



Interim report January-September 2020

Cabonline Group Holding AB (publ)

JULY-SEPTEMBER 2020

- Revenue amounted to MSEK 970 (1,534), a decrease of 37%. Organically, revenue fell 36%.
- Adjusted EBITA was MSEK 7 (53) and the corresponding margin was 0,7% (3.4).
- Operating profit amounted to MSEK -16 (-3) including items affecting comparability of MSEK -15 (-20).
- Net loss for the period was MSEK -80 (-26).
- Earnings per share before and after dilution were SEK -2.58 (-1.07).
- Cash flow for the period was MSEK -43 (-3).
- Cabonline enters into an agreement to acquire Ring Taxi in Ålesund business of 18 cars during the fourth quarter, and thereby strengthen the presence in north western Norway.
- An Extraordinary General Meeting was held on September 26, during which Carl Haring, Andreas Rosenlew and Jon Risfelt, who made their seats available, were dismissed. John Harper was elected as a new board member.
- Anneli Lindblom, current CFO, was appointed acting CEO on 28 September.

JANUARY-SEPTEMBER 2020

- Revenue amounted to MSEK 3,174 (4,701), a decrease of 32%. Organically, revenue fell 35%.
- Adjusted EBITA was MSEK 48 (161) and the corresponding margin was 1.5% (3.4).
- Operating profit amounted to MSEK -49 (-131) including items affecting comparability of MSEK -44 (-64).
- Net loss for the period was MSEK -199 (-179).
- Earnings per share before and after dilution were SEK -6.62 (-6.08).
- Cash flow for the period was MSEK -4 (-11).
- The process of renegotiating the terms of Cabonline's secured bond loans ended with new terms on 28 July.

The Group in brief

Amounts in MSEK	2020			2019			2019 Jan-Dec
	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	
Revenues	970	1,534	-37%	3,174	4,701	-32%	6,490
-Transport revenue	818	1,337	-39%	2,682	4,112	-35%	5,691
Organic growth % *	-36.0%	0.6%	-	-34.7%	-3.5%	-	-2.9%
Adjusted EBITDA *	32	82	-61%	126	238	-47%	307
Adjusted EBITA	7	53	-86%	48	161	-70%	202
Adjusted EBITA margin % *	0.7%	3.4%	-	1.5%	3.4%	-	3.1%
Items affecting comparability *	-15	-20	-23%	-44	-64	-31%	-97
EBITA *	-8	33	-125%	4	97	-96%	105
EBITA margin % *	-0.8%	2.1%	-	0.1%	2.1%	-	1.6%
Operating profit (EBIT) *	-16	-3	450%	-49	-131	-63%	-158
Operating margin % *	-1.7%	-0.2%	-	-1.5%	-2.8%	-	-2.4%
Net income	-80	-26	211%	-199	-179	11%	-259
Earnings per share before and after dilution, SEK	-2.58	-1.07	142%	-6.62	-6.08	9%	-8.66
Cash flow for the period	-43	-3	1164%	-4	-11	-60%	270
Net debt /Adjusted EBITDA, R12 *	8.5	5.2	65%	8.5	5.2	65%	5.5

*APM, see the basis for calculation and definitions on pages 24-29.

CEO's comment

The third quarter of the year, just like the second quarter, was largely about measures and initiatives to limit the effects of the Corona pandemic. The decline in travel volume is a direct consequence of the authorities' and countries' restrictions to reduce the spread of the infection in society. To be able to handle the temporarily reduced demand for our services, especially among business travellers and private individuals, efficiency improvements throughout the Group have continued to be a high priority. This is necessary in order to reduce costs and increase coordination of operations in the short and long term.



We have been able to maintain a critical volume and assignment to our connected transporters, despite more or less closed communities. The reason here for is our business model, where a predominant part of the traffic consists of publicly procured contracts. Even so, the situation is still difficult for our transporters and drivers and will remain so, as long as the authorities request people to continue to work from home, limit travel and also has banned larger gatherings. The government restrictions will need to be met by support packages to ensure that the taxi industry survives and continues to function again when the situation becomes more normal and when people can start to travel and commute as usual. The government support to businesses for loss of sales is positive, but the application is not an easy task to manage for an individual transporter. Therefore, we are supporting our transporters with filling and handling the applications to secure that as many as possible will receive the government support. Taxi is part of the special public transport, and important for society to function. The importance of having a functioning taxi infrastructure when the pandemic is over, is something that we tirelessly return to in our contacts with politicians, decision-makers, and the media.

In dialogue with regions, we have also found creative solutions to utilize our temporary overcapacity. Since last spring we have handled transportation, of healthcare staff's Covid-19 tests in the Stockholm region between the home and the laboratory, followed by home tests to residents in the region. By the end of October, we and our drivers had delivered 70,000 tests in the region. This type of mission does not replace, but helps restore, lost volumes. We have also reminded our corporate customers of the change in taxation of benefits connected to taxi journeys to and from work. As long as the pandemic is ongoing and the public is asked to avoid public transport, the Swedish Tax Agency has announced that free taxi journeys to and from work will be taxed on benefits in the same way as other public transportation. Together we can assist to reduce the spread of infection, for those who need to get to the workplace and cannot work from home.

We were able to see a cautious recovery in the taxi industry at the end of the third quarter, after a tough spring and summer. It is partly linked to the school start at the end of August and underlines the strength with the large share of procured traffic. Volumes have slowly but surely returned in September, but the second wave of the spread of infection that is now affecting the whole society has slowed down this development. We follow the development closely and adapt the business vigorously, based on a scenario that the recovery will take time. Our reduced cost mass and increased coordination have created stability and made us more flexible and ready to increase the pace again when the market begins to return.

Anneli Lindblom
CFO and acting CEO
November 2020

The Group's financial development

Impact of the covid-19 pandemic and ongoing cost optimization projects

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 and effects of Covid-19. Travel volumes in the Taxi industry continued to be at low level during the year, especially in the B2C and B2B markets. Cabonline, which provides taxi services through agreements with authorities and public administration, such as transport of the elderly, the disabled, transport services and school transport, has had somewhat better opportunities to withstand the crisis compared with many parties in the industry.

