



C A B O N L I N E

Annual and Sustainability Report

2020



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2020

Cabonline is the leading taxi company in the Nordic region with **2,500** connected transporters and approximately **4,500** vehicles in Sweden, Norway, Finland and Denmark. Cabonline contains a series of well-known brands, such as TaxiKurir, Sverigetaxi, TOPCAB, Norgestaxi, Kovanen och Taxi 4x27. Through Cabonline, transporters have access to attractive customer agreements, support from industry-leading technological development and utilization of economies of scale, efficient service and a shared infrastructure.

4,171

Revenues, MSEK

37

Adjusted EBITA, MSEK

0.9%

Adjusted EBITA margin

Important events in 2020

Significantly reduced traffic

The demand for taxi services was significantly reduced as a result of the actions implemented throughout the Nordic countries in order to limit the spread and effect of Covid-19. Despite a cautious recovery during the year, travel volumes have remained at historically low levels, especially in the business and consumer segments.

Reduced cost base

Cabonline was out early in the pandemic and took actions to adapt the business to the market and negative consequences of the Covid-19. A significant cost-out program has been launched with the goal of reducing the operational cost base by approximately SEK 200 million.

Renegotiated bond terms

During the second quarter 2020 Cabonline renegotiated the terms of the secured bond loan to adjust the terms to the effect the Covid-19 pandemic has had on the business. The negotiation resulted in new terms that apply from July 2020.

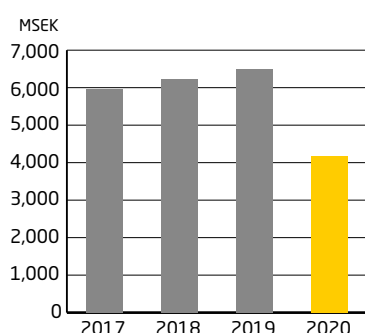
Changes in the management team

During the fourth quarter Dag Kibsgaard-Petersen, former CEO of Norgestaxi and Cabonline Norge, was appointed President and CEO. At the same time, Kalle Boumedienne was appointed Deputy CEO and Petter Lindkvist acting CFO.

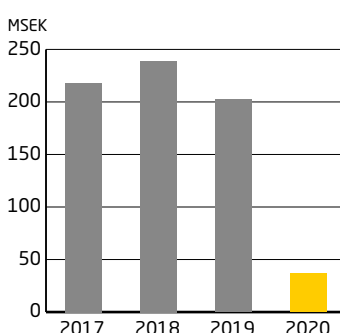
Key performance indicators

MSEK	2017	2018	2019	2020
Revenue	5,968	6,217	6,490	4,171
Operating profit	51	-121	-158	-124
Items affecting comparability	-51	-77	-97	-82
Adjusted EBITDA	301	330	307	151
Adjusted EBITA	218	239	202	37
Adjusted EBITA margin, %	3.7	3.8	3.1	0.9

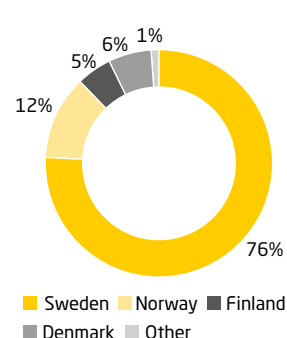
Revenue 2017-2020



Adjusted EBITA 2017-2020

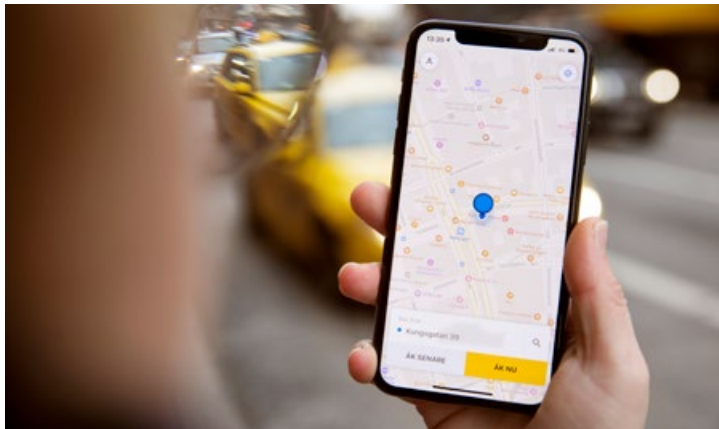


Revenue per segment 2020



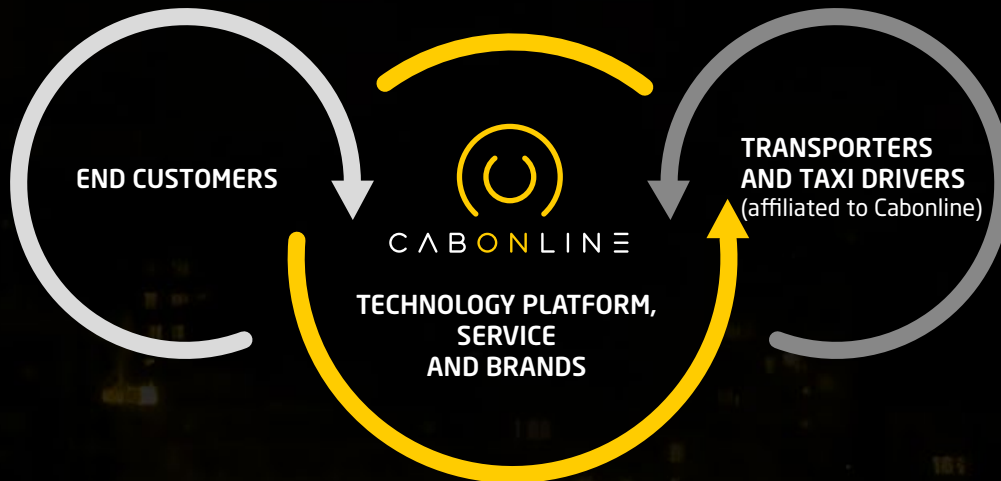
This is Cabonline

Our ambition is to become the leading taxi brand in the Nordic countries and be a world-class taxi company.



Cabonline makes people's everyday lives easier by providing car transport services that are reliable and accessible. We offer resource-efficient transportation, through digital solutions, customer-focused service and high availability.





We work closely with our affiliated transporters to match passengers with the right cars and drivers under our strong brands. This demands good relationships with both the customer and the transporters, and well-functioning technology support.



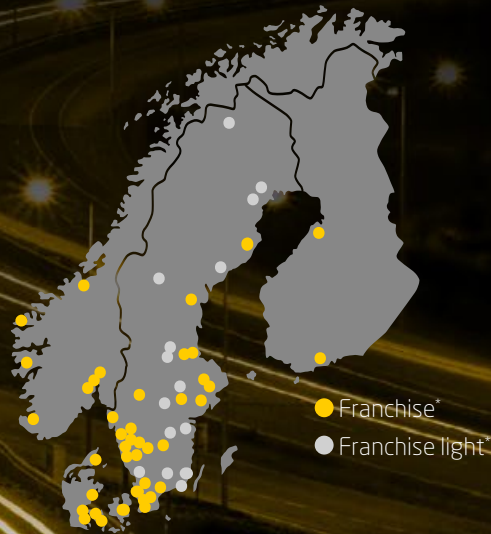
We own a large number of different brands including:



KOVANEN



Strong presence in more than 60 local markets



* Franchise = complete Cabonline service offering including customer service, tenders, IT, technology, administration, etc
 ** Franchise light = Use of brand only



“Travelling with Cabonline should be associated with smooth and easy booking, a car that always arrives on time and a safe and pleasant experience. And of course, the industry’s most sustainable alternative.”

The year 2020 has been very strongly affected by the Corona pandemic. It opened strongly but the rest of the year has largely been focused on initiatives to deal with the effects of the Corona pandemic.

We quickly decided to plan for the worst and hope for the best. Because we acted promptly and vigorously in the beginning of the virus’ outbreak, we have been able to ensure good liquidity and financial stability in the company. 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 been the main focus. After a challenging spring and summer for the taxi business at large, we experienced some recovery in the market by the end of the third quarter. The second wave of contagion meant new restrictions and closures, which again reduced demand at the fourth quarter. Cabonline have also used the state’s layoff support and implemented significant cost savings. Development projects that require major investments have been put on hold until we have a better overview of market developments.

Positive development of more publicly procured contracts continues

However, in this extremely difficult market situation, Cabonline has been relatively less affected compared to many other companies in the taxi industry. The reason is that more than half of Cabonline’s revenue is related to publicly procured traffic, e.g. transportation of elderly people, school transports and wheelchair taxis. In dialogue with our customers, the municipalities and regions, we have found solutions to maintain the, for society, critical transports. The Stockholm Region, for example, has paid compensation for lower activity in wheelchair taxis to ensure future capacity.

We continue to be competitive and successful in terms of publicly procured contracts. During 2020, we won approximately 20 procurements and in total operate approximately 120 publicly procured contracts. Among the major contracts we

“In December we took a major step in Norway towards the goal of 100% fossil free cars by 2023 by being the first taxi company in the world to use world leading technology for high power wireless charging.”

won there are the contracts for service transports for Region Västmanland, school transports in Espoo, school transports in Umeå, medical transports for the South Region in Denmark, the school transports in Stavanger and patient travel in the region of Trondheim. It is gratifying that we are increasingly winning the publicly procured agreements due to quality and service and to a lesser extent on price.

New business opportunities by acting solution-oriented

To stimulate demand, we have created new business opportunities and services in addition to the taxi services. These initiatives concern services helping companies deliver internal mail, home delivery of groceries, delivery of food from restaurants and more. We have also found other creative solutions to utilize our temporary overcapacity, e.g., in the region of Stockholm we have handled the transport of Covid-19 tests and have delivered over 100,000 tests within the region. This type of assignments have not replaced but helped to compensate for lost volumes. At a time when we are encouraged to avoid public transport, we have also launched an attractive fixed-price offer for travel within cities in Sweden. This has stimulated the demand for shorter trips and also enabled us to reach new target groups.

Sustainability

During the past year we have continued to take steps in our sustainable development with the goal that all our taxis will be fossil-free. Already, half of our taxi fleet in Sweden meet the target. In December we took a major step in Norway towards the goal of 100% fossil free cars by 2023 by being the first taxi company in the world to use world leading technology for high power wireless charging.

Profit of the year

The revenue during the year decreased by 36 percent to MSEK 4,171 (6,490). Adjusted EBITA decreased to MSEK 37 (202) and adjusted EBITA margin amounted to 0.9% (3.1%). Operating profit amounted to MSEK -124 (-158), of which items affecting comparability of MSEK -82 (-97), which are mainly

attributable to the previous restructuring program, organizational restructurings due to the cost-saving program and costs for strategic advice from H.I.G Capital. The result includes an impairment loss of acquired excess values (goodwill) of MSEK 19 (124). Government support packages, mainly in the form of lay-off grants and temporary reductions in taxes and fees, have had a positive earnings effect of MSEK 26 during the year.

The future

The effort of all employees, all measures taken to improve cost efficiency and the fact that a large part of our business is based on procured assignments for services vital to society mean that our core business remains stable. The reduced cost base and increased coordination have created a stability that makes us flexible and ready to increase the pace when the market starts to recover. Creativity is born out of crisis and I am convinced that all our work during the very challenging 2020 means that we will emerge from this turbulent time as a better, stronger, and more efficient Cabonline. I feel confident about the future but, at the same time, have a great respect for the difficulties of assessing the pandemic's continued development and impact on society and the taxi industry.

Customer focus

It is my strong belief that in a few years' time we will be the leading taxi brand in the Nordic region. We will be the customer's primary choice regardless of whether the customer is a consumer, company, or public authorities. We will also be the primary choice of transporters and drivers. Travelling with Cabonline should be associated with smooth and easy booking, a car that always arrives on time and a safe and pleasant experience. And of course, the industry's most sustainable alternative.

Stockholm, March 2021

Dag Kibsgaard-Petersen
President and CEO

Sustainability report 2020

Cabonline has an important role in society. Together with our affiliated transporters we ensure that people get to their destination in a safe and environmentally friendly manner while creating jobs for many people. We endeavour to develop our business in line with the world around us. Agenda 2030 and the global sustainable development goals are an important starting point for our work.

Our sustainability work

As a market-leading taxi company in the Nordic countries, we are part of the infrastructure in the region. By virtue of our size, we have a responsibility in our industry for sustainable development of society. We shall therefore take the lead in the areas where we can make a difference. We do this by working in a structured manner and by integrating sustainability into day-to-day work.

In autumn 2019 we reviewed our sustainability strategy so as to identify the areas where Cabonline has greatest impact and can make the most difference. As part of this work, we held dialogues with our various stakeholders. In this sustainability report we describe our prioritised areas and how, even from a sustainability perspective, we will reach our desired market position - "The leading taxi brand in the Nordics".

People's need for mobility / Accessibility for all

Cabonline serves people's needs for safe, secure and efficient travel in urban and rural areas. Transportation can be a challenge for the elderly, the ill and the young, at the same time as their needs are great. It is important that everybody, regardless of needs or

place of residence, can travel where they want. By virtue of the size of our business in the Nordic market, we can offer mobility for people who need us, whether they live in urban or rural areas. Our customer segments are the private and business markets and publicly procured mobility services and school transport contracts. More than half of Cabonline's journeys are carried out on behalf of the public sector in the form of mobility services, patient transportation and school transportation.

Optimal use of resources and reduced emissions

Today a privately-owned European car is used for about five percent of its life span; the rest of the time the car is stationary. The large number of private cars in cities leads to heavy traffic and increased emissions. This also means that some 50 per cent of surface areas in urban environments are used for roads and parking spots. Spaces that could be used for housing, other types of buildings or green areas. In the transition to a sustainable society, in which scarce resources are used as efficiently as possible, we can contribute to the optimal use of existing vehicle resources, and to lower emissions. The taxi business, in which the usage rate of every vehicle is maximised, has a natural role in the growing sharing economy.

Work and entrepreneurship for many

Entrepreneurship and business are prerequisites for creating employment. Driving a taxi is an entry-level job on the labour market, and Cabonline has the opportunity to create employment for a great diversity of individuals. As the leading taxi company in the Nordic countries, we employ more than 10,000 people directly or indirectly, with different backgrounds and experience. We actively support transporters that run companies that are affiliated with our business and provide training to drivers that drive under our brands.

This sustainability report for Cabonline Group Holding AB (publ) and its subsidiaries (Cabonline) pertains to the 2020 financial year and is the formal sustainability report, in accordance with the Annual Accounts Act, Chapter 6, paragraphs 10-13. Unless otherwise stated, the descriptions and statements herein refer to the entire Group.

The report addresses all stakeholders and describes the responsibility that Cabonline has for people, the environment and society.

THE FOLLOWING DEFINITIONS ARE USED IN THIS REPORT

Fossil-free fuel

Fuel that does not emit any new carbon dioxide into the atmosphere, such as electricity, hydrogen, biogas, HVO and ethanol.

Fossil-fuel independent vehicles

A vehicle that can technically be run on sources of energy that are fossil-fuel-free.

Cabonline and Agenda 2030

In 2015 the member states of the United Nations adopted “Agenda 2030” including the 17 global Sustainable Development Goals. The global goals balance the three dimensions of sustainable development: the economic, societal and environmental.



Cabonline completely supports Agenda 2030.

Through our business activities we have both a responsibility and an opportunity to contribute to several of the goals, with particular emphasis on goal **11** and goal **10**.



#11 – Sustainable cities and communities

The goal that is directly linked to Cabonline’s core business is goal 11 “Sustainable cities and communities”, primarily targets 11.2 and 11.6.

11.2 Provide sustainable transport systems for all

By 2030, provide access to safe, affordable, accessible and sustainable transport systems for everybody. Improve road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, people with disabilities and older people.



11.6 Reduce the environmental impact of cities

By 2030 reduce cities’ negative environmental impact per person, including by focusing on air quality and management of public and other waste.



#10 – Reduced inequalities

We are also guided by goal 10, “Reduced inequalities” and the target 10.2.

10.2 Promote social, economic and political inclusion

By 2030, empower and promote the social, economic and political inclusion of all people, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



#3 – Good health and well-being

Goal 3, “Good health and well-being”, and its target 3.6 “Reduce the number of deaths and injuries from road traffic accidents.”



#5 – Gender equality

Goal 5 “Gender Equality” with its target 5.5 which involves equal opportunities for leadership for women.



#8 – Decent work and economic growth

Goal 8 “Decent work and economic growth” and its targets 8.5 “Full employment and decent work for all” and 8.6 “Protect labour rights and promote safe and secure working environments for all workers”



Cabonline's sustainability work

As a market-leading taxi company in the Nordic countries, we are part of the Nordic transportation infrastructure. By virtue of our size, we have a great responsibility in our industry for sustainable development of society. Our ambition is therefore to be a forerunner and take the lead in the areas where we can make a difference. We do this through a structured process and by integrating sustainability into daily operations.

Sustainability strategy

During autumn 2019, we reviewed our sustainability strategy. This work was based on a materiality analysis aimed at identifying the areas where Cabonline has the greatest impact and can make a difference. As part of this process, we held dialogues with our various stakeholders.

The sustainability strategy focuses on three areas of sustainability: **Operational excellence**, **Attractive workplace and good cooperation** and **Climate neutral operations**. We have identified a number of sustainability-related matters for each area where we can make a positive difference.

Sustainability governance

Through specific targets and action plans for each focus area, our ambition by 2024, even from a sustainability perspective, is to achieve the desired market position of being "The leading taxi brand in the Nordics." In the following section we detail our work in these focus areas.

Our governance documents that underpin the implementation of the strategy include: Cabonline's Code of Conduct, driver's manual, employee manual and environmental policy. The Code of Conduct describes our Group-wide approach on how to behave towards customers, passengers and other stakeholders. The employee manual specifies our HR policy and way of working. The environmental policy covers targets and guidance for environmental work. The governance documents are supplemented with area-specific policy documents and manuals with instructions and guidelines. Sverigetaxi, TaxiKurir, NorgesTaxi and Kovanen in Finland are ISO certified in accordance with both the ISO 9001 quality management standard and the ISO 14001 environmental management standard. Work is also underway to certify other parts of the group that have not yet been included within these standards.

1

Operational excellence

- Efficient booking and dispatch tool
- Safe journeys and good service
- Ethical and professional behaviour

2

Attractive workplace and good cooperation

- Good working conditions
- Good and safe workplace environment
- Equality and diversity

3

Climate neutral operations

- Fossil-fuel independent fleet of vehicles
- Efficient traffic planning

1 Operational excellence

We make people's everyday lives easier by offering car transport services that are secure, accessible and sustainable.



Overall objectives

Our goal is that it should be easy to book a taxi journey, the car should arrive on time and the journey should be a safe and pleasant experience. We ensure our business for the long term through satisfied customers. Our transporters and drivers should feel safe and secure through receiving good service from us and having access to a safe workplace.

