have been used to the fullest extent permissible.

Despite the turbulence experienced by the market, Cabonline's business model is partially insulated from short term fluctuations in demand due to the nature of its business model, which helps to manage liquidity. The business generates income from fees paid by affiliated transporters who pay a fixed fee and a variable fee per car, where the fixed fee represents ~75% of the total fees. This means that the decrease in turnover only directly affects the variable part of the fee and that Cabonline's core revenues are far less volatile than industry peers with a variable fee structure only.

The main focus of Cabonline is to manage cash flow by adapting costs and investments to the prevailing market situation and expected revenue generation. With the government support packages and operational actions taken so far, Cabonline is able to run its business as usual and fulfil all of its payment obligations without any need of additional external liquidity for the foreseeable future.

- The entire taxi industry is under severe scrutiny and is affected by the consequences of Covid-19. We believe we may have reached the bottom and note a cautious recovery at the end of April. All employees' efforts, our measures to improve cost efficiency and the fact that a large part of our business is based on public contracts critical to society mean that our basic core business remains stable despite the crisis. We see no long-term effect from Covid-19 on the business and we are well-prepared for a strong recovery once the pandemic is over, says Peter Viinapuu, CEO Cabonline Group.*

Company presentation, Monday May 4, 2020 at 10 am. For video conference, please press [here](#)

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About Cabonline:

Cabonline is the leading taxi company in the Nordic region with 3,000 connected taxi firms and approximately 5,700 vehicles in Sweden, Norway, Finland and Denmark. Cabonline contains a series of well-known brands, such as Flygtaxi, TaxiKurir, Norgestaxi, TOPCAB, Kovanen, Taxi Skåne, Taxi Väst, Umeå Taxi, Sverigetaxi and Taxi 4x27. Through Cabonline, taxi firms have access to attractive customer agreements, support from industry-leading technological development and utilization of economies of scale, efficient service and a shared infrastructure. The Group has revenue of approximately SEK 6.2 billion and performs about 50,000 journeys per day. For further information: www.cabonlinegroup.com.

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