Travel volumes in the B2C and B2B segments decreased by 50-60 percent on average during the quarter compared with the same period last year as a direct result of the authorities' decision to restrict travel and social gatherings and companies urging employees to work from home. The demand for services in the B2P segment, which caters for transports important to society such as transport services to elderly citizens, school transport and wheelchair taxis, has been affected somewhat less by changes in demand with a decrease of 20 percent compared with the third quarter of 2019. The Swedish authorities' decision to keep primary schools open has resulted in higher volumes of school transports in Sweden compared to the other Nordic countries. B2P segment thus experiences a less steep fall in travel volumes compared to B2C and B2B segments, which underlines the resilient dynamics in the segment.

Based on the challenging business situation, a number of activities have been carried out to optimize the Group's costs. This work continues with the goal of lowering the annual cost base by SEK 150 million by mid-2021. Cabonline was out early in the pandemic phase and reduced costs by terminating hired staff and postponing non-critical investments and projects. During the third quarter, further cost reductions were implemented by relocating parts of the business, primarily in Sweden where operations have been geographically scattered. Consolidation and efficiency measures have also been carried out in the administration as well as in other support functions. Early on, redundancies were implemented in all of Cabonline's markets in accordance with each country's rules. It is estimated that 80 per cent of all full-time employees have been laid off, dismissed or have their working hours reduced, and all hired consultants have been laid off. Available government support packages, in the form of deferral of taxes and fees, have been utilized. In addition to the deferral of taxes and fees Cabonline has received SEK 32 million in direct state support, of which SEK 25 million in support of short-term layoffs, SEK 4 million in reduction of employer contributions and SEK 3 million in other support.

Cabonline has also identified new business opportunities for carriers, such as home delivery of food, medicine and transport of staff whose employers want them to avoid public transport as well as the transportation of Covid tests, in order to compensate for parts of the loss of revenue.

Cabonline's business model is based on income from fees where carriers pay both a fixed and a variable fee per car, where the fixed fee corresponds to approximately 75 percent of the total fees. This means that the reduced turnover only directly affects the variable part of the fee and that Cabonline's main income is significantly less volatile compared to other players in the taxi industry whose business model is built around a fully variable fee structure. To support the company's carriers, Cabonline has offered a deferral of payment of parts of the fixed fee of up to three months. In this way, Cabonline can maintain a well-established and market-leading fleet of taxis and ensure a speedy recovery once the pandemic is over.

The Covid-19 pandemic has had a significant impact on Cabonline, mainly during the second quarter. The company is well equipped through the many measures that have been taken, but the assessments of the pandemic's continued development and impact on society at large and the taxi business more specifically are difficult to assess. The effects of the covid-19 pandemic continue to be a critical risk area for Cabonline.

July - September

Revenue and earnings

Revenue in the second quarter decreased by 37% to MSEK 970 (1,534). The decrease is attributable to all customer segments, but it is noted that travel volumes in public transport (B2P) have been affected to a lesser extent. The organic decrease amounted to -36%.

Operating profit amounted to MSEK -16 (-3), including items affecting comparability of MSEK -15 (-20), which are mainly attributable to the previous restructuring program and costs for strategic advice from H.I.G Capital (see Note 3). In connection with the introduction of social distancing restrictions in all Nordic countries in order to limit the spread of Covid-19, Cabonline has launched extensive cost-saving programs and restructurings to trim the organization. Available government support packages, mainly in the form of subsidies for short term leave and temporary reduced taxes and fees have had a positive effect on the operating profit with MSEK 10 during the quarter.

Adjusted EBITA decreased to MSEK 7 (53) and adjusted EBITA margin amounted to 0.7% (3.4). EBITA amounted to MSEK -8 (33)

Financial items

Net financial items amounted to MSEK -65 (-20), of which MSEK -51 (-24) relate to interest expenses for the bond loan and bank credit facilities. Other significant financial expenses comprised of accrued borrowing costs of MSEK -3 and advisory costs in connection with renegotiation of the bond terms of MSEK -11.

Tax

Income tax amounted to MSEK 1(-3) whereof corporate tax MSEK -1 and effects from deferred tax MSEK 2.

January – September

Revenues and earnings

The revenues during the first half of the year decreased by 32% to MSEK 3,174 (4,701). The decrease is an effect of the impact the covid-19 pandemic has had on society and is attributable to all countries and customer segments. Companies acquired during the past year, ie. Taxi 4x27 in Denmark, Taxi Västerås in Sweden, and Miljøtaxi in Norway, which are only partly included in the comparative figures, contributed together with revenues of MSEK 142 during the period. Organically, revenues decreased by 35%.

Operating profit amounted to MSEK -49 (-131), of which items affecting comparability MSEK -44 (-64), which are mainly attributable to the previous restructuring program and costs for strategic advice from H.I.G Capital (see Note 3). The comparison period includes a write-down of intangible assets of SEK 124 million relating to the Finnish operations.

Adjusted EBITA decreased to MSEK 48 (161) and adjusted EBITA margin amounted to 1.5% (3.4%). EBITA amounted to MSEK 4 (97).

Financial items

Net financial items amounted to MSEK -155 (-63), of which MSEK -125 (-72) is referred to interest expenses for bond loan and other credit facilities incl leasing. Other significant financial expenses consist of accrued borrowing costs of MSEK -8, advisory costs in connection with renegotiation of the bond terms of MSEK -20 and negative currency effects of MSEK -2.

Tax

Income tax amounted to MSEK 5 (15) and consists of corporate tax of MSEK -7 million and positive effects from deferred taxes of MSEK 12.

Financial position

Cash and cash equivalents as of September 30, 2020 amounted to MSEK 346 (75), whereof MSEK 5,6 is pledged for rent commitments. Cabonline's revolving credit facility of MSEK 125 is fully utilized as a security measure due to the Covid-19 pandemic. The credit facility strengthens the cash position, at the same time, the company has

received tax and fee credits of approximately SEK 72 million, of which SEK 65 million needs to be repaid in 2022 according to current rules.

As of September 30, Net debt amounted to MSEK 1,662 (1,613) and net debt/adjusted EBITDA, R12 to 8.5 times (5.2).

In the fourth quarter of 2019, Cabonline carried out refinancing of its outstanding bond and credit facilities. The bond which repayment was due in June 2020 was redeemed and a new bond with a term until November 2022 was issued. The bond has a total scope of MSEK 2,200, of which MSEK 1,800 has been utilized. The bond currently bears an annual floating interest rate of STIBOR 3m +8.5%. The bond was listed on Nasdaq Stockholm on February 5, 2020.