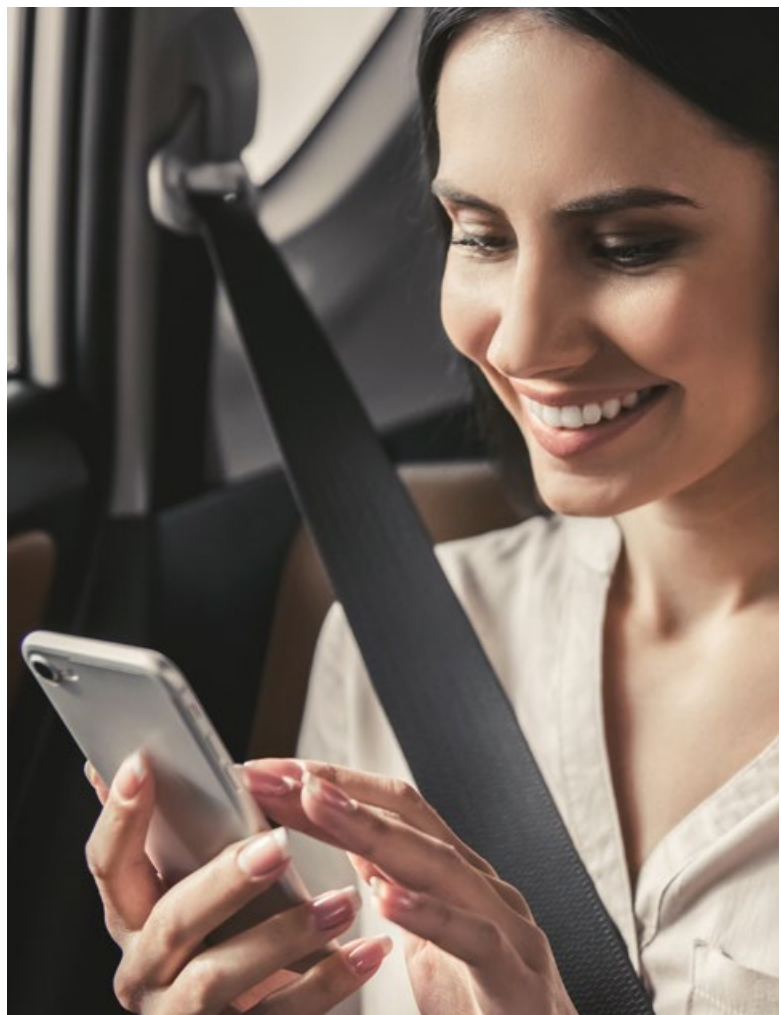
Efficient booking and dispatch tool

Simple to book a taxi journey

We offer our customers in all markets several channels through which they can book their journeys: via apps, websites, by phone, or through internal customer systems that are integrated with our own technical platform. The traveller can also easily find answers to frequently asked questions and get in touch with our customer centre.

Through an efficient dispatch system, we ensure that customer bookings are routed to the right car and driver that can carry out the journey at the right time and with high quality. Our most relevant key performance indicator here is customer

- Average scores for journey experience in the booking apps 4.52 out of 5 (4.3 last year)



Safe journeys and good service

How the driver treats passengers

Our goal is that a taxi journey with Cabonline should feel safe, accessible, modern, smooth and friendly. Having engaged transporters and drivers is essential to our achieving this.

Their behaviour determines whether customers feel satisfied. In Cabonline's driver manual, we describe our Group-wide approach to how we treat customers and passengers. It includes themes such as customer service, traffic safety, car maintenance and handling emergency situations.

Cabonline adheres to the Swedish Taxi Association's "Code of conduct for taxi drivers" - a quality concept that all members of the association must apply.

Passenger safety

Passengers should travel safely. We ensure this by making sure that the drivers have the right competences and attitude, and that the cars are very safe, correctly equipped and of a high standard.

To ensure that drivers are qualified, Cabonline uses the service Professional Drivers Control (BKY) in Sweden, which does a daily automatic check that Swedish driver qualifications are valid. Any driver that is not authorised is immediately stopped from driving.

In Sweden, all Sverigetaxi and TaxiKurir cars have alcohol ignition interlocks. Our goal is for all Cabonline cars to have an alcohol ignition interlock.

In addition to the legal requirements for annual vehicle inspections, we require that cars are checked two more times every year. This is because these cars are exposed to a higher degree of wear, due to denser traffic.

Naturally our goal is for zero incidents. In order to constantly improve our working methods, we encourage all employees, transporters, drivers and passengers to report complaints, incidents and accidents. All cases are collected through the Group-wide deviation system and are dealt with either by customer services or the safety committee.

Cabonline's driver training

We offer driver training in all countries, focused on safety and security, such as training for wheelchair access taxis and stair climbers and CPR courses.

In Sweden we have established Cabonline Academy, which is the umbrella name for our basic training and development

programme for the drivers. Centrally developed materials are used in the regions where the courses are given. In Finland, driver training is regulated by laws and is handled by public agencies. In Norway all drivers receive basic training through Cabonline before they become drivers

Special training for mobility services, wheelchair access and school transportation

We have more than 20 years of experience with mobility services. To a certain degree, mobility services have different requirements for service, care and quality compared to private and business journeys. Cabonline Sweden has a specific services course for drivers who provide mobility services. Drivers are trained in how to serve the special needs of these passengers, such as understanding the circumstances for individuals with different levels of physical ability, and knowledge and insights on ageing and its impact on people's physical ability, hearing, sight, perception and safety needs.

In addition to mobility services, public-sector procured assignments consist of school transport and wheelchair access taxis. All these types of assignments place high demands on Cabonline and our drivers. Our ability to provide these types of transportation solutions creates societal value in communities. Our ability to deliver these types of assignments is confirmed by the continued trust placed in us through procurements. In 2020, we have both received renewed trust from existing publicly procured contacts, parties, regained trust from previous and expanded with new ones. Among the major contracts we won there are contracts for service transports for Region Västmanland, school transports in Umeå, Espoo, and Stavanger, regained confidence in patient travel in region of Trondheim and medical transports for the South Region in Denmark. In total we won about 20 tenders and we have a total of about 120 publicly procured contracts

Service quality and customer service

The customer Service department handles all customer bookings, supports our drivers in Driver Support and dispatches the cars. Customer Care unit that takes care of the customer matters from all countries that are not related to the actual booking. In 2020 we focused on refining the processes and increasing the service quality. As an example, this resulted in faster response to all customers.

Ethical and professional behaviour

Group-wide Code of Conduct

We believe there is a value in being clear about our core values, norms and rules. Through the Group-wide code of conduct we ensure that everybody who works within Cabonline assumes shared responsibility for our reputation, shows respect to customers and colleagues, and contributes to a successful service business. The code applies to all employees and also to the transporters and drivers that are affiliated with our business.

To make the code of conduct accessible to everybody, it has been translated to several languages, including Persian, Somali and English. The Code of Conduct is distributed to all new employees and each manager is responsible for reviewing it with new employees. Going through the code is part of the basic training for drivers in all countries.

Our goal is to have no cases of breaches of business ethics, including corruption. If any employee, partner or customer notices any kind of misconduct within Cabonline, they can report anonymously through our whistleblower system, which is available around the clock. A description of the whistleblower system and instructions on how to report are available at www.cabonlinegroup.com. It is important that the whistleblower's identity is protected, which is why the cases are processed by independent lawyers whose reports also contain recommendations for how any cases should be managed. The reports are provided to the HR manager and the Chairman

of the Board of Cabonline who take the case further. In 2020, one case has been received and processed. It was deemed that the case did not constitute a violation and was therefore closed.

Zero tolerance for discrimination

We have zero tolerance for discrimination. This means that Cabonline must provide a workplace where everybody has the same opportunities for training, development and promotion, with equal pay for equal work. It is also obvious that our work environment should be free from offensive treatment and harassment.

Zero tolerance for corruption

We apply zero tolerance for all forms of bribery. At Cabonline we work with anti-corruption across the entire Group. Significantly identified risks are the impact in connection with business decisions. This is by influencing attitudes towards suppliers or other external parties as well as the dissemination of confidential information, for example by receiving improper gifts or benefits. We have implemented a structured approach to these issues through our policies and instruction manuals. As an example, authorisation rights are clearly defined and applicable to all purchases.



2 Attractive workplace and good cooperation

Attracting, developing and retaining motivated employees and drivers is crucial to the progress and success of the Group. We take responsibility for providing attractive workplaces both for our own and our transporters' employees.



Overall goal

Our goal is to offer our employees an environment that stimulates professional and personal growth and which leads to them feeling proud of their place of work. We achieve this through providing good work conditions, ensuring a good and safe workplace environment and promoting equality and diversity amongst our employees. Employees should feel involved and want to stay and develop in the company. We thereby create the right conditions for high employee engagement. In this way we can work together to support our transporters and drivers in giving customers and passengers good service. Another goal we have is to attract new talent.

The majority of the group's transporters and drivers are not employed by Cabonline, they are contractually affiliated. We want to be a reliable partner by providing an attractive partnership model and good service.

Good working conditions

In 2020 we had an average of 809 full-time employees. The majority of these work in Customer Service, Finance, IT and Management functions in Sweden, Norway, Finland, Denmark and Latvia. If we include transporters and drivers, the business directly and indirectly provides employment for some 10,000 people.

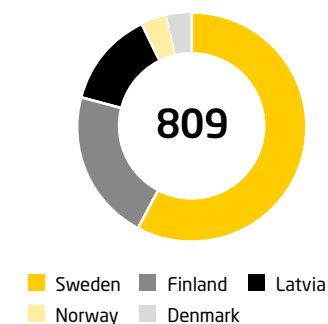
As a responsible employer it is self-evident to offer our employees reasonable and fair conditions. All employees are covered by collective agreements or equivalent conditions.

Good working conditions for drivers

We want to ensure that even the drivers that are not directly employed in the Group receive good working conditions. We do not tolerate any infringement of human rights or breaches of applicable laws. In 2020, no reports of human rights violations have been received. Through written transporter agreements with all connected transporters, Cabonline therefore requires that drivers are to receive adequate remuneration including social contributions. However, our ability to specifically demand collective agreements is limited as the majority of the drivers are self-employed as single-car carriers.

As an example, in Sweden we have continued to train the transporters with the goal of increasing subscription to occupational pension solutions. In Helsinki, Kovanen and Fixutaxi collaborate with both the capital region Ohjaamo Helsinki and the Espoo Helsinki region to recruit people younger than 30.

Average number of full-time employees in 2020, by country



Good and safe workplace environment

Employee engagement

Cabonline's workplace environment should be characterised by tolerance and every employee should be treated with respect and dignity. The group-wide Code of Conduct and the Group's employee manual describe our rules and guidelines for how leaders and employees are expected to behave.

It is important for us that all workplaces promote physical and psychosocial health and well-being. Questions about the workplace environment are discussed regularly between employees and managers in appraisals, as well as during follow-up of any sick leave. Appraisals are supplemented by an annual employee survey. This helps us gain a collective picture of how employees perceive the company, leadership and the business. Above all though, it gives leaders information and tools to further increase employee engagement.

This year we focus on supporting the Group's leaders and employees in the reorganization that took place due to the Corona pandemic. A short survey was conducted in early September with the aim of examining the employees' experience during the Corona pandemic. A majority of our employees do not have remote work as our business usually requires to be physically at the workplace. Employees are generally satisfied with their own performance as well as the efforts of their managers and colleagues.

Partner engagement

We carry out quarterly transporter and driver surveys in Sweden and Norway to measure their engagement and their experience of Cabonline as a partner. One area of focus is how drivers are treated by Cabonline's Service centres. In 2021 we will continue to improve our processes to provide even better and faster service.

Professional development for employees and drivers

We offer professional development to all our employees. In Sweden as an example, Swedish-language training is offered to employees that do not have Swedish as their first language. This is a way of attracting the right competences for the many technical, knowledge-intensive roles that exist within the group.

For drivers in Sweden, we collaborate with SFI schools (Swedish for Immigrants) to reduce language barriers in the work of a taxi driver. This is done by SFI integrating vocational Swedish into their courses, and in some cases even guaranteeing work for those who manage the language requirements. We also collaborate with certain labour market training programs, in which students are offered the opportunity of a job directly after completing the course.

Safety in the workplace

We comply with all occupational health and safety laws and regulations to ensure a safe and secure environment for both passengers and employees. We work proactively to remove safety risks as well as risks of ill health and work-related injuries by working systematically at an individual, group and organizational level.

Our drivers must feel secure in their work by having access to good technical tools and vehicles that are correctly equipped and in good condition, but also through a safe and decent workplace at a professional transporter. Cabonline's driver manual, the transporter agreement, and our governing documents for the vehicle fleet contain requirements and rules regarding safety in the car and during the journey.

All taxis have a built-in security alarm and a large portion of the cars also have camera surveillance to increase driver safety. In spite of these preventive measures, should any driver experience violence while in service, Cabonline provides help such as psychological support and any rehabilitation.

Equality and diversity

Diversity as a success factor

We are proud that Cabonline is diverse in its employees, transporters and drivers. We believe that equality and diversity amongst employees is an important success factor, which helps to secure the future supply of skills and creates an inclusive and creative corporate culture.

For many newcomers to the Nordic countries, taxi driving is a good opportunity for a first job in their new home-country, and thereby a chance to establish themselves in the community. Over the years, Cabonline's business has given thousands of newcomers the chance of a job, a livelihood and a way into the community.

The share of women drivers is currently very low. We work continuously to attract more women to work for Cabonline's brands.



463
Men



346
Women



3 Climate neutral operations

We work long-term and systematically to minimize our negative environmental impact by taking responsibility for the issues that the company can directly influence and driving the issues that the company can indirectly influence.



Overarching goal

We endeavour to make all operations climate neutral, in other words that we do not create net emissions of greenhouse gases. We will do this by converting to a fossil-fuel independent fleet of vehicles that is for the most part driven on fossil-free fuel by 2030. Our traffic planning must also ensure optimal resource usage and minimize our environmental impact, while also contributing to better remuneration for our drivers.



Fossil-fuel independent fleet of vehicles

The demand for accessible mobility is likely to grow. At the same time, demands and expectations are growing for resources to be used efficiently and for low or zero emissions, particularly regarding carbon dioxide. Our environmental policy, adopted by the Board of Directors in 2020, contains clearly formulated targets and guiding principles for Cabonline's environmental efforts.

The Group vehicle fleet

The vehicles in Cabonline's service offering are primarily owned by the affiliated transporters. According to our vehicle fleet governance documents, vehicles must be taken out of operation after no more than six years, for passenger cars a maximum of five years applies. Cabonline ensures that framework agreements are in place covering environmentally smarter vehicles, fuel etc., that the transporters can use. We focus on having good agreements with leasing companies regarding fossil-fuel independent vehicles such as biogas and hydrogen cars, electric cars and even diesel cars that can be driven on fossil-free fuel.

Currently, approximately 41 per cent of Cabonline's vehicle fleet in Sweden, Norway and Finland is fossil-fuel independent (Denmark currently has no cohesive system to gather data for these KPIs). In Sweden more than half of the fleet is fossil-fuel independent.

In 2020, the requirement was for diesel to contain 21 per cent biofuel, which reduces the fossil related emissions. In 2020, Cabonline Sweden had 898 diesel-based vehicles that can be driven on the renewable fuel HVO100. Vehicles that can be driven on HVO (diesel from renewable sources) are included as fossil independent vehicles. Electric hybrids are energy efficient but are mostly fueled by petrol or diesel and are therefore also classified in the calculation below as fossil based.

We continuously evaluate new types of vehicles that fulfil both environmental and customer requirements. We are currently testing hydrogen cars by operating two such cars in Stockholm. The hydrogen cars offer completely fossil-fuel-free transportation with first-class comfort and water as the only emission. The hydrogen cars refuel in minutes which is a great advantage compared to the long charging times required for electric cars. However, the availability of refilling stations that provide hydrogen is currently limited in the Stockholm area. Eventually, we see a huge potential in using hydrogen cars also in other markets.

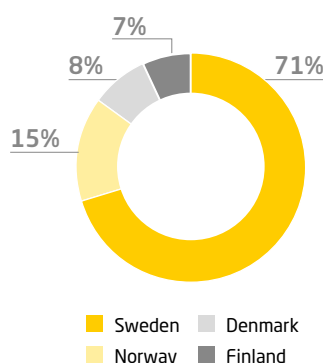
In December we took a major step in Norway towards the goal of 100% fossil free cars by 2023 by being the first taxi company in the world to use world leading technology for high power wireless charging. The taxi receives several charges during the day when it returns to the taxi waiting area, the battery always has a high charge level and can be used without restrictions on mileage. In Finland, we require that all our Fixutaxi cars have less than 50 mg of CO2 emissions per km.

Challenge of a fossil-fuel independent fleet of vehicles

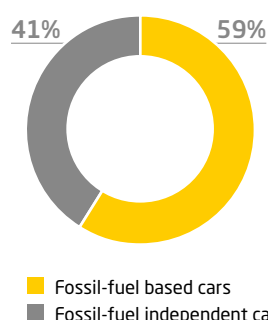
The transition to a fossil-fuel independent fleet of vehicles entails major but necessary investment decisions for our affiliated transporters. It is currently still financially challenging to invest in electric cars that have sufficiently high standards of comfort and luggage space for them to be suitable for the taxi business. The range of electric models is also still relatively limited, but we are continuously evaluating new models. Another challenge of electric cars is the long charging times required and that the supply of charging stations is still limited, especially in rural areas.

Cabonline aspires to actively participate in the transition to a fossil-free society. We monitor ongoing global research and development focused on more environmentally friendly fuel types.

Number of cars, 31 Dec 2020



Towards a fossil-fuel independent vehicle fleet, 31 Dec 2020



Efficient traffic planning

Optimising journeys

Our traffic planning uses an advanced technology platform that ensures that we can plan the flow of traffic and routes and match the right car with the right customer. Optimal traffic planning of taxis reduces unnecessarily long distances being driven, which in turn leads to reduced emissions and lower wear on cars, tyres and fixtures. Furthermore, traffic planning contributes to cost-efficiencies, a better environmental performance and workplace environment, and also higher income for drivers. Our goal is also to reduce the proportion of journeys driven when the taxi does not transport passengers

Carbon dioxide emissions from our vehicle fleet

The amount of carbon dioxide generated by Cabonline's fleet during journeys depends greatly on the type of vehicle and the fuel used. Electric and hydrogen cars largely generate no carbon dioxide emissions when being driven. Diesel cars that are driven with fuel from renewable sources such as HVO have low carbon dioxide emissions. Electric hybrids are mostly fueled by petrol or diesel and generate relatively high emissions. Diesel cars fueled with fossil-based diesel have the highest carbon dioxide emissions.

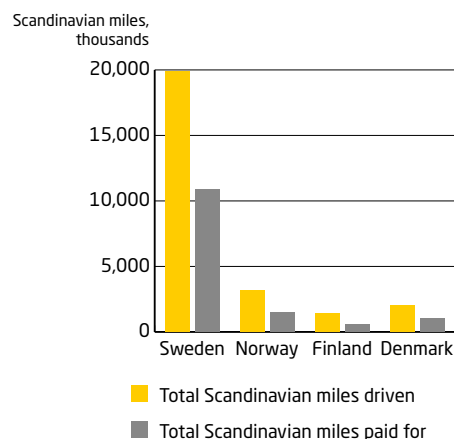
The emission calculations below are based on the levels stated by the vehicle manufacturers. We use carbon dioxide emissions certification values for the vehicles, stated in grams per kilometer, multiplied by the total kilometres driven in 2020.

Data for the number of kilometers driven has been extracted from the taxi systems. Given that we have refined our method for calculating carbon dioxide emissions, combined with the fact that the calculation values of the vehicles' carbon dioxide equivalents have been raised, in accordance with the calculation method of the WLTP (Worldwide Harmonized Light Vehicles Test Procedure), it is not possible to compare the total carbon dioxide emissions from year to year.

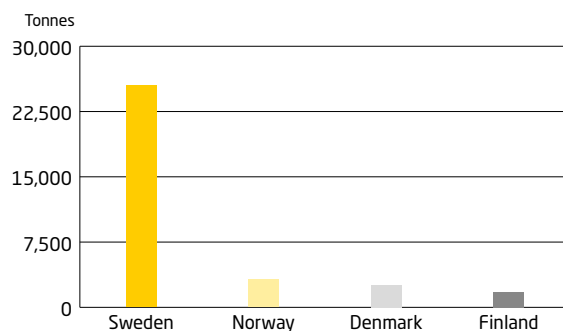
Expectations on transporters and drivers

In the transporters' agreement, Cabonline states the required measures that transporters and drivers in all countries must implement in order to reduce emissions when driving. As an example, this can involve ensuring the right tire pressure to provide the best possible effect from the engine. Existing routines for service and control of vehicles also ensure that vehicles are run in the best possible way. Eco-driving is another example of how we actively work to minimize the environmental impact of our operations. In Sweden, the drivers are trained in eco-driving according to the Swedish Transport Administration's guidelines on professional skills for taxi licenses and the Swedish Transport Agency's directions for taxi licence tests.

Distances driven versus distances paid for in 2020



Tonnes of CO₂ emissions in 2020



Auditor statement

Auditor's report on the statutory sustainability report

To the general meeting of Cabonline Group Holding AB (publ), corporate identity number 559002-7156.

Engagement and responsibility

The Board of Directors is responsible for ensuring that the statutory sustainability report for 2020 has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the statutory sustainability report has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's report on the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A statutory sustainability report has been prepared.

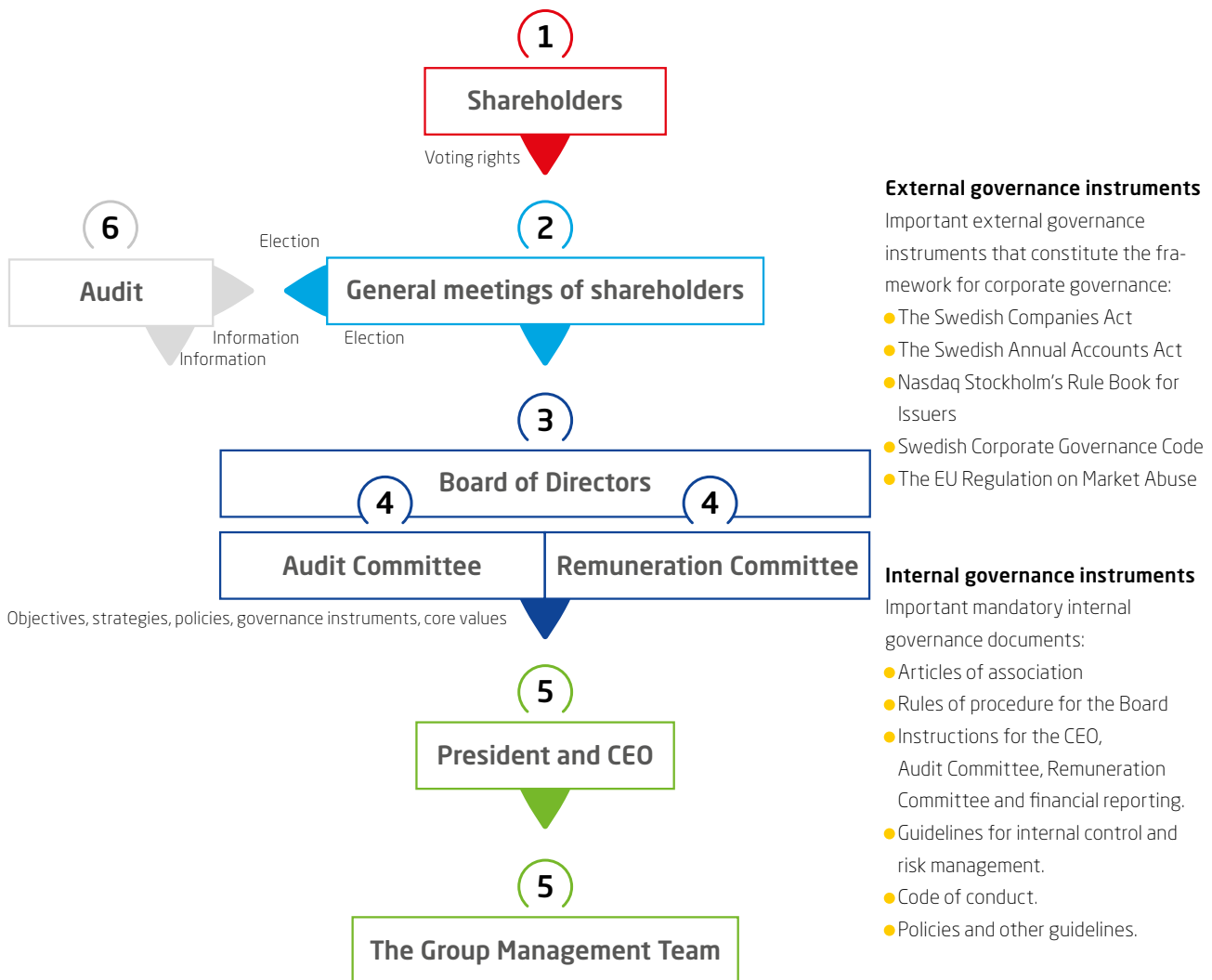
Stockholm, April 12, 2021
Ernst & Young AB

Andreas Nyberg
Authorised Public Accountant

Corporate Governance Report

This corporate governance report has been prepared in accordance with Swedish Corporate Governance Code ("the code") and the Swedish Annual Accounts Act, and has been audited by Cabonline's auditors.

Overview of governance 2020/2021



Corporate governance at Cabonline

Good corporate order involves ensuring on behalf of the shareholders that Cabonline is managed sustainably, responsibly, and as efficiently as possible while creating the most value. External regulations and internal governance instruments form the foundation for corporate governance.

Cabonline's application of the Code

Following Cabonline's first listing of bonds on Nasdaq Stockholm during 2017, the company complies with Nasdaq Stockholm's Rule Book for Issuers of corporate bonds. Furthermore, despite there being no formal requirements for doing so, Cabonline has applied essentially all aspects of the Code, with three deviations.

Since Cabonline's shares are not listed and 93,5 % of the shares are owned by H.I.G. Luxembourg Holdings 56 Sarl (the "Principal Owner"), the company deviated from the Code in

2020 in respect of Nomination Committee proceedings ahead of the 2021 Annual General Meeting (AGM), the presence of the Board of Directors at the Annual General Meeting, and the requirements for members of the remuneration committee elected by the general meeting of shareholders to be independent in relation to the company and management.

1 Shares

At the end of 2020, the company's share capital amounted to SEK 3,555,684.93, represented by 355,568,493 shares, of which the number of Class A shares carrying two voting rights was 33,779,007, the number of Class B shares carrying one voting right was 1,777,842 and the number of Class C shares, which are preference shares carrying one voting right, was 320,011,644.

At year-end 2020, Cabonline had 18 shareholders according to the share register. The only holding representing a minimum of one-tenth of the number of voting rights was held by H.I.G. Luxembourg Holdings 56 Sarl, which held 93.5% of the votes at year-end 2020.

2 General meetings of shareholders

Pursuant to the Swedish Companies Act, a general meeting of shareholders is the company's highest decision-making body. At the Annual General Meeting ("AGM"), which according to Companies Act shall be held within six months of the end of the preceding financial year, resolutions are to be passed concerning, inter alia, adoption of the income statement and balance sheet, appropriation of the company's profit, discharge of the Board of Directors and CEO from personal liability and election of Board members and auditors. Extraordinary general meetings (EGMs) are held when the Board of Directors considers such meetings appropriate or when either the auditor or shareholders representing at least ten per cent of all issued shares request such a meeting in writing for a specified purpose.

According to the Articles of Association, notice of a General Meeting is to be published in Post- och Inrikes Tidningar and published on Cabonline's website (www.cabonlinegroup.com). An announcement that the notice has been issued is to be published in Dagens Industri. The notice convening the AGM must be published not earlier than six weeks and not later than four weeks prior to the meeting.

Notice convening an EGM must be issued no earlier than six weeks and no later than four weeks prior to the date of the EGM if the EGM is to pass resolutions concerning a proposed amendment of the Articles of Association. For any other EGM, the notice convening the meeting must be announced not earlier than six weeks and not later than two weeks prior to the meeting. Shareholders are entitled to vote for all shares in the company held the shareholder.

General Meetings 2020

During 2020, two (2) general meetings of shareholders were held, of which the AGM was one of them. The AGM took place on May 7, 2020. The meeting was attended by two shareholders who together represented 93.64 percent of all votes and 93.59 percent of the capital. At the AGM, Board members Jon Risfelt, Andreas Rosenlew, James Mitchell, Carl Haring and Anna Söderblom were re-elected as ordinary Board members. The members were re-elected for the period until the end of the next AGM. Jon Risfelt was re-elected Chairman of the Board. The AGM also decided on board fees and fees for committee work. At the AGM, Ernst & Young was re-elected as the company's auditor for the period until the end of the next AGM. It was noted that Ernst & Young AB appointed the authorized public accountant Andreas Nyberg as the principal auditor. Fees to the auditors shall be paid according to the approved invoices. At the AGM, a decision was also made on guidelines for remuneration to senior executives, a decision on principles for the appointment of a nomination committee and a decision authorizing the Board to decide on a new issue of shares.

An EGM took place on September 26, 2020. Two shareholders attended the meeting, who together represented 93.64 percent of all votes and 93.59 percent of the capital. At the EGM, it was decided that the number of Board members elected by the EGM shall amount to three members without deputies. Furthermore, Jon Risfelt, Andreas Rosenlew and Carl Haring resigned as board members and John Harper was elected as a regular board member. The members were elected for the period until the end of the next AGM. James Mitchell was elected Chairman of the Board.

Nomination Committee

As mentioned in the introduction, Cabonline deviated from the Code in that no work has been conducted in the Nomination Committee during 2020, nor prior to the EGM during 2020 nor prior to the AGM 2021. The board has made a proposal to the AGM 2021 to dissolve the formal Nomination Committee.

3 The Board of Directors

Under the Swedish Companies Act, Cabonline's Board of Directors is responsible for goals and strategies, organization and management of the company's affairs and for ensuring procedures and systems for evaluating the set targets, continuously assessing the company's performance and financial position and for evaluating the operational management. The Chair of the Board has a particular responsibility for the management of the work of the Board of Directors and for ensuring that such work is well organized and conducted effectively.

Cabonline's Articles of Association state that the Board of Directors shall consist of not fewer than three and not more than ten ordinary members. Members of the Board of Directors are elected by the general meeting until the next AGM.

There are no limitations on the length of the tenure of members of the Board of Directors. After the EGM held on the 26 September 2020, the Board of Directors in Cabonline is made up of three ordinary members, James Mitchell, (Chair), John Harper, and Anna Söderblom. For a presentation of the Board of Directors see page 27.

The Board complies with written rules of procedure, of which the most recent version was adopted on 26 September 2020. The rules of procedure are revised annually and adopted annually at the statutory Board meeting. The rules of procedure govern, inter alia, Board of Director practices, its functions, and the allocation of work between Board members and the CEO. At the statutory Board meeting, the Board of Directors adopts instructions for the CEO and reporting instructions.

The Board works in accordance with an annual plan, which ensures that all the follow-up and focus areas of relevance to the Board of Directors are addressed during the year in a planned and structured manner.

Evaluation of the Board of Directors' work

The Board of Directors continuously evaluates its work, often in the form of a summing up discussions at the end of each of the Board of Directors meeting. Once a year, the Chair of the board of Directors also initiates a more structured evaluation of the work of the Board of Directors. The purpose of this evaluation is to gain an understanding of the Board of Directors members' opinions on how the Board or Directors'

work is conducted and the measures that can be implemented to enhance the efficiency of the Board of Directors' work. The intention is also to gain an understanding of the type of issues the Board Directors believes should be given more attention and the areas that could potentially require further expertise on the Board. During 2020, the evaluation of the Board of Directors work was carried out in accordance with this process and the results were discussed by the Board of Directors.

Board of Directors' evaluation of the CEO

At several of the scheduled Board of Directors meetings, the Board has a discussion without the presence of the operational management. During such points, the input of the CEO and members of management are evaluated continuously. The CEO is also annually evaluated in a structured process.

Board of Directors' work in 2020

During 2020, 20 Board of Directors meetings were held of which six were held per capsulam. The Board of Directors had the same composition prior to and after the AGM 2020 up until the EGM held on the 26 September 2020 when Jon Risfelt, Carl Haring and Andreas Rosenlew resigned as Board of Directors members and John Harper was appointed as member of the Board of Directors. After the EGM, James Mitchell was appointed Chair of the Board of Directors instead of Jon Risfelt.

Prior to the Board meetings, an agenda is sent, together with in-depth information on more important matters and decision material to the board members.

The Board's work in 2020 has largely been characterized by measures to manage the effects of the Covid - 19 pandemic.

Board of Directors, meeting attendance and fees

Name	Role	Nationality	Independence ¹	Board meetings	Audit Committee	Remuneration Committee	Fees in total 2020	Shareholding
Jon Risfelt ²	Chair of the Board Chair of RC Member of AC	Swedish	Yes/Yes	14/14	5/5	1/1	574 166	47 739 A-shares 452 261 C-shares
Carl Haring ³	Board member Member of RC	Swedish	No/No	11/14		1/1		
James Mitchell ⁴	Chair of the Board Board member Member of AC Chair of RC	UK	No /No	18/20	1/5			
Andreas Rosenlew ⁵	Board member	Finnish	Yes/Yes	14/14			163 750	75 000 B-shares
Anna Söderblom	Board member Chair of AC	Swedish	Yes/Yes	20/20	5/5		322 000	
John Harper ⁶	Board member Member of AC Member of RC	UK	No/No	4/6	0/0			

- Pertains to independence in relation to the company, its management and principal shareholder. Carl Haring, James Mitchell and John Harper are employees of a management company closely associated with the principal shareholder.
- Jon Risfelt was Chairman of the Board, Board member and member of the Audit Committee and the Remuneration Committee until 26 September 2020 when he resigned as a Board member
- Carl Haring resigned as a board member on September 26, 2020 and was employed by a management company related to the Principal Owner and has refrained from charging board fees and remuneration for committee work.
- James Mitchell took over as Chair of the Board on September 26, 2020, after having been a Board member for a long time. James Mitchell is employed by a management company related to the principal Shareholder and has refrained from charging board fees and remuneration for committee work.
- Andreas Rosenlew resigned as a board member on September 26, 2020.
- John Harper took office as a board member on September 26, 2020. John Harper is employed by a management company related to the principal shareholder and has refrained from charging board fees and remuneration for committee work.

This has required a fast-paced and crisis solution-oriented approach, which has therefore to some extent made the Board work less formal compared with previous years.

During the year, the Board dealt with year-end reports, interim reports, matters prior to the AGM, review with auditors, annual report, strategy, budget and listing of the corporate bond on NASDAQ. In addition to these usual areas, the Board of Cabonline has in 2020 focused on measures to minimize the impact of the Covid-19 pandemic, which among other things meant that the company received relief from the financial covenants in the bond terms, utilized government support measures and launched a number of activities to reduce the Group costs, for example by reducing the proportion of hired staff, postponing non-business-critical investments and projects, co-locating parts of the business and consolidating and streamlining administration and other support functions. The Board also carried out a change of CEO during the year.

During the year, the Board met with a number of senior executives as well as other key personnel, who participated in the handling of individual items on the agenda. Between board meetings, the chair of the board, together with the main owner's representatives on the board, maintains regular contact with the CEO, including through weekly meetings.

4 Board Committees

To make the work of the Board of Directors as efficient as possible, the Board appoints a Remuneration Committee and an Audit Committee. The committee members are appointed within the board at the statutory meeting. The Board's rules of procedure contain instructions for committee work. As of the Extraordinary General Meeting on September 26, the committees' work was handled by the Board in its entirety.

Audit Committee

Until 26 September 2020, the Audit Committee consisted of Anna Söderblom (Chair of the Committee), Jon Risfelt and James Mitchell. At the statutory Board meeting after the EGM in September 2020, it was decided that the committee would consist of the Board in its entirety. The Audit Committee is responsible for ensuring the quality of the company's financial reporting and establishes guidelines for which services other than auditing that the company may procure from the company's auditors. The committee also has the task of giving its evaluation of the audit work to the Nomination Committee and assisting the Nomination Committee in preparing the Nomination Committee's proposal for the 2020 Annual General Meeting regarding the election of auditors and the size of the audit fee. In addition to the above information, the Audit Committee in Cabonline during the year placed special emphasis on evaluating the company's risk process, simplifying the legal structure and deciding on Group-wide policies and other governing documents. The Audit Committee has on

several occasions met with the company's responsible auditor and parts of the audit team with and without the company's officials present. In 2020, the Audit Committee had five minuted meetings.

Remuneration Committee

The Remuneration Committee consisted of Jon Risfelt (chairman of the committee) and Carl Haring until 26 September 2020. At the statutory Board meeting after the EGM in September 2020 it was decided that the committee should consist of James Mitchell and John Harper. The Remuneration Committee shall prepare proposals regarding remuneration principles, remuneration and other terms of employment for the CEO and Group Management, as well as follow up and evaluate the company's remuneration policy, remuneration program and remuneration structure. In 2020, the Remuneration Committee held a minuted meeting and a number of informal contacts.