Since the beginning of the second quarter, the company has negotiated with the bondholders to adapt the bond terms to the effect that the covid-19 pandemic is expected to have on the company's operations, a process that has been completed with new terms that apply from July 28, 2020, which essentially means that the company will have a postponement until the fourth quarter of 2021 to meet certain EBITDA results in relation to the company's indebtedness, and that the margin for interest expenses increased with one percentage point, from 7.5% to 8.5%. Additional information is available on Cabonline's website under Investors / Bonds.

In addition, the company has a revolving credit facility of MSEK 125 with a term of three years and a current rate of STIBOR 3m +4.25% per annum except for the loan commencing after 23 July 2020 but before 30 September 2021, when the margin in relation to such interest period will be 4.50 % per annum instead of 4.25 %.

For information on the impact of the pandemic on Cabonline, see the section The Group's financial development and impact of covid-19 on page 4.

Cash flow

July-September

Cash flow from operating activities amounted to MSEK -22 (30). Cash flow was primarily negatively affected by lower operating profit and higher payments of interest and financial expenses at the same time as the change in working capital has been positive compared with the same period last year.

Cash flow from investing activities amounted to MSEK -6 (-14). Lower acquisition related investments and lower investments in fixed assets constitute the largest changes compared with the corresponding period last year.

Cash flow from financing activities amounted to MSEK -15 (-19). The difference from the comparison quarter is primarily due to the utilization of the overdraft facility in 2019.

January – September

Cash flow from operating activities amounted to MSEK 56 (88). Compared with the same period last year, cash flow has been negatively affected by the lower adjusted EBITDA result and by the higher financial expenses, while changes in working capital have had a positive effect, among others from deferral of taxes, fees and unrealized possible customer losses.

Cash flow from investing activities amounted to MSEK -15 (-37). Lower investments in fixed assets constitute the largest changes compared with the corresponding period last year.

Cash flow from financing activities amounted to MSEK -44 (-61).

Development by segment

Performance reported and followed up in Segments Sweden, Norway, Finland, Denmark and Other

Jul-Sep	Sweden		Norway		Finland		Denmark		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Amounts in MSEK												
Revenues (external)	715	1,137	126	185	57	84	67	120	4	8	970	1,534
-Transport revenue	599	983	111	167	49	78	59	109	0	0	818	1,337
-Contract revenue	106	142	15	18	4	3	8	13	0	0	134	176
-Other revenue	10	13	0	0	3	3	0	-3	4	8	18	21
Organic growth %	-37.2%	0.1%	-26.8%	0.4%	-30.5%	6.6%	-	-	-44.4%	4.5%	-36.0%	0.6%
Adjusted EBITDA pre mgmnt fee	47	92	2	5	2	4	0	1	-19	-20	32	82
Depreciations	-6	-6	-1	-1	-6	-10	-1	-1	-11	-11	-25	-29
Adjusted EBITA pre mgmnt fee	41	86	1	4	-4	-6	-1	0	-30	-31	7	53
Internal management fee	46	-82	0	0	0	0	0	0	-46	82	0	0
Adjusted EBITA	87	4	1	4	-4	-6	-1	0	-76	51	7	53
Adjusted EBITA margin %	12.1%	0.4%	1.0%	2.0%	-7.0%	-7.1%	-1.7%	0%	238%	50%	0.7%	3.4%
Items affecting comparability	-1	0	0	0	0	0	0	0	-14	-20	-15	-20
EBITDA	91	11	2	5	2	4	0	1	-79	42	17	62
EBITA	85	5	1	4	-4	-7	-1	0	-89	31	-8	33

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 several 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. See also the description in Note 7 regarding organizational changes compared to 2019.

July - September

External revenues decreased by 37% to MSEK 715 (1,137). The reduction is primarily driven by lower transport revenues in all customer segments, but also reduced contract revenues driven by the lower volumes, but also a smaller number of connected cars that pay fixed connection fees.

Adjusted EBITA increased to MSEK 87 (4). Note, however, that adjustment of the internal management fee, which adds up to zero for the Group, has a positive effect on earnings of MSEK 127 compared to the same period the previous year.

The underlying decline in earnings (SEK 45 million) is primarily due to the lower contract revenues but also due to the reduced profitability in the airport taxi (Flygtaxi) product as a result of the lower volumes. The cost saving programs that have been launched as well as the government support packages, have had a positive impact on the result.

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 primarily conducted under the NorgesTaxi brand.

July - September

External revenues decreased by 32% to MSEK 126 (185). The acquisition of Miljötaxi during the fourth quarter of 2019 contributes positively to the revenue development. The organic reduction, which in addition to acquisitions also takes into account currency effects, amounted to 27%.

Adjusted EBITA amounted to MSEK 1 (4). Reduced contract revenues as a result of the lower volumes and fewer cars as well as lower profitability on public contracts have a negative effect on earnings development. Cost savings, primarily in the customer service function, have a positive impact on earnings.

Finland

Segment Finland's operations consist primarily of taxi ordering and dispatching, and in-house transporter activities in the Helsinki area and in Oulu. 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.

July - September

External revenues decreased by 32% to MSEK 57 (84). The organic decrease, which also takes into account currency effects, amounted to 31%. The conversion of the fleet from own cars to external transporters continues according to plan and as a result, contract revenues increased by MSEK 1 despite the reduced volumes

Adjusted EBITA amounted to MSEK -4 (-6). The extensive restructuring of the Finnish operations, which has resulted in a reduced cost base, explains the positive profitability trend despite prevailing circumstances. Profitability development is negatively affected by reduced revenues in own cars, for which the cost base is partly fixed.

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 Taxi 4x27 brand.

July - September

External revenues decreased by 44% to MSEK 67 (120). The organic decrease, which also takes into account currency effects, amounted to -44%. The decrease in contract revenues is largely due to reduced variable fees as a result of the reduced volumes, despite a relatively constant number of cars.

Adjusted EBITA amounted to MSEK -1 (0).

Other

Group-wide functions such as management functions and administrative IT and accounting support are collected within Segment Other. The segment also includes Group-wide development of technical platforms used in the Group. See also the description in Note 7 regarding organizational changes compared to 2019.

July - September

External revenues decreased by 44% to MSEK 4 (8). The organic decrease was 44%. The lower revenues are mainly explained by lower capitalized development expenditures as a result of reduced IT development. Lower commissions on purchases made by the franchisees as well as lower revenues related to the mobile application also contribute to the reduction in revenue.