5 CEO

The CEO reports to the Board and is primarily responsible for the day-to-day management and operation of the business. The division of work between the Board and the CEO is stated in Cabonline's rules of procedure for the Board and the CEO's instructions. The CEO is also responsible for preparing reports and compiling information for the board members and for presenting such documentation at board meetings. According to the CEO's instructions, the CEO is responsible for the financial reporting and must thus ensure that the Board receives adequate information so that the board can evaluate the company's financial position. The CEO shall continuously keep the Board informed of circumstances that cannot be considered of insignificant importance to the shareholders. Peter Viinapuu was dismissed as CEO at a board meeting on September 26, 2020, after which Anneli Lindblom was appointed acting CEO. On December 7, 2020, Dag Kibsgaard-Petersen was appointed CEO. For a presentation of the CEO and Group Management, see page 28.

6 Audit

Cabonline's statutory auditor or auditing company is appointed at the AGM. The auditor shall examine the company's annual report and accounts, applied accounting principles and the Board's and CEO's administration. After each financial year, the auditor shall submit an audit report to the shareholders at the AGM. According to the Articles of Association, Cabonline must have one or two auditors with a maximum of two deputy auditors or a registered auditing company. At the 2020 Annual General Meeting, Ernst & Young AB was re-elected as auditing firm until the end of the 2021 AGM, with Andreas Nyberg as the principal auditor. For information about the company's auditor, see page 27.

Internal control

The Board of Directors' responsibility for internal control is governed primarily by the Swedish Companies Act, the Swedish Annual Reports Act and the Code. Every year, in conjunction with financial reporting, information regarding the most important aspects of Cabonline's system for internal control and risk management must be included in the company's Corporate Governance Report.

Internal control and management is an integrated part of the company's operations and is broadly defined as a process established to provide reasonable assurance regarding the achievement of the objectives and strategies described in the following. The procedures for internal control, risk assessment, control activities and monitoring with respect to the financial reporting have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations.

Control environment

The Board of Directors holds the ultimate responsibility for the internal control of financial reporting and annually adopts a number of governance documents designed to provide support for the Board and the Group management to act in a way that promotes proper and thorough internal control and risk management. The central governance documents include the Board's rules of procedure, instructions for the committees and instructions for financial reporting. The Board of Directors has also adopted attestation instructions and a financial policy. The company also has an Accounting Manual, containing principles and guidelines, as well as processes for the financial statements and financial reporting. In addition, the Board has established an Audit Committee whose main tasks are to monitor the company's financial reporting, evaluate the efficiency of internal controls and annually evaluate the need to establish an internal audit function, as well as risk management and checking the impartiality of the auditors. In 2020, the Board concluded that there was no need to introduce a particular examination function (internal audit function) given the size and nature of the company and other internal control routines. The responsibility for ensuring that regular work is conducted in respect of the control environment rests with the CEO, who regularly reports to the Board in accordance with given instructions. The company's Accounting & Finance Department plays an important role in ensuring the quality of financial information. It is responsible for ensuring that the financial information is complete, correct and ready in time. The Accounting and Finance Department reports to the CFO who in turn reports to the CEO.

Cabonline has grown considerably in recent years, particularly through acquisitions, which have in part reflected differences in matters involving financial reporting and internal controls. During the year, substantial effort was devoted to creating a more uniform control environment. The acquired companies are gradually being integrated.

The company's external auditor continuously reports their observations to the CEO and to the Board of Directors.

Risk assessment and control activities

Risk is defined as the uncertainty concerning whether an event will occur and its effect on a unit's ability to achieve its business objectives in a given period of time (one to three years). Risk management is an important part of internal control. The Board of Directors is ultimately responsible for risk management and has also adopted a risk policy. The risk assessment is performed regularly by the Group Management for discussion with the Audit Committee and Board of Directors, and in accordance with adopted principles. Control activities are both internal and external and their purpose is to identify and limit the risks.

The risks that have been identified regarding financial reporting are managed through the company's control activities that are documented in descriptions of processes and procedures. The purpose of the control activities is to continuously prevent, detect and correct errors and deviations.

Cabonline's management team reports its views on the company's risks continuously, usually on a quarterly basis, to the Audit Committee.

Communication and follow-up

Cabonline has established information and communication channels designed to promote complete and accurate financial reporting; for example, through governing documents in the form of internal policies and handbooks made available to Cabonline's employees via the company's Intranet. The Board of Directors has adopted an information policy and an insider trading policy.

The external auditors report their examination of internal controls to the Board of Directors once per year in conjunction with the company's third-quarter reporting.

Group management is responsible for informing all employees that control responsibilities must be taken with the utmost seriousness, and that financial reporting occurs through a Group-wide system for all units using shared templates.

Board of Directors



James Mitchell

Chair of the Board

Birth: UK, 1981

Elected: 2015

Other assignments: Member of the board of Xtera Communication Inc. and Vernacare

Education: Medicine University of Nottingham -MBA INSEAD.

Professional experience: H.I.G. European Capital Partners LLP and Bain & Company.

Independence: Not independent in relation to the company and executive management Not independent in relation to the major shareholder.

Shareholding: -



Anna Söderblom

Board member

Birth: Sweden, 1963

Elected: 2018

Other assignments: Board member BTS Group AB, Midway Holding AB, B3 Consulting Group AB, Poolia AB, Länsförsäkringar Liv AB and Almi Företagspartner AB.

Education: Ph. D. from the Stockholm School of Economics, B. Sc in Mathematics, Lund University

Professional experience: Research and tutor, Stockholm School of Economics, Industrifonden, Microsoft Nordic, Swedish Post Office.

Independence: Independent in relation to the company and executive management: Independent in relation to major shareholders.

Shareholding: -



John Harper

Board member

Birth: UK, 1972

Elected: 2015

Other assignments: Board member of Vernacare and Silentnight

Education: 2:1 BA (Hons) in Modern Languages from Durham University.

Professional experience: Inflexion, LDC, Duke Street, Samuel Montagu

Independence: Not independent in relation to the company and executive management Not independent in relation to the major.

Shareholding: -

Auditor

Ernst & Young AB with **Andreas Nyberg** as the Lead Auditor. Andreas Nyberg was born in 1978 and is an Authorized Public Accountant.

Management



Dag Kibsgaard-Petersen

President and CEO

Birth: Norway, 1971

Employed by Cabonline: 2018

Other assignments: -

Education: MSc in Business, BI Norwegian Business school

Professional experience: CEO of Galleberg AS and Executive Vice President at ISS Facility Services AS

Shareholding: -



Kalle Boumedienne

Deputy CEO

Birth: Sweden, 1974

Employed by Cabonline: 2020

Other assignments: -

Education: MSc in Business, Stockholm University

Professional experience: CEO of Nokas Teknik and Head of logistics at Bring Citimail

Shareholding: -



Petter Lindkvist

Acting CFO

Birth: Sweden, 1991

Employed by Cabonline: 2017

Other assignments: -

Education: MSc Business Administration Corporate Finance, Lund University

Professional experience: Head of business control, Cabonline and Financial due diligence, PwC

Shareholding: -



Charlotta Weigel

Head of Customer Service

Birth: Sweden, 1970

Employed by Cabonline: 2017

Other assignments: Youcall Sverige AB

Education: IHM Business School, Stockholm

Professional experience: Head of Service Production SOS Alarm, Head of Production Taxi Stockholm

Shareholding: -

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Cabonline Group Holding AB (publ), corporate identity number 559002-7156

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the financial year 2020-01-01 – 2020-12-31 on pages 23–28 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act

Stockholm, April 12, 2021

Ernst & Young AB

Andreas Nyberg
Authorized Public Accountant

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Management Report 2020

The Board of Directors and the CEO of Cabonline Group Holding AB (publ), corporate registration number 559002-7156, headquartered in Stockholm, hereby submit the annual report and consolidated financial statements for the 2020 financial year.

General information about the operations

Cabonline Group Holding AB (publ) is the parent company of the Cabonline Group (Cabonline). Cabonline is the leading taxi company in the Nordic countries with approximately 2,500 affiliated transporters with 4,500 connected taxis in Sweden, Norway, Finland and Denmark. Within Cabonline there are many well-known brands such as TaxiKurir, TOPCAB, Sverigetaxi, Norgestaxi, Kovanen and Taxi 4x27. Cabonline makes people's everyday lives easier by providing car transport services that are accessible and reliable. Supported by digital solutions, customer-focused service, and accessibility, Cabonline offers resource-efficient transportation which is predominantly carried out by independent transporters and drivers. Through Cabonline, transporters are given access to attractive customer agreements, support via industry-leading technology and advantages from economies of scale, efficient service, and a shared infrastructure. Cabonline's ambition is to become the leading taxi brand in the Nordic countries and be a world-class taxi company. For more information go to www.cabonlinegroup.com.

Key performance indicators

SEK M	2020	2019	%
Revenues (external)	4,171.5	6,490.1	-36%
- Transport revenue	3,534.3	5,691.2	-38%
- Contract revenue	551.9	693.8	-20%
- Other revenue	85.3	105.0	-19%
Organic growth %	-37.1%	-2.9%	-
Adjusted EBITDA pre mgmnt fee	151.3	307.0	-51%
Depreciations	-114.5	-105.3	9%
Adjusted EBITA pre mgmnt fee	36.8	201.7	-82%
Internal management fee	-	-	-
Adjusted EBITA	36.8	201.7	-82%
Adjusted EBITA margin %	0.9%	3.1%	-
Items affecting comparability	-81.7	-96.7	-16%
EBITDA	69.6	210.2	-67%
EBITA	-44.9	105.0	-143%
Operating profit (EBIT)	-124.5	-158.0	-21%
Operating margin %	-3.0%	-2.4%	-

Significant events in 2020

Significantly reduced volumes

The demand for taxi services was significantly reduced as a result of the actions implemented throughout the Nordic countries in order to limit the spread and effect of Covid-19. Despite a cautious recovery during the year, travel volumes have remained at historically low levels, especially in the business and consumer segments.

Reduced cost base

In order to mitigate the negative effects of the pandemic Cabonline was early out in the second quarter and took actions to reduce costs, e.g. by terminating hired staff and postponing non business-critical investments and projects. During the year, the cost-out program has been intensified in order to counter the lower demand and reduction in revenue. The current cost-out program aims to lower the operation cost base by approximately SEK 200 million in 2021 compared to 2019.

Renegotiated bond terms

During the second quarter 2020 Cabonline renegotiated the terms of the secured bond loan to adjust the terms to the effect the Covid-19 pandemic has had on the business. The negotiation resulted in new terms that apply from the 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%.

Changes to the board

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

Changes in the management team

- Anneli Lindblom, former CFO, succeeded Peter Viinapuu as President and acting CEO in September
- Dag Kibsgaard-Petersen, former CEO of Norgestaxi and Cabonline Norge, was appointed President and CEO in December succeeded Anneli Lindblom
- Kalle Boumediene was appointed Deputy CEO in December
- Petter Lindkvist was appointed acting CFO in December

Revenue and earnings trend

The revenues decreased by 36% to MSEK 4,171 (6,490). 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 2019, i.e. Taxi 4x27 in Denmark, Taxi Västerås in Sweden, and Miljøtaxi in Norway, which are only partly included in the comparison period, contributed with revenues of MSEK

142 during the period. Organically, revenues decreased by 37%.

Capitalized development, relating to development costs for taxi systems, decreased compared to last year and amounted to MSEK 19 (26). The decrease is a result of the launched cost reduction program.

Transport expenses relating to compensation to external transporters for journeys performed. This item decreased to MSEK -3,264 (-5,211) as a result of the decline in transportation revenue.

Other external costs decreased to MSEK -372 (-514) as a result of the reduced volumes and the actions Cabonline took early in the second quarter by terminating hired staff and postponing non business-critical investments and projects. During the year, further cost-out actions were implemented by e.g. relocating parts of the business, primarily in Sweden, and other efficiency measures within the administration and support functions.

Personnel costs have decreased to MSEK -478 (-577), driven by reduced driver salaries in the own transporter business and other reductions in number of employees. Direct state support had a positive P&L effect of MSEK 26 in 2020.

Depreciation and write-downs of fixed assets amounted to MSEK -175 (-244), of which depreciation of excess values from acquisitions amounted to MSEK -60 (-139). These excess values mainly consist of transporter relationships and trademarks. Acquired excess values have been written down by MSEK 19 (124).

Operating profit amounted to MSEK -124 (-158), of which items affecting comparability amounted to MSEK -82 (-97), which are mainly attributable to the previous restructuring program and costs for strategic advice from H.I.G Capital (see specification on page 89, Alternative Performance Measures).

Net financial items amounted to MSEK -197 (-120), of which MSEK -200 relates to interest expenses and other borrowing costs for the bond loan and other credits, including leasing. A positive net of exchange rate gains and losses amounted to MSEK 3.

Income tax amounted to MSEK 5 (19) and consists of current tax of MSEK -13 and positive effects from deferred taxes of MSEK 18, mainly related to amortisations on acquired excess values.

Financial position

Cash and cash equivalents as of December 31, 2020 amounted to MSEK 298 (357), 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 utilized credit facility strengthens the company's cash and cash equivalents. The company has received tax and fee credits of approximately MSEK 70, of which approximately MSEK 65 is not due for payment until 2022 according to current rules. The credit facility not due until 2022 according to current legislation. As of December 31, Net debt amounted to MSEK 1,772 (1,673) and net debt/adjusted EBITDA, R1.2 to 11,7 times (5,5).

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.

During the second quarter 2020 the company negotiated with the bondholders, to adapt the bond terms to the effects from the covid-19 pandemic on the company's operations. The process was completed with new terms 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 %.

Cash flow, and cash and cash equivalents

Cash flow from operating activities amounted to MSEK 24 (76). 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 and losses on transporter receivables.

Cash flow from investing activities amounted to MSEK -20 (-75). Lower investments in fixed assets constitute the largest changes compared with the corresponding period last year.

Cash flow from financing activities amounted to MSEK -60 (269). The difference versus last year is primarily due to the increased bond financing during the fourth quarter 2019.

Items affecting comparability

The net profit/loss for the year was charged with items affecting comparability of MSEK -82 (-97), which are mainly attributable to the previous restructuring program and costs for strategic advice from H.I.G Capital (see page 89, Reconciliation of alternative performance measures).

Sweden

Segment Sweden connects customers of taxi journeys with taxi transporters in an efficient franchise network. Mediation of journeys is carried out on behalf of public sector customers, businesses and private customers under the TaxiKurir, Sverigetaxi and TOPCAB brands and a range 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 transport operations are also conducted in this segment.

Sweden			
SEK M	2020	2019	%
Revenues (external)	3,201.4	4,998.9	-36.0%
-Transport revenue	2,710.3	4,359.0	-38%
-Contract revenue	443.7	582.5	-24%
-Other revenue	47.4	57.4	-17%
Organic growth %	-36.8%	-2.9%	-
Adjusted EBITDA pre mgmnt fee	241.3	395.8	-39%
Depreciations	-26.2	-30.8	-15%
Adjusted EBITA pre mgmnt fee	215.1	365.0	-41%
Internal management fee	-140.5	-327.0	-57%
Adjusted EBITA	74.5	38.0	96%
Adjusted EBITA margin %	2.3%	0.8%	-
Items affecting comparability	-13.2	-11.2	18%
EBITDA	87.5	57.6	52%
EBITA	61.3	26.8	129%
Operating profit (EBIT)	19.7	-80.5	-124%
Operating margin %	0.6%	-1.6%	-

External revenue decreased by 36 percent to MSEK 3,201 (4,999). The decrease is driven by lower transportation revenue within all customer segments but also decreased contract revenue as a result of the lower volumes and fewer connected cars paying fixed fees.

The operating profit amounted to MSEK 20 (-81) including items affecting comparability of MSEK -13 (-11) and internal management fee of -141 MSEK (-327).

Adjusted EBITA amounted to MSEK 75 (38). Note that an adjustment of the internal management fee, which is zero across the Group, has a positive effect on the result with MSEK 187 compared to the previous year. The negative effect can be found in segment "Other".

Adjusted EBITDA pre mgmt. fee amounted to MSEK 215 (365). The lower result is primarily drive by lower contract revenue and lower profitability in the Flygtaxi product as a result of the lower volumes. The cost-out program launched has had a positive impact on the profitability.

Norway

Segment Norway connects customers of taxi journeys with taxi transporters in an efficient franchise network in the Oslo region and in Bergen, Trondheim and Stavanger. Mediation of journeys is carried out on behalf of public sector customers, businesses and private customers. The operations are conducted under the Norges Taxi brand.

Norway			
SEK M	2020	2019	%
Revenues (external)	499.0	800.6	-38%
-Transport revenue	432.7	724.9	-40%
-Contract revenue	62.0	74.3	-17%
-Other revenue	4.4	1.4	204%
Organic growth %	-33.4%	-2.4%	-
Adjusted EBITDA pre mgmnt fee	15.0	16.5	-9%
Depreciations	-4.2	-4.4	-5%
Adjusted EBITA pre mgmnt fee	10.8	12.0	-10%
Internal management fee	-	-	-
Adjusted EBITA	10.8	12.0	-10%
Adjusted EBITA margin %	2.2%	1.5%	-
Items affecting comparability	-	-0.7	-100%
EBITDA	15.0	15.8	-5%
EBITA	10.8	11.4	-5%
Operating profit (EBIT)	6.4	-6.1	-204%
Operating margin %	1.3%	-0.8%	-

External revenue decreased by 38 percent to MSEK 499 (801).

The organic decrease, which in addition to M&A also takes changes in currency exchange rates into account, amounted to -33 percent.

The operating profit amounted to MSEK 6 (-6) including items affecting comparability of MSEK 0 (-1).

Adjusted EBITA amounted to MSEK 11 (12). Lower contract revenue as a result of the lower volumes combined with reduced profitability on public contract has a negative effect on the development. The cost-out program launched has had a positive impact on the profitability.

Finland

Segment Finland conducts taxi operations through both business partners and in-house transport operations in the Helsinki area and Oulu. Mediation of journeys takes place primarily on behalf of businesses and private customers, as well as for public sector customers. The operations are conducted under the Kovanen and FixuTaxi brands.

Finland			
SEK M	2020	2019	%
Revenues (external)	216.3	346.2	-38%
-Transport revenue	188.5	324.0	-42%
-Contract revenue	16.7	11.1	51%
-Other revenue	11.0	11.1	-1%
Organic growth %	-37.2%	-2.8%	-
Adjusted EBITDA pre mgmnt fee	-11.4	-10.7	-7%
Depreciations	-32.0	-31.0	3%
Adjusted EBITA pre mgmnt fee	-43.4	-41.7	4%
Internal management fee	-	-	-
Adjusted EBITA	-43.4	-41.7	4%
Adjusted EBITA margin %	-20.1%	-12.0%	67%
Items affecting comparability	-3.4	-0.9	283%
EBITDA	-14.9	-11.6	28%
EBITA	-46.9	-42.6	10%
Operating profit (EBIT)	-46.9	-171.9	-73%
Operating margin %	-21.6%	-49.6%	-

External revenue decreased by 38 percent to MSEK 216 (346). The organic decrease, which in addition to M&A also takes changes in currency exchange rates into account, amounted to -37 percent. The conversion of the fleet from own cars to external transporters continues according to plan and as a result, contract revenues increased by MSEK 6 despite the reduced volumes. During the fourth quarter, a decision was made to accelerate the sale of own cars.

The operating profit amounted to MSEK -47 (-172) including items affecting comparability of MSEK -3 (-1). Note that the previous year includes an impairment cost of MSEK -124 related to goodwill and other intangible assets.

Adjusted EBITA amounted to -43 MSEK (-42). The lower revenue in the own cars, for which the cost base is partly fixed, has a negative effect on the development. The extensive restructuring of the Finnish operations, which has resulted in cost base, has together with the inflow of external transport a positive impact on the development.

Denmark

Segment Denmark connects customers of taxi journeys with taxi transporters in an efficient franchise network, primarily in Copenhagen but also in other parts of Denmark. Mediation of journeys is mostly carried out for companies and private customers. The operations are conducted under the Taxi 4x27 brand.

Denmark			
SEK M	2020	2019	%
Revenues (external)	234.0	311.8	-25%
-Transport revenue	202.9	283.8	-29%
-Contract revenue	29.5	25.9	14%
-Other revenue	1.7	2.1	-20%
Organic growth %	-52.2%	-	-
Adjusted EBITDA pre mgmnt fee	-4.9	0.7	-762%
Depreciations	-3.4	-1.9	81%
Adjusted EBITA pre mgmnt fee	-8.3	-1.1	630%
Internal management fee	-	-	-
Adjusted EBITA	-8.3	-1.1	630%
Adjusted EBITA margin %	-3.6%	0%	-
Items affecting comparability	-	-	-
EBITDA	-4.9	0.7	-762%
EBITA	-8.3	-1.1	630%
Operating profit (EBIT)	-22	-10.0	125%
Operating margin %	-9.6%	-3.2%	-

External revenue decreased by 25 percent to 234 MSEK (312). Cabonline acquired Taxi 4x27 in May 2019 and the organic decrease, which also takes changes in currency exchange rates into account, was -52 percent.

The operating profit amounted to MSEK -22 (-10).

Adjusted EBITDA amounted to MSEK -8 (-1). Lower contract revenue (organically) driven by lower variable fees as a result of the lower volumes explains the negative development. The number of cars has stayed fairly constant over the period.

Other

Group-wide functions such as management functions and administrative IT and accounting support are grouped under the segment Other. This also includes shared development of the technology platform used within the Group.

Other			
SEK M	2020	2019	%
Revenues (external)	20.9	33.0	-37%
-Transport revenue	0.0	0.0	-
-Contract revenue	0.0	0.0	-
-Other revenue	20.9	33.0	-37%
Organic growth %	-36.7%	-9.5%	-
Adjusted EBITDA pre mgmnt fee	-88.6	-95.3	-7%
Depreciations	-48.6	-37.2	31%
Adjusted EBITA pre mgmnt fee	-137.2	-132.5	4%
Internal management fee	140.5	327.0	-57%
Adjusted EBITA	3.3	194.5	-98%
Adjusted EBITA margin %	2%	48%	-
Items affecting comparability	-65.0	-84.0	-23%
EBITDA	-13.1	147.7	-109%
EBITA	-61.7	110.5	-156%
Operating profit (EBIT)	-81.1	110.5	-173%
Operating margin %	-40.5%	27.0%	-

External revenue decreased by 37 percent to MSEK 21 (33).

Lower kickbacks on purchases made by the transporters and lower revenue related to the mobile application explains the majority of the decrease.

The operating profit amounted to MSEK -81 (110) including items affecting comparability of MSEK -65 (-84) and internal management fee of MSEK 141 (327).

Adjusted EBITA amounted to MSEK 3 (194). Note that an adjustment of the internal management fee, which is zero across the Group, has a negative effect on the result with MSEK 187 compared to the previous year. The positive effect can be found in segment "Sweden"

Adjusted EBITA pre mgmt fee amounted to -137 MSEK (-133). The lower revenue, lower capitalization of development and write-down of capitalized development of MSEK 6 has a negative effect on the development. The cost-out program launched impact the development positively.

Parent Company

Cabonline Group Holding AB (publ) is the parent company of the Cabonline Group Holding group. Operations include Group management and financing of the Group's operations.

Revenues for 2020 amounted to MSEK 0 (17) and earnings for the period amounted to MSEK -76 (-36). The reduced earnings is primarily due to higher financing expenses and lower group contributions, and lost group management income, as significant reductions have been made within the group functions to adapt the company to the effects of the Covid-19 pandemic. Assets amounted to MSEK 2,186 (2,249) and Equity amounted to MSEK 324 (400).

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.

Seasonal variations

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

Research and development

Cabonline develops technology for taxi services. Capitalised technology development costs for 2020 amounted to MSEK 19 (26). This includes technology for consumers, businesses and public institutions as well as drivers and transporters.

The environment

In accordance with Chapter 6, article 11 of the Swedish Annual Accounts Act, the statutory Sustainability Report is prepared as a separate report.

Employees

At the end of the period, the number of employees in the Group was 1,059 (1,550). The average number of full-time employees amounted to 809 (1 093). 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.

Corporate Governance

This corporate governance report has been prepared in accordance with Swedish Corporate Governance Code ("the code") and the Swedish Annual Accounts Act, and has been audited by Cabonline's auditors.

Expected future development

Cabonline does not provide forecasts. Forward-looking information in this report is based on the Group Management's expectations at the time of the report. Although the Group Management believes that the expectations are reasonable, there is no guarantee that 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.

Shares

At the end of 2020, the company's share capital amounted to SEK 3,555,684.93, represented by 355,568,493 shares, of which the number of Class A shares carrying two voting rights was 33,779,007, the number of Class B shares carrying one voting right was 1,777,842 and the number of Class C shares, which are preference shares carrying one voting right, was 320,011,644.

At year-end 2020, Cabonline had 18 shareholders according to the share register. The largest shareholder was H.I.G. Luxembourg Holding 56 Sarl, with 93.5% of the votes.

Events after the end of the reporting period

The continued restrictions will also have a negative effect on travel volumes during the first quarter of 2021. Management and the Board continuously monitor the development of operations in this context in order to be able to quickly and efficiently manage any risks and situations that may arise.

Risks and uncertainties

Risks and risk-taking are a normal aspect of Cabonline's operations. A good understanding of the risks together with an effective approach to identifying, assessing and managing risks is important for Cabonline's short-term and long-term success. At Group level, Cabonline has a formal process for identifying, planning and mitigating identified risks in the operations. Some of the identified risks can be managed by Cabonline, while others are outside of the Group's control. Below is a description, which is neither exhaustive nor in any particular order, of the risks that are considered to be of material importance, and which have been identified within the framework

of Cabonline's risk management process. For financial risks please see note 1, page 57. Over and above the below risks, there are more general global risks that can impact macro-economic factors to which Cabonline is exposed and that may thereby negatively impact the operations of the company. Even outside events that can lead to changed consumer behaviour, such as increasing environmental considerations, pandemics, political uncertainty, etc. can affect Cabonline's operations. In addition to the formal risk process, there is a unit within Cabonline which monitors and analyses the external environment.

Risk	Risk description	Opportunities and measures
Effects of the ongoing Corona pandemic	<p>Cabonline is exposed to risks related to the ongoing pandemic. Swedish and foreign governments actions to reduce the spread of the virus has a significant effect on Cabonline's business.</p> <p>The large decrease in travel volumes has a direct effect on Cabonline's revenue which may have a negative effect on the financial result.</p> <p>The lower revenue for the transporters as a result of the restrictions has increased the risk of them going into bankruptcy impacting Cabonline's financial result.</p> <p>The uncertainty in forecasts and scenario analyses regarding the future demand has increased as a result of the pandemic.</p> <p>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.</p>	<p>In order to mitigate the negative effects of the pandemic Cabonline was early out in the second quarter and took actions to reduce costs, e.g. by terminating hired staff and postponing non business-critical investments and projects.</p> <p>During the year, the cost-out program has been revised with additional actions to counter the lower demand and decrease in revenue. The current cost-out program aims at reducing the annual operational cost-base by approximately MSEK 200 full-year 2021 compared to 2019.</p> <p>To support the transporters during the pandemic Cabonline has offered postponement of part of the fixed fee for up to three months. Moreover, we also offer the transporters assistance with applying for the government support packages to reduce the effect of the pandemic.</p> <p>The Group has a continuous follow-up of the demand and revenue forecasts in order to adapt the production and cost base.</p>
Market risk	<p>The market for taxi services is relatively fragmented and competitive and there is a risk for new market players.</p> <p>Municipalities and counties may decide to provide their own, internal taxi services and thus limit the demand for school transport and mobility services.</p> <p>There is a risk of increased competition from public transport services.</p> <p>A general downturn in the economy can lead to lower demand for taxi services. An upturn in the economy can lead to difficulties in recruiting and retaining drivers.</p>	<p>Cabonline works continuously with its offering to customers, transporters and drivers to ensure competitiveness.</p> <p>Cabonline targets three customer categories, B2C, B2B and B2P, which partly limits the exposure to a possible decline in demand from any one customer category.</p> <p>Cabonline's business model with independent transporters offers flexibility when demand changes.</p>
Risks related to deregulation and regulations	<p>A deregulation of taxi services in some of the markets where Cabonline operates could lead to increased competition, and markets that were previously deregulated could become re-regulated, which could limit Cabonline's operations.</p> <p>Complex and changing regulations exist in the markets where Cabonline operates. Violations of or changes to these regulations may cause delays or increase the costs of ongoing agreements or lead to fines, damages, bans on business activity and other penalties.</p>	<p>Cabonline has experience of both regulated and deregulated taxi markets and will therefore take action in good time, when possible.</p> <p>In order to meet statutory requirements and to reduce Cabonline's risk exposure, Cabonline has developed a framework which includes Cabonline's Code of Conduct, Group policies and governance documents.</p>
Risks related to shortage of transporters and drivers	<p>Cabonline's growth is dependent on its ability to attract and retain qualified transporters and drivers. Cabonline must have access to enough taxis and competent drivers to meet customer demand and to meet Cabonline's contractual obligations while maintaining a high level of service. A driver shortage at Cabonline could lead to an inability to provide taxi services, which could have a significant impact on Cabonline's operations and earnings. With publicly procured contracts, a driver shortage and inability to deliver and maintain a high level of service could also lead to penalties in accordance with B2P agreements, or termination of such agreements.</p> <p>Cabonline's operations and earnings could also be adversely affected in the event of other serious disruptions in the relationship with affiliated transporters, such as contractual conflicts.</p>	<p>Cabonline works actively to make the taxi driver's profession attractive both as a full-time and part-time employment.</p> <p>Cabonline continuously develops its offering to transporters and drivers in terms of payment models and support and incentive programmes. For example, Cabonline offers drivers and transporters assistance in applying for driver's licenses, legal aid, access to cars and training. Cabonline's ambition is to be the first choice for transporters and drivers.</p> <p>Cabonline's operations with three customer segments meet the transporters' and drivers' expectation of a high utilisation throughout the day, and thus high customer volumes.</p> <p>Cabonline always endeavours for drivers to feel great confidence and involvement in the company's operations.</p>

Risk	Risk description	Opportunities and measures
Risks related to the brand	Cabonline is dependent on its good reputation and brand awareness among customers, transporters and drivers. If Cabonline does not successfully manage its reputation and brand, there is a risk that Cabonline may lose existing customers, transporters and drivers or its ability to attract new ones.	Cabonline works continuously with its customer promise linked to the brand. In order to measure reputation it uses customer surveys. A brand project with the aim of establishing a brand strategy has been initiated. Preparedness and action plans are in place for any negative media attention or dissemination of rumours.
Risks related to the technology platform	New technology can make Cabonline's services less competitive and less attractive for customers, and more difficult to sell. Cabonline is extremely dependent on its technology platform for continuous operations. A failing or outage in Cabonline's technology platform could damage Cabonline's reputation and affect the company's ability to acquire, retain and serve customers.	To remain competitive in a changing environment, Cabonline is dependent on its ability to implement new technology and adapt its services and business model early enough to benefit from opportunities. Cabonline has well established processes and routines aimed at eliminating operational disturbances, and should these occur, minimisation of the consequences.
Risks related to acquisitions	Cabonline acquires companies within the taxi and technology industry as a strategic element of its growth goal. If the internal circumstances within the acquired businesses differ from that which is known in advance of the acquisition, or if integration of the acquired companies should be unsuccessful this can have a negative impact on Cabonline.	Through acquisitions, Cabonline can strengthen its business both strategically and financially. Cabonline has an established acquisition process, which includes a due diligence process, financial analysis and integration planning.
Risks related to contracts with municipalities and counties	Contracts for B2P are procured through a tender process and the duration of contract is normally two to four years. Cabonline risks being locked into unprofitable contracts which must be served in accordance with the terms of the agreements. Cabonline is partially dependant on its ability to price B2P contracts and identify risks. If contracts are won on the wrong assumptions for pricing and risk, Cabonline risks entering into agreements with low profit margins, or contracts that in the end are loss-making. If Cabonline fails to uphold the terms of this type of agreement it can lead to fines or premature terminations of the contracts.	More than 50 percent of Cabonline's revenues stems from public procurement contracts, divided between 120 contracts which normally have two to four-year terms. Cabonline has a lot of experience in public tendering processes and procurements and there is a great spread of the risk across many contracts. The contracts provide stability to Cabonline's operations as volumes are relatively constant and not subject to cyclical variations.
Risks relating to key people, employees and recruitment	Cabonline's future success is partly dependent on its ability to recruit, integrate and retain qualified employees, especially senior management and key personnel for Cabonline's business development and governance.	Compared to other companies, Cabonline has had good results in employee surveys and is focused on maintaining and further improving the environment for key people and employees, to be an attractive workplace.
Liquidity and financing risk	Liquidity risk refers to the risk that difficulties arise in fulfilling financial commitments due to the lack of available liquidity. Financing risk refers to the risk that external financing is not available when needed, or that refinancing of maturing liabilities becomes more difficult of that the price changes significantly. The access to financing, at a for the company reasonable cost level, in connection with the refinancing of the current bond, is difficult to assess and cannot be guaranteed given the uncertainty following the Covid-19 pandemic, current bond terms, and expected market recovery.	Financing the liquidity risks are managed within the framework of the established finance policy. The board reviews the current and forecast cash flows on a regular basis, at least at every board meeting, to ensure that the Group has the funds and resources required to conduct the business and strategic direction decides by the board. As of December 2020, the Group had cash and cash equivalents of 298 MSEK. The board continuously evaluates various financing alternatives for the Group.

Proposal for the allocation of unrestricted equity

The 2020 Annual General Meeting will be held in Stockholm on 7 May 2021. Notice of the AGM will be available on www.cabonline.com from 9 April 2021. The Board of Directors proposes that no dividends be paid and that the the loss for the year, SEK 75,819,409, is offset against the premium reserve and that the remaining premium reserve SEK 276,193,399 and retained earnings of SEK 44,225,373, a total of SEK 320,418,772, is carried forward. In respect of other aspects of the Group's and Parent Company's financial situation, please refer to the subsequent profit and loss statements and balance sheets with accompanying Notes.

SEK	2020-12-31
Profit brought forward	44,225,373
Premium reserve	352,012,808
Loss for the year	-75,819,409
Total	320,418,772

Key performance indicators

2016–2020

SEK M	2020	2019	2018	2017	2016
Revenues	4,171.5	6,490.1	6,216.8	5,967.7	5,914.9
-Transport revenue	3,534.3	5,691.2	5,385.1	5,145.0	-
-Contract revenue	551.9	693.8	647.8	636.0	-
-Other revenue	85.3	105.0	183.9	187.0	-
Organic growth % *	-37.1%	-2.9%	-3.6%	-4.6%	-
Adjusted EBITDA *	-124.5	-158.0	-121.5	50.8	20.9
Adjusted EBITDA margin % *	-3.0%	-2.4%	-2.0%	0.9%	0.4%
EBITDA *	151.3	307.0	330.2	301.3	273.5
EBITDA margin % *	3.6%	4.7%	5.3%	5.0%	4.6%
Adjusted EBITA	69.6	210.2	253.2	249.9	196.0
Adjusted EBITA margin % *	1.7%	3.2%	4.1%	4.2%	3.3%
Items affecting comparability *	36.8	201.7	239.0	218.2	217.2
EBITA *	0.9%	3.1%	3.8%	3.7%	3.7%
EBITA margin % *	-81.7	-96.7	-77.0	-51.3	-77.5
Operating profit (EBIT) *	-44.9	105.0	162.0	166.9	139.7
Operating margin % *	-1.1%	1.6%	2.6%	2.8%	2.4%
Profit before tax	-321.8	-277.9	-215.6	-86.4	-78.1
Net income	-317.1	-259.3	-213.7	-73.0	-71.5
Earnings per share before and after dilution, SEK	-10.29	-8.66	-7.38	-3.40	-3.36
Cash flow for the period	-55.9	269.9	-6.2	-20.0	-25.3
Net income excl depreciation on excess values *	-237.5	3.7	69.9	43.2	47.3
Earning per share, excl depreciation on excess values before and after dilution, SEK	-8.05	-1.27	0.59	-0.14	-0.02
Net debt *	1,772.4	1,672.8	1,573.7	1,549.3	1,239.8
Net debt /Adjusted EBITDA, R12 *	11.7	5.5	4.8	5.1	4.5
Operating capital *	31.6	129.4	-143.8	-177.4	-155.5
Investments, CAPEX	30.5	75.0	45.0	59.0	77.7
Cash conversion excl items affecting comparability, R12 *	83.5	193.2	245.2	213.3	184.6
Cash conversion, R12 % *	73.2%	72.0%	84.0%	78.0%	70.0%

*See definitions and reconciliation of alternative performance measures on page 89–91.