Adjusted EBITA amounted to MSEK -76 (51). Note, however, that adjustment of the internal management fee, which adds up to zero for the Group, has a negative effect on earnings of MSEK 127 compared to the same period previous year. The underlying result is on a par with the previous year. The extensive cost-saving program that has been launched within the Group contributes positively to the earnings trend, but lower internal debiting regarding these has the opposite effect in the segment.

This is Cabonline

Our goal is to create a world class taxi company.

Cabonline makes people's everyday lives easier by offering car-based transport services that are reliable and accessible. With the help of digital solutions, customer-focused service, and availability, we offer resource-efficient transport. In close cooperation with our affiliated transporters, we match travelers with the right cars and drivers under our strong brands. This requires good relationships with both the customer and the transporters and a well-functioning technology support.

Cabonline runs its business mainly through a franchise model with independent transporters. The business model is characterized by low capital tied up, limited investment needs and high scalability. It is the transporters who own the cars, handle the transport, and hire the drivers. Cabonline is responsible for customer relationships, brands, pricing, and technical platforms. Cabonline also owns the public procured contracts and the agreements with corporate customers. To access these resources, transporters pay a fixed and variable fee to Cabonline. Cabonline has 3,000 transport companies with a total of 5,700 cars and 8,900 drivers connected to us (2019). We have a strong presence in more than 60 local markets in Sweden, Norway, Finland and Denmark and a large number of brands.

In all the Nordic countries, the taxi business is part of the public transportation system, and a large part of the taxi market is made up of publicly procured business, such as mobility services and school transportation. In all countries the trend is towards a greater focus on quality in the evaluation criteria of these types of procurement processes.

Cabonline's revenue per customer segment and distribution by geography for the full year 2019:



Financial goals

The Board of Directors of Cabonline Group Holding AB (publ) has decided on financial targets for the Group.

Target	Description
Growth > 5 %	Annual sales growth of more than 5 per cent, in the medium term. Growth will be achieved through a combination of organic growth and additional acquisitions
Adjusted EBITA margin > 4 %	An adjusted EBITA margin of more than 4 percent in the medium term.

Other information

Employees

At the end of the period, the number of employees in the Group was 1,188 (1,410). The average number of full-time employees amounted to 772 (924). The number has not been corrected for short-term layoffs; however, a large proportion of the staff have been laid off in whole or in part or otherwise affected by the company's measures to meet the pandemic.

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. No management fee income has been reported for the interim period (previous year MSEK 9) as significant reductions have been made within the Group functions to adapt the company to the effects of the Covid-19 pandemic. The profit for the period was MSEK -84 (-53).

Significant events during the period

An Extraordinary General Meeting was held on September 26, during which Carl Harring, Andreas Rosenlew and Jon Risfelt, who made their seats available, were dismissed. John Harper was elected as a new board member.

Anneli Lindblom, current CFO, succeeded Peter Viinapuu as President and acting CEO on 28 September.

Seasonal variations

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

Legal disputes

In its day-to-day business, Cabonline and its subsidiaries are from time to time involved in disputes with public authorities and other parties, such as disputes over contract interpretation, tender awards, or claims for damages or claims for payments, including from customers.

A dispute with a previous customer regarding the payment of completed school transports ended with a settlement in May, whereby Cabonline received MSEK 15 million and reported a positive profit effect of MSEK 2.1.

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 intra-Group receivables as collateral for obligations under the bond loan.

Assets pledged for the Group

As collateral for the bond and revolving credit facility, the Group has pledged its shares in all material subsidiaries, ie companies that have significant operations or own such a company.

In addition to the above pledge, the following assets have been pledged as collateral in accordance with the bond terms:

- i. Floating charges for chattel mortgages in Group companies.
- ii. Pledging of registered trademarks.

For further descriptions of the pledged collateral, see the bond prospectus on the company's website.

Annual General Meeting and Annual report

The 2019 AGM was held on May 7, 2020. The minutes of the AGM are available at www.cabonlinegroup.com.

Consolidated income statement

Amounts in MSEK	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Total Revenue	970	1,534	3,174	4,701	6,490
Capitalised development costs	3	6	16	19	26
Transport expenses	-761	-1,236	-2,483	-3,762	-5,211
Other external expenses	-79	-117	-282	-369	-513
Personnel expenses	-115	-124	-337	-414	-577
Other operating expenses	-1	-1	-6	-1	-4
Amortisation and depreciation of fixed assets	-33	-65	-131	-180	-244
Impairment of goodwill	-	-	-	-124	-124
Total operating expenses	-986	-1,537	-3,223	-4,832	-6,648
Operating profit (EBIT)	-16	-3	-49	-131	-158
Financial income	2	7	5	17	17
Financial expenses	-67	-27	-160	-81	-137
Profit/loss from financial items	-65	-20	-155	-63	-120
Profit/loss before tax	-81	-23	-204	-194	-278
Income tax	1	-3	5	15	19
Net profit/loss for the period	-80	-26	-199	-179	-259
Profit/loss attributable to:					
The Parent Company's shareholders	-80	-26	-199	-180	-260
Non-controlling interests	0	0	1	1	1
Net profit/loss for the period	-80	-26	-199	-179	-259
Earnings per share before dilution, SEK*	-2.58	-1.07	-6.62	-6.08	-8.66
Earnings per share after dilution, SEK*	-2.58	-1.07	-6.62	-6.08	-8.66
Average number ordinary shares outstanding	35,556,850	35,556,850	35,556,850	35,556,850	35,556,850

* Se definitions p 25-26

Consolidated statement of comprehensive income

Amounts in MSEK	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net profit/loss for the period	-80	-26	-199	-179	-259
Other comprehensive profit/loss					
Translation difference for the period	-3	-9	-17	-8	2
Comprehensive profit/loss for the period	-82	-34	-215	-187	-257
Comprehensive profit/loss attributable to:					
The Parent Company's shareholders	-83	-35	-216	-188	-258
Non-controlling interests	0	0	1	1	1
Total comprehensive profit/loss for the period	-82	-34	-215	-187	-257