Consolidated profit and loss account

SEK M	Note	2020	2019
Total Revenue	1,2,3	4,171.5	6,490.1
Capitalised development costs	9	18.7	25.7
Transport expenses	1	-3,264.4	-5,211.4
Other external expenses	4,24	-372.1	-513.6
Personnel expenses	5	-478.1	-577.2
Other operating expenses		-5.9	-3.3
Amortisation and depreciation of fixed assets	9,10	-174.7	-244.2
Impairment of goodwill	9	-19.4	-124.1
Total operating expenses		-4,296.0	-6,648.1
Operating profit (EBIT)		-124.5	-158.0
Financial income	7,24	8.5	17.4
Financial expenses	7,24	-205.9	-137.3
Profit/loss from financial items		-197.4	-119.8
Profit/loss before tax		-321.8	-277.9
Income tax	8,12	4.7	18.6
Net profit/loss for the period		-317.1	-259.3
Profit/loss attributable to:			
The Parent Company's shareholders		-318.0	-260.0
Non-controlling interests		0.8	0.7
Net profit/loss for the period		-317.1	-259.3
Earnings per share before dilution, SEK*	18	-10.29	-8.66
Earnings per share after dilution, SEK*	18	-10.29	-8.66
Average number ordinary shares outstanding	18	35,556,850.0	35,556,850.0

* See definitions on page 91

Consolidated statement of comprehensive income

SEK M	2020	2019
Net profit/loss for the period	-317.1	-259.3
Other comprehensive profit/loss		
<i>Items that can be transferred to profit or loss</i>		
Translation difference for the period	-10.1	2.2
Comprehensive profit/loss for the period	-327.2	-257.1
Comprehensive profit/loss attributable to:		
The Parent Company's shareholders	-328.0	-257.9
Non-controlling interests	0.8	0.7
Total comprehensive profit/loss for the period	-327.2	-257.1

Consolidated balance sheet

SEK M	Note	2020-12-31	2019-12-31
Fixed assets			
Intangible fixed assets	9	1,417.0	1,537.5
Tangible fixed assets	10	120.7	191.9
Ownership interests in associated companies	6	1.5	1.5
Deferred tax assets		4.4	6.0
Long-term interest-bearing receivables	11, 13	6.0	11.5
Other financial assets	11	7.1	7.0
Total fixed assets		1,556.7	1,755.4
Current assets			
Inventories	14	3.6	3.5
Accounts receivable	13, 15	133.2	270.5
Other receivables		15.7	60.5
Short-term interest-bearing receivables	13	10.3	29.4
Tax assets		7.8	14.5
Prepaid expenses and accrued income	16	83.0	118.6
Short-term investments		0.0	2.4
Cash and bank balances	13, 17	298.2	356.6
Total current assets		551.6	856.1
TOTAL ASSETS		2,108.3	2,611.6

Consolidated balance sheet, cont.

SEK M	Note	2020-12-31	2019-12-31
Shareholders Equity	18		
Share capital		3.6	3.6
Other contributed capital		385.5	385.5
Reserves		-3.9	6.2
Retained earnings, including result for the period		-988.0	-670.1
Total shareholders equity attributable to the parent company's shareholders;		-602.9	-274.8
Non-controlling interests		4.7	5.3
Total shareholders equity		-598.2	-269.5
Provisions and Long-term liabilities			
Provisions			
Long-term interest-bearing liabilities	13, 19, 30	1,972.9	2,008.6
Deferred tax liabilities	12	44.8	62.5
Other long-term liabilities	20	65.2	50.9
Total provisions and long-term liabilities		2,082.8	2,121.9
Short-term liabilities			
Short-term interest-bearing liabilities	13, 19, 30	114.0	61.8
Accounts payable	13	42.9	102.5
Current tax liabilities		13.3	21.4
Other liabilities	13	80.7	105.7
Accrued expenses and prepaid income	21	372.8	467.7
Total short-term liabilities		623.7	759.1
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		2,108.3	2,611.6

Consolidated statement of changes in equity

SEK M	Attributable to the Parent Company shareholders					Holdings without controlling influence	Total Sharehol- ders equity
	Share- capital	Other contri- buted capital	Reserves*	Profits carried for- ward	Total		
Balance at 1 January 2019	3.6	385.5	4.0	-411.2	-18.1	5.8	-12.4
Comprehensive income							
Net profit/loss for the period				-260.0	-260.0	0.7	-259.3
Other comprehensive income			2.2	0.0	2.2		2.2
Total comprehensive income			2.2	-260.0	-257.9	0.7	-257.1
<i>Transactions with shareholders:</i>							
Change in minority share				1.2	1.2	-1.2	-
Closing balance at 31 December 2019	3.6	385.5	6.2	-670.1	-274.8	5.3	-269.5
Opening balance at 1 January 2020	3.6	385.5	6.2	-670.1	-274.8	5.3	-269.5
Comprehensive income							
Net profit/loss for the period				-318.0	-318.0	0.8	-317.1
Other comprehensive income			-10.1		-10.1		-10.1
Total comprehensive income			-10.1	-318.0	-328.0	0.8	-327.2
<i>Transactions with shareholders:</i>							
Change in minority share						-1.5	-1.5
Closing balance at 31 December 2020	3.6	385.5	-3.9	-988.0	-602.9	4.7	-598.2

*Reserves relate to translation differences

Consolidated cash flow statement

SEK M	Note	2020	2019
Operating activities			
Operating profit		-124.5	-158.0
Adjustments for items not included in the cash flow	22	196.5	369.2
Interest paid		-182.2	-112.3
Interest received		1.4	2.1
Taxes paid		-14.9	-16.0
Cash flow from operating activities before changes in working capital		-123.6	84.9
Cash flow from changes in working capital			
Increase (-)/Reduction (+) of inventories		-	0.6
Increase (-)/Reduction (+) of operating receivables		231.0	-38.3
Increase (+)/Reduction (-) of operating liabilities		-83.5	28.7
Change in working capital		147.5	-8.8
Cash flow from operating activities		23.9	75.9
Investment activities			
Received Payments - Sublease of Vehicles	24	18.1	25.9
Acquisition of business operations	25	-	-14.0
Additional paid contingent consideration		-18.9	-19.9
Investments in tangible and intangible fixed assets	9, 10	-30.5	-75.0
Disposal of fixed assets		11.4	8.1
Cash flow from investment activities		-19.9	-75.0
Financing activities			
Repayment of leasing liabilities- Vehicles	24	-32.5	-42.0
Repayment of leasing liabilities- Rent	24	-22.9	-22.4
Other short term investments		1.2	-
Change in other loans		-5.7	7.3
Borrowings, RCF		125.0	125.0
Repaid loans, RCF	19	-125.0	-
Change in overdraft facility	19	-	-29.5
New bond financing		-	574.6
Repaid bonds		-	-344.0
Cash flow from financing activities		-59.9	269.0
Cash flow for the year		-55.9	269.9
Cash and cash equivalents at the beginning of the year		356.6	85.3
Exchange rate differences in cash and cash equivalents		-2.6	1.4
Cash and cash equivalents at end of the period		298.2	356.6

Parent Company profit and loss statement

SEK M	Note	2020	2019
Operating revenues	33,34	-	17.3
Operating expenses			
Other external expenses	34	-9.5	-53.1
Personnel expenses	36	-22.7	-16.3
Operating result		-32.2	-52.1
Net gains/losses from financial items			
Interest income and similar income items	37	113.6	86.1
Interest expenses and similar expense items	38	-186.2	-119.9
Profit after gains/losses from financial items		-104.8	-85.9
Appropriations			
Group contributions	39	29.1	50.1
Provisions for tax allocation reserves		-	-
Profit/loss before taxes		-75.7	-35.8
Tax on the profits for the period	40,41	-0.1	-
Net profit/loss for the period		-75.8	-35.8

Parent Company balance sheet

SEK M	Note	2020-12-31	2019-12-31
ASSETS			
Fixed assets			
<i>Financial assets</i>			
Shares in Group companies	42	656,3	655,7
Deferred tax assets		1 485,1	1 485,1
Total fixed assets		2,141.3	2,140.7
Current assets			
<i>Short-term receivables</i>			
Receivables from Group companies, Short-term		29,1	90,8
Tax assets		1,3	0,4
Other receivables		0,1	2,2
Prepaid expenses and accrued income		14,3	14,6
Total short-term receivables		44.8	107.9
Total current assets		44.8	107.9
TOTAL ASSETS		2,186.1	2,248.6

Parent Company balance sheet, cont.

SEK M	Note	2020-12-31	2019-12-31
Shareholder Equity	43		
<i>Restricted equity</i>			
Share capital		3.6	3.6
Total restricted equity		3.6	3.6
<i>Unrestricted equity</i>			
Share premium account (capital surplus)		352.0	352.0
Retained earnings or loss carried forward		44.2	80.1
Net profit/loss for the year		-75.8	-35.8
Total unrestricted equity		320.4	396.2
Total shareholders equity		324.0	399.8
<i>Untaxed reserves</i>			
Tax allocation reserves		34.2	34.2
Total untaxed reserves		34.2	34.2
<i>Long-term liabilities</i>	44		
Bond		1,788.2	1,780.6
Other long-term liabilities		1,788.2	1,780.6
<i>Current liabilities</i>			
Accounts payable		0.8	7.0
Liabilities to Group companies		1.3	-
Current tax liabilities		0.1	5.8
Other short-term liabilities		2.7	2.1
Accrued expenses and prepaid income	45	34.8	19.1
Total short-term liabilities		39.7	34.0
TOTAL SHAREHOLDER EQUITY AND LIABILITIES		2,186.1	2,248.6

Parent Company statement of changes in equity

SEK M	Restricted equity		Non-restricted equity		Total equity
	Share capital	Share premium	Profit/loss account brought forward		
Opening balance at 1 January 2019	3.6	352.0	80.1		435.6
Comprehensive income					
Net profit/loss for the year	-	-	-35.8		-35.8
Total comprehensive income	-	-	-35.8		-35.8
Closing balance at 31 December 2019	3.6	352.0	44.3		399.8
Opening balance at 1 January 2020	3.6	352.0	44.3		399.8
Comprehensive income					
Net profit/loss for the year	-	-	-75.8		-75.8
Total comprehensive income			-75.8		-75.8
Closing balance at 31 December 2020	3.6	352.0	-31.6		324.0

Parent Company statement of cash flows

SEK M	Note	2020	2019
Operating profit/loss		-32.2	-52.1
Interest received		107.7	82.4
Interest paid		-172.8	-105.7
Income taxes paid		-7.0	-12.5
Cash flow from operating activities before changes in working capital		-104.3	-87.9
Cash flow from changes in working capital			
Increase (-)/decrease (+) in current receivables		99.4	149.0
Increase (+)/decrease (-) in current liabilities		5.6	16.7
Cash flow from operating activities		0.6	77.7
Investing activities			
Paid shareholder contribution		-0.6	-
Lending to subsidiaries		-	-308.3
Cash flow from investing activities		-0.6	-308.3
Financing activities			
New borrowing - bond		-	574.6
Repayment bond loan		-	-344.0
Cash flow from financing activities		-	230.6
Cash flow for the year		-	-
Cash and cash equivalents at beginning of year		-	-
Foreign exchange difference in cash and cash equivalents		-	-
Cash and cash equivalents at end of year		-	-

Notes • Group

Note 1 Accounting policies, financial risk management and important accounting estimates and judgements

General information

Cabonline Group Holding AB (publ) (Parent Company) company reg. no. 559002-7156 is a limited company registered in Sweden with its headquarters in Stockholm. On April 9th 2021, the Board of Directors approved these consolidated financial statements for publication. The consolidated financial statements have been prepared in Swedish kronor and amounts are expressed in SEK millions (SEK M) unless otherwise stated.

Summary of important accounting policies

Basis for the preparation of the financial statements The consolidated financial statements for the Cabonline Group have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, and the International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU.

The financial statements have been prepared in accordance with the historical cost method, with the exception of financial liabilities measured at fair value through profit or loss.

The Group and the Parent Company were established in 2015. The Group has applied IFRS since the Group was established. The Parent Company has applied RFR 2 Accounting for Legal Entities, since the parent company was established.

New/amended accounting policies in 2020

No new or changed IFRS standards have affected the 2020 financial reports.

Segment reporting

A business segment is a part of the Group which operates business activities from which it can generate revenue and incur costs and for which there is independent financial information available. The operating profit/loss of a business segment is further followed up by the company's highest executive decision-maker to evaluate the financial results and to allocate resources to the business segment. The highest decision-making instance is the Group CEO. For Cabonline, geographic areas constitute the primary basis for division, and the geographical areas consist of countries. See Note 2 for further description of the operating divisions.

Consolidated financial statements

Subsidiaries

Subsidiaries are all companies in which the Group has a controlling influence. The Group has controlling influence over a company when it is exposed to or is entitled to variable returns from its holding in the company and is able to influence the returns through its influence in

the company. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are excluded from the consolidated financial statements from the date when control ceases.

The acquisition method is used for recognising the Group's acquisitions of companies. The purchase price of the acquisition of a subsidiary consists of the fair values of transferred assets, liabilities that the Group assumes from previous owners, assets or liabilities arising from agreements on contingent earn-outs for an acquisition plus the previous equity share in the acquired company. Identifiable acquired assets, liabilities and contingent liabilities assumed in an acquisition of a company are measured, with a few exceptions, initially at fair values at the acquisition date.

Acquisition-related expenses are expensed when incurred. Goodwill refers to the amount by which the transferred payment (and the fair value at the acquisition date of the previous equity share in the acquired company if the business combination has been completed in steps) exceeds the fair value of identifiable acquired net assets.

Contingent earn-outs are classified as a financial liability and are remeasured to fair value for each period. Any remeasurement gains and losses are recognised in other operating income or other operating expenses.

Intra-Group transactions, balance sheet items and unrealised gains and losses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries have been amended, if necessary, in order to ensure consistent application of the Group's accounting policies

Associated companies

Associated companies are all the companies in which the Group has a significant but non-controlling influence, which as a rule applies to shareholdings consisting of between 20% and 50% of the voting-rights. Holdings in associated companies are recognised in accordance with the equity method. When applying the equity method, the investment is initially measured at cost and the carrying amount is increased or decreased accordingly, to take the Group's share of the associated company's profit (or loss) after the acquisition date into account.

The Group's share of earnings that arises after the acquisition is recognised in profit or loss with the corresponding change in the carrying amount of the holding. When the Group's share of the losses in an associated company amounts to or exceeds its holdings in the associated company, the Group does not recognise further additional losses unless the Group has assumed a legal or informal obligation, or made payments on behalf of the associated company.

At the end of each reporting period, the Group assesses if there is objective evidence for a need for an impairment of the investment in the associated company. If this is the case, the Group calculates the impairment amount as the difference between the associated company's recoverable value and the carrying amount, and recognises the amount in profit or loss in Share of earnings from associated companies.

Translation of foreign currencies

Functional currency and presentation currency

Items included in the financial statements for the various entities in the Group are measured in the currency used in the financial environment in which each company is primarily active (functional currency). The consolidated financial statements are presented in Swedish kronor (SEK), which is the Group's presentation currency.

Transactions and Balance Sheet items

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction date or the date on which the items are remeasured. Currency exchange gains and losses arising from the payment of such transactions, and the translation of monetary assets and liabilities in foreign currencies into the exchange rates prevailing on the balance sheet date, are recognised in profit or loss.

Foreign exchange gains and losses relating to loans and cash and cash equivalents are recognised in profit or loss as financial income or expenses. All other currency exchange gains and losses are recognised in profit or loss in the item Other operating income or Other operating expenses.

Group companies

The profit/loss and financial position of all Group companies that have a functional currency that differs from their presentation currency are translated into the Group's presentation currency as follows:

- Assets and liabilities for each balance sheet are translated at the exchange rate at the close of the reporting period.
- Revenues and expenses for each of the Profit and Loss statements are translated at the average exchange rate (to the extent this average rate represents a reasonable approximation of the cumulative effect of the exchange rates applying on the transaction dates, otherwise revenues and expenses are translated at the rate on the transaction date).

All gains/losses arising from the translation of foreign currencies are recognised in Other comprehensive income.

Goodwill and fair value adjustments arising from the acquisition of a foreign business operation are treated as assets and liabilities of this business operation and translated at the exchange rate prevailing on the balance sheet date. Gains/losses from the translation of foreign currencies are recognised in Other comprehensive income.

Intangible assets

Goodwill

Goodwill arises from the acquisition of subsidiaries and refers to the amount by which the purchase price and fair value as per the acquisition date of previous equity shares in the acquired company exceed the fair value of identifiable acquired net assets. For the purpose of impairment testing, goodwill acquired through the acquisition of

a company is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill in question is monitored for internal control purposes. Goodwill is monitored by country (Sweden, Finland and Norway). Goodwill is tested for impairment annually or more often if events or changes in conditions indicate a possible fall in value. The carrying amount of the cash-generating unit to which goodwill is attributable is compared with the recoverable amount, which is the higher of value in use and fair value minus selling expenses. Any impairment losses are recognised immediately as a cost and are not reversed.

Relationships with transporters and the brand

Intangible assets acquired separately are recognised at cost. Intangible assets acquired via a business combination are recognised at fair value on the acquisition date. Intangible assets that have a finite useful life are recognised at cost less accumulated amortisation and any impairment. Amortisation is applied on a straight-line basis to allocate the cost for relationships with transporters and the brand over their estimated useful life of 5–10 years.

Own-developed intangible assets

Development costs, such as for traffic management systems, that are directly attributable to the development and testing of identifiable and unique software products that are controlled by the Group are recognised as intangible assets when the following criteria are fulfilled:

- It is technically possible to finish the development of the software so that it can be utilised
- The Company's intention is to finish the development of the software and to use or sell it
- Prerequisites for using or selling the software exist
- How the software can generate probable future financial benefits can be shown
- Appropriate technical, financial and other resources to complete the development, and to use or sell the software, are available
- The expenses related to the software during its development can be calculated in a reliable manner

Directly attributable expenses that are capitalised as part of the software include personnel costs plus a reasonable share of indirect costs. Other research and development costs that do not meet these criteria are expensed as incurred. Development costs previously expensed are not recognised as assets in subsequent periods.

Software maintenance costs are expensed as incurred. Development costs that are recognised as assets are amortised over their estimated useful life of 3–5 years.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life, or intangible assets that are not ready for use, are not amortised but rather are tested annually for any impairment loss. No such material items exist in the Group over and above goodwill. See Note 9 for testing of goodwill for impairment loss. Assets that are amortised are impairment tested whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the amount at which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value

less costs for disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest level of separately identifiable cash flows (cash-generating units).

Tangible non-current assets

Tangible non-current assets primarily consist of equipment, tools and fixtures and fittings. All tangible non-current assets are recognised at cost less depreciation. Cost includes expenses directly attributable to the acquisition of the asset.

Subsequent expenditure is added to the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will accrue to the Group, and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised from the balance sheet. All other forms of repairs and maintenance are recognised as expenses in the Profit and Loss statement in the period during which they arise.

Land is not depreciated. Other assets are depreciated from the acquisition cost to the estimated residual value, on a straight-line basis over the estimated useful life, as follows:

- Buildings 20–50 years
- Equipment, tools, fixtures and fittings 3–10 years.

The residual values and useful lives of the assets are tested at the end of each reporting period and adjusted as needed. If the carrying amount of an asset exceeds its estimated recoverable amount, the carrying amount of the asset is immediately written down to its recoverable amount (Note 10). Gains and losses on the divestment of assets are determined through a comparison between the sales revenue and the carrying amount, and recognised in other revenues and other external expenses in the profit and loss statement.

Leases

An agreement is a lease agreement if it transfers the controlling rights to an identified asset for a certain period of use, in exchange for compensation. The standard requires that an asset (right-of-use) and a financial liability be recognised for all agreements that meet the definition of a lease.

The company primarily has leases for premises and vehicles, which are recognised as right-of-use assets (Tangible non-current assets) and lease liabilities (non-current and current interest-bearing liabilities). The lease liability is equal to the discounted value of the fixed future payments for the term of the lease, i.e. the non-cancellable period including any periods pertaining to the option to extend or terminate the contract, as long as the company is reasonably confident of exercising those options. Lease liability for vehicles is discounted using the implicit interest rates of the contracts and lease liabilities for premises uses the marginal loan interest rate as the implicit rate is not available. Right-of-use assets are valued at cost which includes the initial value recognised for the lease liability in question, initial direct expenses and any advance payments.

Depreciation of the asset is recognised in the profit and loss as well as an interest cost on the lease liability. Leasing fees paid are accounted for partly as payment of interest and partly as amortisation of the lease liability in the cash flow statement. Right-of-use assets are depreciated on a straight-line basis over the shorter of the term of the lease and the (estimated) useful life.

A large portion of the Group's leased vehicles are sub-leased to transporters under the same terms that the company leases the vehicles. Sub-leasing is classified as finance leases as significant risks and rewards related to the vehicle is borne by the lessee. Sub-leased vehicles, that is the portion of the right-of-use that is sub-leased, are recognised as non-current interest-bearing receivables and current interest-bearing receivables, under the same policies and variables that are used to determine the value of the lease liability. Payments received from lessees are recognised as payments of receivables in the balance sheet and as interest income in the profit and loss statement. The leasing payments received are recognised in the cash flow statement as interest received and as payments from lessees.

In accordance with the standard, the company exempts leases with a lease term of less than 12 months (short-term leases) as well as leases for assets with a low value, less than approximately SEK 50,000.

Financial assets

Reporting and derecognition from the statement of financial position

A financial asset or financial liability is included in the statement of financial position when the company becomes a party to the instrument's contractual terms and conditions. A receivable is included in the accounts when the company has performed and there is a contractual obligation for the counterparty to pay, even if the invoice has not yet been sent. Accounts receivable are included in the statement of financial position after the invoice has been sent. Liabilities are included in the accounts when the counterparty has performed and a contractual obligation to pay exists, even if the invoice has not yet been received. Accounts payable are included in the accounts when the invoice is received.

A financial asset is derecognised from the statement of financial position when the rights in the agreement are fulfilled, become past due, or the company loses control of them. The same applies to a part of a financial asset. A financial liability is derecognised from the statement of financial position when the obligation in the agreement has been fulfilled or otherwise is terminated. The same applies to a part of a financial liability.

Financial assets and financial liabilities are offset and recognised with a net amount in the statement of financial position only when there is a legal right to offset the amounts and when there is an intention to adjust the items with a net amount or to simultaneously realise the asset and settle the liability.

Acquisitions and divestment of financial assets are recognised on the transaction day. The transaction day is the date on which the company commits to acquiring or selling the asset.

Classifications

From 2018, financial assets are classified in different categories, some of which are measured at amortised cost and others at fair value. For liabilities recognised at fair value, the part of the changes in fair value attributable to the company's own credit risk is recognised in other comprehensive income.

Impairment of financial assets

The Group's financial assets, with the exception of those that are classified at fair value through profit and loss or equity instruments that are valued at fair value through other comprehensive income, are subject to impairment losses for anticipated loan-loss provisions. In accordance with IFRS, impairments for loan losses are forward-looking and a loss provision is made when there is an exposure to credit risk, usually at initial recognition. Expected loan losses reflect the present value of all cash flow deficits attributable to default, either for the forthcoming 12 months or for the expected remaining maturity of the financial instrument, depending on the type of asset and on the deterioration of credit since initial recognition. Expected loan losses reflect an objective, probability-weighted outcome that takes into account the majority of scenarios based on reasonable and verifiable forecasts.

The simplified model is applied for accounts receivable and contract assets. In the simplified model, a loan-loss provision is recognised for the receivable's or the asset's expected remaining term.

For other items subject to expected loan losses, a three-stage impairment model is applied.

Initially, as well as at each accounting year-end, a loan-loss provision is recognised for the forthcoming 12 months, or for a shorter period of time depending on the remaining term (stage 1). The Group's assets have been assessed to be in stage 1, that is, there has been no significant increase in credit risk. The assessment is that the Group's counterparties have a high credit rating, which is based on the counterparties having external investment grade ratings. The majority of the Group's counterparties consists of municipalities and county councils, as well as Nordic banks regarding cash and cash equivalents.

The valuation of expected credit losses is based on a rating method through external credit rating. Expected credit losses are valued by probability of default, size of loss in case of default and exposure at default. For credit impaired assets and receivables, an individual assessment is made that takes into account historical, current and forward-looking information. The valuation of expected credit losses takes into account any collateral and other credit enhancements in the form of guarantees.

The financial assets are recognised in the balance sheet at amortized cost, that is, net of gross value and loan loss provision. Changes in the loan loss provision are recognised in the profit and loss.

Inventories

Inventories are recognised at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method (FIFO). Net realisable value is the estimated selling price in operating activities, less applicable variable selling costs. Costs for inventories sold primarily relate to the sales of taximeters plus products for taxis, and are recognised in other external expenses in the consolidated Profit and Loss statement.

Accounts receivable

Accounts receivable are amounts that are to be paid by customers for goods sold or services rendered in the operating activities. If payments are expected within one year, they are classified as current assets. If not, they are recognised as non-current assets. Accounts receivable are initially recognised at invoiced value and subsequently at amortised cost using the effective interest method, less any provisions for expected future credit losses. However, receivables meant to be received within a short period of time are not discounted.

Cash and cash equivalents

Cash and cash equivalents, in the balance sheet as well as in the cash flow statement, include cash, funds on deposit in bank accounts and other short-term investments with a maturity within three months from the date of acquisition. Cash and cash equivalents are subject to the loss provision requirements for anticipated credit losses, however these items are only subject to immaterial risks of credit losses.

Share capital

Ordinary shares are reclassified as equity.

Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value, net of transaction costs. Interest-bearing liabilities are subsequently recognised at cost, and any difference between the amounts received (net after transaction costs) and the amount to be paid is recognised in profit and loss over the term of the loans, using the effective interest method.

Overdraft facilities are recognised as interest-bearing liabilities in Current liabilities in the balance sheet.

Provisions

A provision is recognised in the balance sheet when the Group has an existing or legal or formal obligation due to an event occurring, and it is likely that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made. In the event that the effect of when payment is made is important, the provision is calculated by discounting the expected future cash flow. The discount occurs at an interest rate before tax reflecting current market assessments of the time value of money.

Current and deferred income tax

The tax expense for the period consists of current and deferred taxes. Income taxes are recognised in profit and loss, except when the underlying transaction is recognised in other comprehensive income or in equity, whereby the associated tax effects are recognised directly in other comprehensive income or equity. The current tax expense is calculated on the basis of the tax rules and tax rates enacted or substantively enacted at the balance sheet date in the countries where the Parent Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations where the applicable tax regulations are subject to interpretation. When deemed appropriate, it establishes provisions on the basis of the amounts that are expected to be paid to tax authorities.

Deferred tax is recognised on all temporary differences that arise between the value of assets and liabilities for tax purposes and their carrying amounts in the consolidated financial statements. However, deferred tax liability is not recognised if it arises as a consequence of the initial recognition of goodwill. Nor is deferred tax recognised if it arises as a result of a transaction that constitutes the initial recognition of an asset or liability that is not an acquisition of a company and that at the time of the transaction, does not affect recognised or taxable profit or loss. Deferred income tax is calculated according to the tax rates (and tax rules) that have been enacted or announced on the balance sheet date and are expected to apply when the deferred tax asset concerned is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that future taxable profits will be available against which the temporary differ-

ences can be utilised. Deferred tax liabilities are calculated on taxable temporary differences arising from participation in subsidiaries and associated companies.

Deferred tax assets attributable to deductible temporary differences relating to holdings in subsidiaries and associated companies are recognised only to the extent that the temporary difference is likely to be reversed in the future and there will be taxable surpluses against which the deduction can be utilised.

Deferred tax assets and liabilities are offset when there is a legal setoff right for current tax receivables and tax liabilities and when deferred tax assets and tax liabilities relate to taxes charged by one and the same tax authority and concern either the same taxpayer or a different taxpayer, where there is an intention to settle balances via net payments.

Accounts payable

Accounts payable are liabilities to pay for goods or services that have been acquired from suppliers as a part of the operating activities. Accounts payable are classified as current liabilities if they fall due for payment within one year. If not, they are recognised as non-current liabilities. Accounts payable are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

Government support

Government support packages, predominantly in the form of short-term layoff contributions and temporary reductions of taxes and fees, have been reported as a reduction in personnel costs.

Revenue recognition

Revenues from customer contracts

Transport revenue

Transport revenue is the Group's main revenue stream and comprises revenue from transport services rendered. The Group's assessment is an agreement with a customer arises when the journey begins. The agreement contains a performance obligation, the performance of passenger transport and other transports, which is fulfilled over time as the journeys are completed.

Contract revenue

Contract revenues are fees that transporters pay for affiliation with Cabonline and the use of the Group's services.

The term of the agreement normally coincides with the notice period. The performance commitment consists of the obligation to assign transport assignments to the customer where the Group has an obligation to be available at all times to be able to perform the service, regardless of whether the service is used by the customer. Control is deemed to be transferred to the customer over time, in line with Cabonline's rendering of the service.

Other revenue

The Group's other revenues consist primarily of sales of goods (equipment for taxis and uniforms), franchise income, leasing income, and passage charges. Sales of goods are recognised as revenue when the risks and benefits relating to the goods have been transferred to the customer, which normally occurs when the product is delivered to the customer. Franchise revenue is recorded in accordance with the financial terms of the agreement when services are rendered or rights used.

Financial income

Interest income is recognised as income using the effective interest method. Income from dividends is recognised when the right to receive the dividend is established.

Expenses

Transport costs

Costs directly related to journeys performed by transporters are recognised as transport costs.

Other external expenses

Include costs of premises excluding rental costs, and external services as well as direct costs, such as credit card costs, taximeter costs, cost of goods sold and other production costs.

Employee salaries and benefits

Pension obligations

The Group companies have defined contribution pension plans. A defined contribution pension plan is a pension plan in which the Group pays fixed contributions to a separate legal entity. These costs are recognised as Personnel costs, as they are paid. The Group has no legal or informal obligations to pay further contributions if this legal entity has insufficient assets to pay all compensation to employees in respect of the employees' service during the current or previous periods.

Profit-sharing and bonus plans

For bonuses, the Group recognises a liability and an expense. The Group recognises a liability when there is a legal obligation or an informal obligation, based on historical practice.

Cash flows

The cash-flow statement has been prepared on the basis of the Profit and Loss statement and other changes occurring between the opening and closing balances in the balance sheet, taking foreign currency translation differences into account. Cash flow is prepared according to the indirect method. The recognised cash flow includes transactions that result in payments being received or payments being disbursed. Cash and cash equivalents in the cash-flow statement consist of cash, funds on deposit in bank accounts and other short-term investments with a maturity within three months from the date of acquisition. Items that do not affect cash flow consist of depreciation and amortisation of assets, unrealised exchange rate differences, and remeasurements. Realised gains and losses connected to sales of assets are eliminated as the cash impacts are recognised separately under cash flow from investing activities.

Contingent liabilities

A contingent liability is recognised when there is a possible obligation arising from an event occurring and the occurrence of which is confirmed by one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required or it cannot be estimated with sufficient reliability.

Earnings per share

Calculated as net after-tax profit or loss for the period plus additional interest expense/dividend on preference shares divided by the number of ordinary shares outstanding.

Financial risk management

The Group is exposed to a variety of financial risks via its operations: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management seeks to minimise potential adverse effects on the Group's financial results. Risk management is managed by a central finance department (Group Finance). Group Finance evaluates and hedges financial risks in close cooperation with the Group's operating units.

Market risk

(i) Currency risk

The Group operates primarily in Sweden, Finland, Norway and Denmark, and has a limited exposure to currency risks. The currency exposure that arises is primarily in relation to the Euro, Norwegian kroner and Danish krone (EUR, NOK and DKK). Currency risk arises from future business transactions, recognised assets and liabilities, and net investments in foreign business operations. The Group has a number of holdings in foreign business operations whose net assets are exposed to currency risks.

If the average SEK FX rate had strengthened/weakened by 10 percent in relation to the EUR with all other variables constant, the recalculated annual result as of 31 December 2020 would have been affected by approximately MSEK 5. The same effect had been MSEK 1 for NOK and MSEK 2 for DKK. The effect on equity from a change in the exchange rate of 10% on the balance sheet date had been MSEK 32 for EUR, MSEK 13 for NOK and MSEK 3 for DKK.

No table of currency exposure per balance sheet item is included, as the balance sheets of the foreign subsidiaries do not have material significance to the Group.

(ii) Interest rate risk relating to cash flows and fair values

The Group's interest rate risk arises from long-term borrowing. Borrowing made at variable interest rates expose the Group to interest rate risk with respect to cash flow, which is partially offset by cash at variable interest rates. Fixed-rate borrowing exposes the Group to interest rate risk relating to fair value. In 2020, the Group's borrowing at variable interest rates consisted of Swedish kronor and Norwegian kroner. The Group has all material borrowing linked to STIBOR 3M plus an interest rate premium until 2022.

Simulations performed show that the recalculated effect on the profit/loss of a change in STIBOR of one percentage point would be a maximum increase/ decrease of MSEK 21.

Credit risk

Credit risk is managed at Group level, with the exception of credit risk regarding outstanding accounts receivable and receivables related to transporters. Each group company is responsible for following up and analysing the credit risk for each new customer before the standard payment and delivery terms are offered. Credit risk arises primarily through cash and cash equivalents and cash at banks and financial institutions. The Group's receivables are kept in a few banks from which loans to the Group are also made. No credit limits were exceeded during the reporting period and Group Management does not expect

any losses as a result of non-payment by counterparties other than customers and transporters.

Liquidity risk

Cash flow forecasts are prepared by Group Finance. Group Finance monitors rolling forecasts for the Group's liquidity reserves to ensure that the Group has sufficient cash on hand to meet the needs of its operations.

Excess liquidity in the Group's operating companies, exceeding the portion required to manage working capital needs, is managed through the Group's Multi-Currency Cash Pool. By means of this, the Group invests excess liquidity in interest bearing settlement accounts.

The following table analyses the Group's financial liabilities, broken down by time remaining at the end of the reporting period until the contractual maturity date. The amounts stated in the table are the contractual, undiscounted cash flows including interest.

Capital management

The Group's objective when managing the capital structure is to safeguard the Group's ability continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to keep down the cost of capital. In order to maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, raise and repay loans, repay capital to shareholders, issue new shares or sell assets in order to reduce liabilities.

The Group's capital management aims to manage seasonal variations in the working capital and maintain space to manoeuvre for acquisitions and strategic initiatives in a cost-effective way.

Net debt/Adjusted EBITDA

SEK M	2020-12-31	2019-12-31
Cash and cash equivalents	298.2	356.6
Current interest-bearing receivables	10.3	29.4
Non-current interest-bearing receivables	6.0	11.5
Non-current interest-bearing liabilities	1,972.9	2,008.6
Current interest-bearing liabilities	114.0	61.8
Net debt	1,772.4	1,672.8
Operating profit/loss	-124.5	-158.0
Depreciation on non-current assets	114.5	105.3
Amortisation on excess values from acquisitions	60.2	138.9
Impairment of excess values from acquisitions	19.4	124.1
Items affecting comparability	81.7	96.7
Adjusted EBITDA	151.3	307.0
Net debt/Adjusted EBITDA	11.7	5.5

Calculation of fair value

The table below shows financial instruments measured at fair value based on the classification of the fair value hierarchy. The different levels are defined as follows:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Other observable data for the asset or liabilities other than listed prices included in Level 1, either directly (i.e. as price quotes) or indirectly (i.e. derived from price quotes) (Level 2).
- Data for the asset or liability that is not based on observable market data (i.e. non-observable data) (Level 3).

Financial liabilities

2019-12-31 SEK M	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities to credit institutions	126.9	4.2	5.7	5.7	-
Bond loans	34.5	102.6	136.8	1936.8	-
Accounts payable	102.5	-	-	-	-
Contingent earn-outs	5.0	12.6	15.1	15.5	-
Lease liability	15.0	44.8	41.1	41.2	15.5
Total	283.9	164.2	198.7	1999.2	15.5

2020-12-31 SEK M	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities to credit institutions	1.5	4.4	129.5	-	-
Bond loans	38.3	114.8	136.8	1940.3	-
Accounts payable	42.9	35.2	35.2	-	-
Contingent earn-outs	4.2	12.5	14.8	-	-
Lease liability	10.0	30.0	22.1	27.3	7.5
Total	96.9	196.8	338.3	1967.6	7.5

As of 31 December 2020, the Group had financial liabilities valued at fair value through profit or loss at Level 3 consisting of contingent earn-outs amounting to MSEK 31.5 (48.2). The following table shows the changes for financial instruments at Level 3 in 2019-2020:

Contingent earn-outs in conjunction with business combinations

SEK M	2020	2019
Opening balance	48.2	14.3
Contingent earn-outs paid	-18.9	-24.3
Additional contingent earn-outs in connection with business combinations	-	58.0
Translation difference	2.2	0.2
Closing balance	31.5	48.2

Important accounting estimates and judgements

Estimates and judgements are continuously evaluated and based on historical experience and expectations of future events. The Group makes estimates and assumptions about the future. The accounting estimates resulting from these will, by definition, seldom correspond with the actual outcomes. The estimates that involve a material risk of significant adjustments in the carrying amounts of assets and liabilities in the next financial year are discussed below.

Impairment testing of goodwill

Each year, and when there are impairment indications, the Group tests whether any need for impairing goodwill exists. The recoverable amount for cash-generating units has been determined through calculation of value in use. Also see Note 9.

Impairment testing of intangible assets excluding goodwill

Intangible assets that are amortised are impairment tested whenever events or changes in conditions indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the amount at which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs for disposal and its value in use.