Consolidated balance sheet

Amounts in MSEK	2020-09-30	2019-09-30	2019-12-31
Fixed assets			
Intangible fixed assets	1,464	1,561	1,537
Tangible fixed assets	134	195	192
Ownership interests in associated companies	2	1	1
Deferred tax assets	4	8	6
Long-term interest-bearing receivables	7	12	12
Other financial assets	7	11	7
Total fixed assets	1,616	1,787	1,755
Current assets			
Inventories	4	5	4
Accounts receivable	150	266	271
Other receivables	39	52	61
Short-term interest-bearing receivables	12	36	29
Tax assets	9	28	14
Prepaid expenses and accrued income	99	115	119
Short-term investments	0	2	2
Cash and bank balances	346	75	357
Total current assets	660	580	856
TOTAL ASSETS	2,276	2,367	2,612
Amounts in MSEK	2020-09-30	2019-09-30	2019-12-31
Shareholders Equity			
Share capital	4	4	4
Other contributed capital	386	386	386
Reserves	-10	-4	6
Retained earnings, including result for the period	-869	-591	-670
Total shareholders equity attributable to the parent company's shareholders;	-491	-206	-275
Non-controlling interests	6	6	5
Total shareholders equity	-485	-200	-269
Provisions and Long-term liabilities			
Long-term interest-bearing liabilities	1,983	110	2,008
Deferred tax liabilities	52	66	62
Other long-term liabilities	67	64	51
Total provisions and long-term liabilities	2,102	240	2,122
Short-term liabilities			
Short-term interest-bearing liabilities	45	1,625	62
Accounts payable	47	118	102
Current tax liabilities	7	37	21
Other liabilities	180	100	106
Accrued expenses and prepaid income	379	447	468
Total short-term liabilities	659	2,327	759
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	2,276	2,367	2,612

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 2019	4	386	4	-411	-18	6	-12
Comprehensive profit/loss							
Net profit/loss for the period				-180	-180	1	-179
Other comprehensive profit/loss			-8		-8		-8
Total comprehensive profit/loss	0	0	-8	-180	-188	1	-187
Transactions with shareholders:							
Change in the minority's share				1	1	-1	0
Closing balance as at 30 september 2019	4	386	-4	-591	-205	6	-200
Opening balance as at 1 January 2020	4	386	6	-670	-275	5	-269
Comprehensive profit/loss							
Net profit/loss for the period				-199	-199	1	-199
Comprehensive profit/loss			-17	0	-17		-17
Total comprehensive profit/loss	0	0	-17	-199	-216	1	-215
Transactions with shareholders:							
Change in the minority's share				0	0	0	0
Closing balance as at 30 september 2020	4	386	-10	-869	-491	6	-485

*Reserves relate to translation differences

Consolidated statement of cash flows

Amounts in MSEK	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Operating activities					
Operating profit	-16	-3	-49	-131	-158
Adjustments for items not included in the cash flow	34	65	134	304	369
Interest paid	-59	-25	-144	-72	-112
Interest received	0	-0	1	1	2
Taxes paid	-1	-0	-15	-14	-16
Cash flow from operating activities before changes in working capital	-43	37	-73	88	85
Cash flow from changes in working capital					
Increase (-)/Reduction (+) of inventories	-0	-0	-0	-1	1
Increase (-)/Reduction (+) of operating receivables	-44	-28	174	-29	-38
Increase (+)/Reduction (-) of operating liabilities	65	21	-45	30	29
Change in working capital	21	-7	129	-0	-9
Cash flow from operating activities	-22	30	56	88	76
Investment activities					
Received Payments - Sublease of Vehicles	5	7	14	21	26
Acquisition of business operations	0	-1	0	-6	-14
Share purchases and additional paid contingent consideration	-7	-6	-15	-16	-20
Investments in tangible and intangible fixed assets	-5	-20	-22	-42	-75
Disposal of fixed assets	1	5	8	5	8
Cash flow from investment activities	-6	-14	-15	-37	-75
Financing activities					
Leasing Payments - Vehicles	-8	-12	-26	-33	-42
Leasing Payments - Rent	-6	-6	-19	-18	-22
Change in other loans	-2	6	-3	1	7
Change in overdraft facility and other shortterm investments	0	-7	2	-11	-30
Borrowings, RCF	0	-	125	-	125
Repaid loans, RCF	0	-	-125	-	-
New bond financing	-	-	-	-	575
Repaid bonds	-	-	-	-	-344
Cash flow from financing activities	-15	-19	-44	-61	269
Cash flow for the year	-43	-3	-4	-11	270
Cash and cash equivalents at the beginning of the year	390	77	357	85	85
Exchange rate differences in cash and cash equivalents	-1	1	-6	1	1
Cash and cash equivalents at end of the period	346	75	346	75	357

Parent Company income statement

Amounts in MSEK	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Operating revenues	0	1	0	9	17
Operating expenses					
Other external expenses	-10	-17	-5	-45	-53
Personnel expenses	-13	-3	-19	-10	-16
Operating result	-23	-18	-24	-46	-52
Net gains/losses from financial items					
Interest income and similar income items	28	21	85	64	86
Interest expenses and similar expense items	-61	-24	-145	-71	-120
Profit after gains/losses from financial items	-56	-21	-84	-53	-86
Appropriations					
Group contributions	0	0	0	0	50
Profit/loss before taxes	-56	-21	-84	-53	-36
Net profit/loss for the period	-56	-21	-84	-53	-36

Because there are no items in the Parent Company that are recognized 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	2020-09-30	2019-09-30	2019-12-31
Fixed assets			
<i>Financial assets</i>			
Shares in Group companies	656	656	656
Receivables from Group companies, Long-term	1,485	1,728	1,485
Total financial assets	2,141	2,384	2,141
Total fixed assets	2,141	2,384	2,141
Current assets			
<i>Short-term receivables</i>			
Receivables from Group companies, Short-term	22	75	91
Other short-term receivables	4	9	3
Prepaid expenses and accrued income	15	0	15
Total short-term receivables	41	84	108
Total current assets	41	84	108
TOTAL ASSETS	2,183	2,468	2,249
Amounts in MSEK	2020-09-30	2019-09-30	2019-12-31
<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	44	80	80
Net profit/loss for the year	-84	-53	-36
Total unrestricted equity	312	379	396
Total shareholders equity	316	383	400
<i>Untaxed reserves</i>			
Tax allocation reserves	34	34	34
Total untaxed reserves	34	34	34
<i>Long-term liabilities</i>			
Bond	1,787	0	1,781
Other long-term liabilities	1,787	0	1,781
<i>Current liabilities</i>			
Bond		1,545	-
Accounts payable	2	8	7
Liabilities to Group companies	16	462	-0
Current tax liabilities	0	16	6
Other short-term liabilities	3	0	2
Accrued expenses and prepaid income	25	20	19
Total short-term liabilities	46	2,051	34
TOTAL SHAREHOLDER EQUITY AND LIABILITIES	2,183	2,468	2,249

Performance measures

Amounts in MSEK	2020	2019	%	2020	2019	%	2019
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		Jan-Dec
Revenues	970	1,534	-37%	3,174	4,701	-32%	6,490
-Transport revenue	818	1,337	-39%	2,682	4,112	-35%	5,691
-Contract revenue	134	176	-24%	432	511	-15%	694
-Other revenue	18	21	-16%	60	78	-23%	105
Organic growth % *	-36.0%	0.6%	-	-34.7%	-3.5%	-	-2.9%
Adjusted EBITDA *	32	82	-61%	126	238	-47%	307
Adjusted EBITDA margin % *	3.3%	5.3%	-	4.0%	5.1%	-	4.7%
EBITDA *	17	62	-73%	82	173	-53%	210
EBITDA margin % *	1.7%	4.1%	-	2.6%	3.7%	-	3.2%
Adjusted EBITA	7	53	-86%	48	161	-70%	202
Adjusted EBITA margin % *	0.7%	3.4%	-	1.5%	3.4%	-	3.1%
Items affecting comparability *	-15	-20	-23%	-44	-64	-31%	-97
EBITA *	-8	33	-125%	4	97	-96%	105
EBITA margin % *	-0.8%	2.1%	-	0.1%	2.1%	-	1.6%
Operating profit (EBIT) *	-16	-3	450%	-49	-131	-63%	-158
Operating margin % *	-1.7%	-0.2%	-	-1.5%	-2.8%	-	-2.4%
Profit before tax	-81	-23	255%	-204	-194	5%	-278
Net income	-80	-26	211%	-199	-179	11%	-259
Earnings per share before and after dilution, SEK	-2.58	-1.07	142%	-6.62	-6.08	9%	-8.66
Cash flow for the period	-43	-3	1164%	-4	-11	-60%	270
Net income excl depreciation on excess values *	-71	10	-799%	-146	48	-401%	4
Earning per share, excl depreciation on excess values before and after dilution, SEK	-2.35	-0.06	3876%	-5.14	0.33	-1661%	-1.27
Net debt *	1,662	1,613	3%	1,662	1,613	3%	1,673
Net debt /Adjusted EBITDA, R12 *	8.5	5.2	65%	8.5	5.2	65%	5.5
Operating capital *	33	-158	-121%	33	-158	-121%	129
Investments, CAPEX	5	20	-75%	22	42	-46%	75
Cash conversion excl items affecting comparability, R12 *	102	220	-54%	102	220	-54%	193
Cash conversion, R12 % *	65%	81%	-	65%	81%	-	72%

*APM, see the basis for calculation and definitions on pages 24-29.

Segment overview

Amounts in MSEK	2020	2019	%	2020	2019	%	2019
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		Jan-Dec
Revenues (external)							
Sweden	715	1,137	-37%	2,436	3,649	-33%	4,999
Norway	126	185	-32%	382	583	-35%	801
Finland	57	84	-32%	161	250	-36%	346
Denmark	67	120	-44%	180	196	-8%	312
Other	4	8	-44%	16	23	-32%	33
Total	970	1,534	-37%	3,174	4,701	-32%	6,490
-whereof Transport revenue							
Sweden	599	983	-39%	2,052	3,170	-35%	4,359
Norway	111	167	-34%	333	527	-37%	725
Finland	49	78	-37%	141	237	-40%	324
Denmark	59	109	-46%	156	178	-12%	284
Other	0	0	-	0	0	-	0
Total	818	1,337	-39%	2,682	4,112	-35%	5,691
-whereof Contract revenue							
Sweden	106	142	-25%	351	434	-19%	583
Norway	15	18	-13%	47	54	-14%	74
Finland	4	3	34%	12	7	80%	11
Denmark	8	13	-41%	22	16	35%	26
Other	0	0	-	0	0	-	0
Total	134	176	-24%	432	511	-15%	694
-whereof Other revenue							
Sweden	10	13	-25%	34	46	-26%	57
Norway	0	0	-45%	2	1	87%	1
Finland	3	3	13%	7	6	13%	11
Denmark	0	-3	-109%	1	1	1%	2
Other	4	8	-44%	16	23	-32%	33
Total	18	21	-16%	60	78	-23%	105
Adjusted EBITDA							
Sweden	93	11	781%	80	44	80%	69
Norway	2	5	-52%	12	12	1%	16
Finland	2	4	-49%	-8	-2	349%	-11
Denmark	0	1	-148%	-3	1	-385%	0
Other	-65	62	-205%	45	182	-75%	232
Total	32	82	-61%	126	238	-47%	307
Adjusted EBITA							
Sweden	87	4	1935%	60	22	173%	38
Norway	1	4	-65%	9	9	4%	12
Finland	-4	-6	-34%	-28	-22	26%	-42
Denmark	-1	0	-1502%	-5	0	2562%	-1
Other	-76	51	-249%	12	153	-92%	195
Total	7	53	-86%	48	161	-70%	202
EBITA							
Sweden	85	5	1719%	54	20	168%	27
Norway	1	4	-65%	9	8	12%	11
Finland	-4	-7	-39%	-28	-23	21%	-43
Denmark	-1	0	-1502%	-5	0	2562%	-1
Other	-89	31	-389%	-26	92	-128%	111
Total	-8	33	-125%	4	97	-96%	105
EBIT							
Sweden	81	-23	-457%	16	-60	-127%	-81
Norway	1	-1	-273%	5	-5	-196%	-6
Finland	-4	-7	-44%	-28	-152	-81%	-172
Denmark	-5	-3	45%	-16	-6	183%	-10
Other	-89	31	-391%	-26	92	-128%	111
Total	-16	-3	450%	-49	-131	-63%	-158

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 specializes in investments in medium-sized companies. H.I.G. actively supports the companies' growth through product development, internationalization 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.

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.

Further information on the Group's accounting and valuation principles can be found in the 2019 Annual Report (Note 1), which is available at www.cabonline.com or at the head office.

This interim report refers to alternative performance measures (APM) used in the evaluation and follow-up of the Group. These APMs are intended to supplement, not replace, financial measures presented in accordance with IFRS. See further under the Definitions section at the end of this report.

Note 2.

Business combinations

No acquisitions have taken place in 2020.

In the second quarter 2019 100% of the shares in Taxi Västerås was acquired in Segment Sweden and 100% of the shares in Taxi 4x27 in segment Denmark. Taxi Västerås is a leading player in the Västerås area with 140 cars. Taxi 4x27 mainly serves the Copenhagen area, has about 300 connected vehicles, and delivers services to both the B2C and B2B segments

Two minor acquisitions took place in the fourth quarter 2019, Miljötaxi Stavanger AS in Segment Norway and Norrtälje Taxi AB in Segment Sweden.

The acquired companies contributed in 2019 with MSEK 464 to the Group's revenues.

Note 3.

Items affecting comparability

Amounts in MSEK	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Adjusted EBITDA	32	82	126	238	307
Adjusted EBITA	7	53	48	161	202
H.I.G Capital - strategic consulting	-5	-4	-14	-13	-17
Aquisition-related expenses	0	0	-1	-5	-4
Preparing for ownership change	0	-1	0	-28	-29
Rebranding	0	0	-3	0	0
Restructuring	-10	-16	-26	-17	-39
Miscellaneous	-1	0	-1	-1	-8
Total Items affecting comparability	-15	-20	-44	-64	-97
EBITDA	17	62	82	173	210
EBITA	-8	33	4	97	105

The restructuring costs during 2020 refer to costs for the development of the Group's future IT system structure as well as severance pay and costs related to the resignation of previous CEO.

Note 4.

Related-party transactions

Related-party transactions were conducted between H.I.G. Capital and the Group corresponding to MSEK 14 (13) during the year.

In accordance with the terms and conditions of the new bond 2019/22, Cabonline may not make any payments to H.I.G. Capital for these invoices during the term of the bond. The costs will be accrued and not paid out until the bond is settled. According to the present agreement, the amount is approximately 15-20 MSEK/year during the three years period.

Note 5.

Significant risks and uncertainties

At the end of the first quarter, Cabonline noted a sharp reduction in taxi travel as a result of the measures introduced throughout the Nordic region in order to limit the spread and effects of the corona virus. Compared to the description in Cabonline's annual and sustainability report, the outbreak of the Covid-19 pandemic has now affected almost all identified risk categories. Cabonline has identified critical changes in financial, market, credit and liquidity risks and is taking proactive measures to mitigate the risks or prevent them from occurring. This process takes place in close dialogue with various stakeholders.

There are also risks related to the interpretation of the regulations for the public support packages in the different countries in which we operate, as they have been in use for a short time and its application lacks practice.

The lower demand due to the Covid-19 pandemic has increased the risk that transporters will go bankrupt and that Cabonline will be affected financially. The company follows this development closely.

The Group is active in the transport market and is exposed to fluctuations that impact the purchasing behavior of customers. There is a risk that the Group could be adversely affected by a change in purchasing behavior 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 transporters 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 May 25, 2018. There are also risks associated with, for example, incidents or other unsuitable types of behavior by connected transporters 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 2022 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 July 1, 2018. This entailed a major change in how various players, such as drivers, transporters, and order centers, reacted. There is a risk that it will continue to be difficult to attract transporters, drivers, and end customers. The government in Finland has initiated an analysis of the consequences related to the deregulation of the market, which could lead to some regulations of the market again. As a result, it is difficult to predict development in Finland following deregulation than developments in other markets served by Cabonline.

In Norway, the next step in deregulation took place in November 2020, when the application period for the new taxi licenses has opened. To date, we have not noticed any major changes in the Norwegian taxi market as a result of deregulation.

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 2019 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 37 (52), whereof 21 MSEK is recognized as non-current liabilities and 16 MSEK as current liabilities. The reduction in the debt mainly consist of payments for Taxi 4*27 which were acquired in May 2019 and has not had any significant impact on earnings and comprehensive income.

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.

Note 7.

Segment reporting

An operating segment is a part of the Group that conducts operations from which it can generate revenue 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 as well as smaller ancillary activities not directly related to operation of order centers are recognized in Segment Other.

Certain administrative functions have in 2020 been allocated from Segment Other to Segment Sweden. Historical figures have been restated to reflect these changes.

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.

Auditors' review

This interim report has been reviewed by the company's auditors.

Stockholm, November 26, 2020

Anneli Lindblom
CFO and acting CEO

Financial calendar

Year-end report 2020

19 February 2021

Annual General Meeting 2021

April 19, 2021

Interim report January - March 2021

7 May 2021

Interim report January - June 2021

August 20, 2021

Interim report January - September 2021

26 November 2021

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

For further information, please contact:

Anneli Lindblom, acting CEO, tel +46 765 938 400

This information is such that Cabonline Group Holding AB (publ) is obliged to disclose in accordance with the EU's Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out above on November 26, at 15:00 a.m. (CET).

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 (2019). 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 6.5 billion and performs about 45,000 journeys per day. For further information, visit www.cabonlinegroup.com.

Report on Review of Interim Financial Information

Cabonline Group Holding AB (publ), corporate identity number 559002-7156

Introduction

We have reviewed the accompanying condensed balance sheet of Cabonline Group Holding AB (publ) as of September 30, 2020 and the related condensed statements of income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act (“årsredovisningslagen”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group accounts and the Swedish Annual Accounts Act for the parent company.

Stockholm, November 26, 2020

Ernst & Young AB

Andreas Nyberg
Authorized Public Accountant

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 contracts with customers.

Transport expenses

Bought transportation services from suppliers or external contracted transporters.

Organic growth

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

Items affecting comparability

In order to facilitate an understanding of the business, we consider it appropriate to analyze certain metrics and key figures excluding items affecting comparability. Items affecting comparability comprise items that are non-recurring, have a significant impact and are considered important for understanding the development/results of operations when comparing periods. Items affecting comparability are shown in Note 3.

Adjusted EBITDA

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

Adjusted EBITDA, %

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

Adjusted EBITA

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

Adjusted EBITA, %

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

EBITDA

Operating profit before depreciation, amortization, and impairment.

EBITDA margin, %

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

EBITA

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

EBITA margin, %

Operating profit before depreciation, amortization, 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 amortization of surplus values

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

Earnings per share

Net profit for the period attributable to the Parent Company shareholders plus additional interest expenses/dividends 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, less interest-bearing receivables and total current liabilities, less interest-bearing liabilities, according to the consolidated balance sheet.

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 adjusted EBITDA less CAPEX and lease payments divided by rolling 12 months adjusted EBITDA excluding payments for finance 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	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Revenues	970	1,534	3,174	4,701	6,490
Revenues from acquisitions	-4	-152	-142	-304	-464
Fx effect, from translation to comparable period Fx rate	16	-1	35	-15	-15
Effect from changes in accounting principles- IFRS 16 Sublease	-	7	-	21	27
Organic revenue	982	1,388	3,068	4,403	6,037
Reported revenue in comparable period	1,534	1,380	4,701	4,563	6,217
Organic growth %	-36.0%	0.6%	-34.7%	-3.5%	-2.9%

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

Operating margin

Description

Operating profit as a percentage of net revenue.

Amounts in MSEK	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Revenues	970	1,534	3,174	4,701	6,490
Operating profit	-16	-3	-49	-131	-158
Operating margin %	-1.7%	-0.2%	-1.5%	-2.8%	-2.4%

Adjusted EBITDA and adjusted EBITDA margin

Description

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

Amounts in MSEK	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Operating profit (EBIT)	-16	-3	-49	-131	-158
-Depreciation of fixed asset	25	29	78	76	105
-Amortisation of acquired excess values	8	36	53	104	139
-Impairment of Goodwill	0	0	0	124	124
-Items affecting comparability	15	20	44	64	97
Adjusted EBITDA	32	82	126	238	307
Revenues	970	1,534	3,174	4,701	6,490
Adjusted EBITDA margin %	3.3%	5.3%	4.0%	5.1%	4.7%

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

Adjusted EBITDA is 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).

Adjusted EBITA and adjusted EBITA margin

Description

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

Amounts in MSEK	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Operating profit	-16	-3	-49	-131	-158
-Amortisation of acquired excess values	8	36	53	104	139
-Impairment of Goodwill	0	0	0	124	124
-Items affecting comparability	15	20	44	64	97
Adjusted EBITA	7	53	48	161	202
Revenues	970	1,534	3,174	4,701	6,490
Adjusted EBITA margin %	0.7%	3.4%	1.5%	3.4%	3.1%

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

Adjusted EBITDA is 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, amortization, and impairment as a percentage of revenue.

Amounts in MSEK	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Operating profit	-16	-3	-49	-131	-158
-Depreciation of fixed asset	25	29	78	76	105
-Amortisation of acquired excess values	8	36	53	104	139
-Impairment of Goodwill	0	0	0	124	124
EBITDA	17	62	82	173	210
Revenues	970	1,534	3,174	4,701	6,490
EBITDA margin %	1.7%	4.1%	2.6%	3.7%	3.2%

EBITA margin, %

Description

Operating profit before depreciation, amortization, and impairment of excess values attributable to acquisitions, as a percentage of revenue.

Amounts in MSEK	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Operating profit	-16	-3	-49	-131	-158
-Amortisation of acquired excess values	8	36	53	104	139
-Impairment of Goodwill	0	0	0	124	124
EBITA	-8	33	4	97	105
Revenues	970	1,534	3,174	4,701	6,490
EBITA margin %	-0.8%	2.1%	0.1%	2.1%	1.6%

Profit/loss excluding amortization of excess values

Description

Net profit/loss for the period excluding amortization of excess value and goodwill impairment.

Amounts in MSEK	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net profit/loss for the period	-80	-26	-199	-179	-259
-Amortisation of acquired excess values	8	36	53	104	139
-Impairment of Goodwill	0	0	0	124	124
Net profit/loss for the period excl amortisation and impairment	-71	10	-146	48	4
Revenues	970	1,534	3,174	4,701	6,490
Net profit/loss for the period excl amortisation and impairment, margin %	-7.4%	0.7%	-4.6%	1.0%	0.1%

Profit/loss before amortization of excess values is a measurement used by the company when assessing the generation of distributable funds.

Earnings per share before and after dilution excluding amortization of excess values

Description

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

Amounts in MSEK	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net profit/loss for the period attributable to parent company shareholders	-80	-26	-199	-180	-260
-Amortisation of acquired excess values	8	36	53	104	139
-Impairment of Goodwill	0	0	0	124	124
Net profit/loss for the period excl amortisation and impairment	-72	10	-147	48	3
Number of outstanding shares	35,556,850	35,556,850	35,556,850	35,556,850	35,556,850
Cost of outstanding preference shares	320	320	320	320	320
Interest cost/dividend to preference shares, 15%	-12	-12	-36	-36	-48
Net profit/loss for the period including dividend to preference shares	-84	-2	-183	12	-45
Earnings per share, excl depreciation on excess values before dilution, SEK	-2.35	-0.06	-5.14	0.33	-1.27
Earnings per share, excl depreciation on excess values after dilution, SEK	-2.35	-0.06	-5.14	0.33	-1.27

Earnings per share before and after dilution before amortization of excess values is a measurement used by the company when assessing the generation of distributable funds.

Cash flow conversion R12, adjusted for items affecting comparability

Description

Rolling 12 months adjusted EBITDA less CAPEX and lease payments divided by rolling 12 months adjusted EBITDA excluding payments for finance leases.

Amounts in MSEK	2020	2019	2019
	2020 R12, Sep	2019 R12, Sep	2019 R12, Dec
Adjusted EBITDA, R12	195	311	307
-Investments CAPEX, R12	-56	-53	-75
-Received Payments - Sublease Vehicles	19	21	26
-Leasing payments- Vehicles	-34	-40	-42
-Leasing payments- Rent	-23	-18	-22
Cash conversion excl items affecting comparability, R12	102	220	193
Adjusted EBITDA, incl payment of financial lease, R12	157	273	268
Cash conversion, R12 %	65%	81%	72%

Cash flow conversion 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	2020-09-30	2019-09-30	2019-12-31
Cash and bank balances	346	75	357
Short-term interest-bearing receivables	12	36	29
Long-term interest-bearing receivables	7	12	12
Long-term interest-bearing liabilities	1,983	110	2,009
Short-term interest-bearing liabilities	45	1,625	62
Net debt	1,662	1,613	1,673

Rolling 12 months	2020 R12, Sep	2019 R12, Sep	2019 R12, Dec
Operating profit	-76	-279	-158
-Depreciation of fixed asset	107	97	105
-Amortisation of excess values	88	137	139
-Impairment of Goodwill	0	276	124
-Items affecting comparability	77	80	97
Adjusted EBITDA, R12	195	311	307
Net debt/ Adjusted EBITDA, R12	8.5	5.2	5.5

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