Measurement of loss carry-forwards

Each year the Group examines whether it is appropriate to capitalise newly arising and test existing, deferred tax assets relating to the tax loss carry-forwards for the year or previous years. Deferred tax assets are recognised for tax loss carry-forwards only where it is likely that they can be utilized against future taxable profits and against taxable temporary differences. For more information on deferred tax assets, see Note 12.

Accounting of the principal

The Group continuously assesses certain revenue transactions to judge whether the Group acts as an agent or principal. This overall assessment is based on several indications such as whether the company has or does not have primary responsibility for providing services, whether the company can affect the pricing, and whether the company bears the credit risk for the customer's payment. Presently, the company acts as a principal in terms of revenue for transport services.

The company has assessed that it has the primary responsibility for ensuring that the service is delivered. When a customer has comments on the price or quality of a trip, the customer turns to

Cabonline or one of its brands, such as Taxi Kurir, Sverigetaxi, Top-Cab, etc., rather than to the transporter. The price of the trip is determined by the Cabonline Group, insofar as the tariffs and fixed prices are set by the Group. Even in the cases where the Group's companies participate in public procurement, Cabonline Group decides what price is to be tendered. The Group's fees vis-à-vis the transporters are primarily based primarily on fixed fees and are not commission-based, even though there are variable components in the fees. The credit risk is borne by Cabonline Group, to a certain extent. This applies primarily to transport services performed against invoices. On the other hand, the Group has a limited credit risk when credit/debit cards are used for payments.

The assessment that the Group acts as the principal is based on the fact that the Group has the primary responsibility for delivering the service, that the company can affect the price charged, that compensation is not primarily commission-based, and that to some extent the Group bears the credit risk. If this assessment were to be amended, the revenue would decrease by approximately SEK 3.3 billion (5.1) The costs would decrease to the same extent, and this is why the Group's net profit/loss would be unaffected by such a change of accounting policy.

Note 2 Segment overview

* pre mgmnt fee

SEK M	2020	2019	Change,%	SEK M	2020	2019	Change,%
Revenues (external)				Adjusted EBITA*			
Sweden	3,201.4	4,998.9	-36%	Sweden	215.1	365.0	-41%
Norway	499.0	800.6	-38%	Norway	10.8	12.0	-10%
Finland	216.3	346.2	-38%	Finland	-43.4	-41.7	4%
Denmark	234.0	311.8	-25%	Denmark	-8.3	-1.1	630%
Other	20.9	33.0	-37%	Other	-137.2	-132.5	4%
Total	4,171.5	6,490.1	-36%	Total	36.8	201.7	-82%
-whereof Transport revenue				Management fee			
Sweden	2,710.3	4,359.0	-38%	Sweden	-140.5	-327.0	-57%
Norway	432.7	724.9	-40%	Norway	-	-	-
Finland	188.5	324.0	-42%	Finland	-	-	-
Denmark	202.9	283.8	-29%	Denmark	-	-	-
Other	-	-	-	Other	140.5	327.0	-57%
Total	3,534.3	5,691.2	-38%	Total	-	-	-
-whereof Contract revenue				Adjusted EBITA			
Sweden	443.7	582.5	-24%	Sweden	74.5	38.0	96%
Norway	62.0	74.3	-17%	Norway	10.8	12.0	-10%
Finland	16.7	11.1	51%	Finland	-43.4	-41.7	4%
Denmark	29.5	25.9	14%	Denmark	-8.3	-1.1	-
Other	-	-	-	Other	3.3	194.5	-98%
Total	551.9	693.8	-20%	Total	36.8	201.7	-82%
-whereof Other revenue				Items affecting comparability			
Sweden	47.4	57.4	-17%	Sweden	-13.2	-11.2	18%
Norway	4.4	1.4	204%	Norway	-	-0.7	-100%
Finland	11.0	11.1	-1%	Finland	-3.4	-0.9	283%
Denmark	1.7	2.1	-20%	Denmark	-	-	-
Other	20.9	33.0	-37%	Other	-65.0	-84.0	-23%
Total	85.3	105.0	-19%	Total	-81.7	-96.7	-16%
Adjusted EBITDA*				EBITA			
Sweden	241.3	395.8	-39%	Sweden	61.3	26.8	129%
Norway	15.0	16.5	-9%	Norway	10.8	11.4	-5%
Finland	-11.4	-10.7	7%	Finland	-46.9	-42.6	10%
Denmark	-4.9	0.7	-762%	Denmark	-8.3	-1.1	630%
Other	-88.6	-95.3	-7%	Other	-61.7	110.5	-156%
Total	151.3	307.0	-51%	Total	-44.9	105.0	-143%
Depreciations				EBIT			
Sweden	-26.2	-30.8	-15%	Sweden	19.7	-80.5	-124%
Norway	-4.2	-4.4	-5%	Norway	6.4	-6.1	-204%
Finland	-32.0	-31.0	3%	Finland	-46.9	-171.9	-73%
Denmark	-3.4	-1.9	-	Denmark	-22.5	-10.0	125%
Other	-48.6	-37.2	31%	Other	-81.1	110.5	-173%
Total	-114.5	-105.3	9%	Total	-124.5	-158.0	-21%

Cabonline's business operations are divided by geographical areas. The Group operates in Sweden, Norway and Finland and Denmark. Segment Other includes Customer Service, central support functions, predominantly with internal revenues.

Segment information is based on the same accounting policies as the Group as a whole. Transactions between segments are made on market terms. Central governance and reporting concepts are net revenue, EBITA and adjusted EBITA, i.e. before items affecting comparability, as well as EBIT. For the distribution of goodwill, see Note 9.

Note 3 Revenues

Revenue by segment

SEK M	2020	2019
Sweden	3,201.4	4,998.9
Norway	499.0	800.6
Finland	216.3	346.2
Denmark	234.0	311.8
Other:	20.9	33.0
Total	4,171.5	6,490.1

Revenue by type of income

SEK M	2020	2018
Transport revenue	3,534.3	5,691.2
Contract revenue	551.9	693.8
Other revenue	85.3	105.0
Total	4,171.5	6,490.1

Note 4 Auditors' fees

MSEK	2020	2019
EY		
Audit services	-3.6	-6.7
Other services	-0.5	-0.2
Total	-4.1	-6.9
Other auditors in subsidiaries		
Audit services	0.0	-0.2
Other services	-0.3	-0.0
Total	-0.3	-0.2
Total	-4.4	-7.2

Note 5 Employee benefits

SEK M	2020	2019
Salaries, other remuneration and compensation in the event of termination	383.1	427.7
Social security costs	81.6	90.7
Pension costs – defined contribution plans	22.0	44.5
State support for short term layoffs	-16.5	-
Other personnel costs	7.8	14.3
Total	478.1	577.2

SEK M	2020 financial year			2019 financial year		
	Salaries and other remuneration	Social security costs	Pension costs	Salaries and other remuneration	Social security costs	Pension costs
Board members, CEO and other senior executives	48.1	14.0	7.3	25.3	7.0	4.8
(of which, bonus)	4.5	1.4	-	1.4	0.4	-
Other employees	335.0	67.6	14.7	402.5	83.7	39.6
Total	383.1	81.6	22.0	427.7	90.7	44.5

Note 5 Employee benefits, cont.

2020 financial year

SEK K	Salaries and other remuneration	Bonus	Pension	Total remuneration
Carl Haring, board member until 2020-09-26	-	-	-	-
James Mitchell, board member	-	-	-	-
Jon Risfelt, styrelseordförande until 2020-09-26	574	-	-	574
Andreas Rosenlew, board member until 2020-09-26	164	-	-	164
Anna Söderblom, board member	322	-	-	322
John Harper, board member from 2020-09-26	-	-	-	-
Peter Viinapuu, CEO until 2020-09-28	7,883	-	1,337	9,219
Anneli Lindblom, CEO 2020-09-28--2020-12-08	6,179	-	541	6,720
Dag Kibsgaard-Petersen, CEO from 2020-12-08	294	-	-	294
Other senior executives (11 st)	28,221	4,503	5,424	38,148
Total	43,636	4,503	7,302	55,441

2019 financial year

kSEK	Salaries and other remuneration	Bonus	Pension	Total remuneration
Carl Haring, board member	-	-	-	-
James Mitchell, board member	-	-	-	-
Jon Risfelt, styrelseordförande	723	-	-	723
Andreas Rosenlew, board member	200	-	-	200
Anna Söderblom, board member	287	-	-	287
Peter Viinapuu, CEO	2,979	269	740	3,989
Other senior executives (13 st)	19,737	1,083	4,092	24,913
Total	23,927	1,353	4,832	30,112

Should notice of employment termination be served by the company to the CEO, the notice period is 18 months, and should the CEO serve notice of resignation, the notice period is 8 months. The company is entitled to demand a non-compete agreement of 18 months for the CEO. In the event the CEO resigns, no severance pay will be paid out. Between the company and other members of senior management, a mutual notice period of 6-18 months applies. In the event a member of senior management resigns on their own accord, no severance pay will be paid out.

Directors' fees of KSEK 700 payable to the Chairman of the Board and KSEK 233 to other Board members who are independent of the principal owner. In addition, fees of KSEK 100 - are payable to the Chairman of the Audit Committee and fees of KSEK 60 are payable to each other committee member. Fees of KSEK 50 are payable to the Chairman of the Remuneration Committee and fees of KSEK 20 are payable to each other member of the Remuneration Committee.

Note 5 Employee benefits, cont.

Average number of employees			Gender distribution in the Group			
	2020	2019	2020-12-31		2019-12-31	
			No at balance date	of whom women	No at balance date	of whom women
Group	809	1 093				
of whom, men	463	715				
of whom, women	346	378				
Sweden	469	498				
of whom, men	256	287				
of whom, women	213	211				
Norway	31	33				
of whom, men	16	16				
of whom, women	15	17				
Finland	172	432				
of whom, men	141	378				
of whom, women	31	54				
Latvia	110	102				
of whom, men	39	23				
of whom, women	71	79				
Denmark	27	28				
of whom, men	11	11				
of whom, women	16	17				
			7	2	15	4
Total						
Board members			3	1	5	1
CEO and Other senior executives			4	1	10	3

Note 6 Participation in associated companies

	Book value	
SEK M	2020	2019
Participation in associated companies	1.5	1.5
Total	1.5	1.5

Taxipoolen SveDan A/S, previously an associated company headquartered in Denmark, was consolidated as a subsidiary in 2019 as Cabonline controls 59% of the shares and voting rights after the acquisition of the Danish operations. During 2020 have Taxipoolen SveDan A/S been liquidated.

Note 7 Financial income and expenses

SEK M	2020	2019
- Interest income	1.4	2.2
- Other financial income	0.2	0.5
- Exchange rate differences	6.9	14.7
Financial income	8.5	17.4
- Interest expenses for loans from credit institutions	-6.9	-3.5
- Interest expenses, bond loans*)	-180.5	-108.0
- Interest expenses, financial leases	-3.2	-4.1
- Other financial expenses	-9.7	-12.5
- Exchange rate differences	-5.6	-9.2
Financial expenses	-205.9	-137.3
Profit/loss from financial items	-197.4	-119.8

All financial assets are valued at amortised cost and all financial costs relate to financial liabilities valued at amortised cost.

*) The amount for 2020 includes interest compensation and fees of MSEK 25.0 for early redemption of the bond

*) The amount for 2019 includes interest compensation and fees of MSEK 18.5 for early redemption of the bond.

Note 8 Tax on net profit/loss for the year

SEK M	2020	2019
Current tax	-13.0	-21.2
Adjustment relating to previous years	0.0	0.0
Deferred tax	17.7	39.7
Income tax	4.7	18.6

Income tax on the Group's pre-tax profit/loss differs from the theoretical amount that would have arisen when using the Parent Company's tax rate for the profit/loss of the consolidated companies as follows:

SEK M	2020 Per cent	2020 Amount	2019 Per cent	2019 Amount
Profit/loss before tax		-321.8		-277.9
Tax according to applicable tax rate for the Parent Company	21.4%	68.9	21.4%	59.5
Effect of other tax rates for non-Swedish subsidiaries	-	-0.7	-1%	-2.5
Non-taxable revenues	-	1.4	-	0.3
Non-deductible expenses	-16%	-52.9	-9%	-24.9
Loss carry-forwards not recognised in the balance sheet	-4%	-12.5	-5%	-13.9
Tax attributable to preceding years	-	0.4	-	0.1
Re-measurement of deferred tax	-	0.1	-	0.2
Recognised effective tax	1%	4.7	7%	18.6

Note 9 Intangible assets

2019 financial year

SEK M	Own-developed intangible assets	Goodwill	Trademarks, licenses and similar rights	Agreements with transporters	Other	Total
Opening balance	81.5	1,320.3	146.7	144.9	-	1,693.4
Increase through business combinations	-	8.7	-	86.7	-	95.4
Divestment/scrapping	-0.5	-	-	-	-	-0.5
Investments for the year	32.7	-	6.1	-	-	38.8
Depreciation/amortisation for the year	-29.7	-1.3	-20.0	-119.3	-	-170.3
Impairment losses and write downs during the year	-	-54.1	-70.9	-	-	-125.0
Translation differences during the year	-	4.3	2.0	-0.6	0.1	5.8
Closing balance	84.0	1 277.9	63.9	111.6	0.1	1 537.5

At 31 December 2019

Investment value	176.3	1,485.1	198.1	639.6	6.5	2,505.7
Accumulated amortisation and impairment	-92.3	-207.2	-134.2	-528.0	-6.5	-968.1
Closing balance	84.0	1,277.9	63.9	111.6	0.0	1,537.5

2020 financial year

SEK M	Own-developed intangible assets	Goodwill	Trademarks, licenses and similar rights	Agreements with transporters	Other	Total
Opening balance	84.0	1,277.9	63.9	111.6	-	1,537.5
Divestment/scrapping	-1.2	-0.0	-	-	-	-1.2
Investments for the year	18.7	-	0.2	-	-	19.0
Depreciation/amortisation for the year	-37.3	-	-12.9	-47.6	-	-97.8
Impairment losses and write downs during the year	-6.5	-20.8	-2.2	0.0	-	-29.5
Translation differences during the year	-0.1	-8.9	-0.1	-1.9	-	-11.0
Closing balance	57.6	1 248.2	49.0	62.1	-	1 417.0

At 31 December 2020

Investment value	193.8	1,476.2	198.2	637.8	-	2,505.9
Accumulated amortisation and impairment	-136.2	-227.9	-149.2	-575.6	-	-1,089.0
Closing balance	57.6	1,248.2	49.0	62.1	-	1,417.0

Intangible assets by country

	2020	2019
Sweden	1,282.2	1,365.9
Norway	83.2	97.2
Finland	6.3	14.0
Denmark	45.3	60.4
Closing balance	1,417.0	1,537.5

Note 9 Intangible assets, cont.

Goodwill, change per segment

MSEK	Opening carrying amount	Acquisitions	Sales	Impairment	Translation effects and other adjustments	Closing carrying amount
Sweden	1,181.3	4.2	-	-	-0.5	1,185.0
Norway	83.8	4.5	-	-	2.8	91.1
Finland	55.2	-	-	-54.1	0.8	1.9
At 31 december 2019	1320.3	8.7	-	-54.1	3.0	1277.9
Sweden	1,185.0	-	-	-19.0	-	1,166.0
Norway	91.1	-	-	-	-8.9	82.2
Finland	1.9	-	-	-1.8	-	0.1
At 31 december 2020	1277.9	-	-	-20.8	-8.9	1248.2

Impairment testing of goodwill

Management assesses the performance of the business based on geographic region (Group operating segments). The company has identified Sweden and Norway, as its primary geographical areas with goodwill to the segment. Goodwill is overseen by Management at the business segment level, and as a result of the review of impairment requirements, in 2020 the company recognised impairment losses of the remaining goodwill from the acquisition of Taxi System Scandinavia AB amounting to MSEK 19 as the recoverable amount was deemed lower than the carrying value. The recoverable amount for a cash-generating unit (CGU, for the Group's operating segments) has been determined based on calculations of value in use. These calculations are based on estimated future cash flows before tax, using long-term forecasts approved by Management and cover a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate according to the data below. The growth rate does not exceed the long-term growth rate of the market in which the

affected CGU operates. The company conducted a sensitivity analysis of the following variables when impairment testing goodwill: discount interest rate and growth rate. There is no material goodwill related to the segment Finland and Denmark at the closing date.

The sensitivity analysis shows that there are adequate margins in segments Sweden and Norway. The analysis shows that a reduction of 1 per cent in long-term growth would negatively impact the total value by about MSEK 140 for segment Sweden and MSEK 10 for Norway. An increase in the discount rate of 1 per cent will negatively impact the total value by approximately MSEK 200 for segment Sweden and MSEK 15 for Norway. Taking into account that the calculated value is higher than the book value by approximately MSEK 760, it shows good margins.

For each CGU to which a significant goodwill amount and intangible assets have been allocated, the significant assumptions, long-term growth rate and discount rate used when value in use was calculated are stated below.

At 31 december 2019	Sweden	Norway	Finland	Denmark
Tax rate	21.4%	23.0%	20.0%	22.0%
Long-term growth rate	2.0%	2.0%	2.0%	2.0%
Discount interest rate before tax	8.5%	8.5%	9.0%	8.5%
At 31 december 2020	Sweden	Norway	Finland	Denmark
Tax rate	21.4%	23.0%	20.0%	22.0%
Long-term growth rate	2.0%	2.0%	2.0%	2.0%
Discount interest rate before tax	10.2%	10.2%	10.2%	10.2%

Note 10 Tangible non-current assets

2019 financial year				
SEK M	Equipment	Leased premises	Leased vehicles	Total
Opening balance	76.9	-	96.1	173.1
Additional leasing agreements in accordance with IFRS 16, transition effects 1 January 2019	-	87.0	-	87.0
Increase through business combinations	9.6	-	-	9.6
Outgoing agreements 1 January 2019, IFRS 16 transition effects Sub-lease reporting	-	-	-118.1	-118.1
Divestments and scrapping - acquisitions	-15.9	-	-29.1	-45.0
Investments for the year/additional agreements	36.3	28.3	19.6	84.2
Depreciation/amortisation for the year	-33.1	-23.6	-15.9	-72.6
Depreciation, Outgoing agreements IFRS 16 transition effects Sub-lease reporting	-	-	66.1	66.1
Divestments and scrapping - Depreciation	-	-	8.6	8.6
Translation differences during the year	-0.9	-	-	-0.9
Closing balance	72.9	91.7	27.3	191.9
At 31 December 2019				
Investment value	218.9	115.3	48.2	382.4
Accumulated depreciations	-145.4	-23.6	-20.9	-189.9
Accumulated write downs	-0.5	-	-	-0.5
Closing balance at 31 December 2019	72.9	91.7	27.3	191.9
2020 financial year				
SEK M	Equipment	Leased premises	Leased vehicles	Total
Opening balance	72.9	91.7	27.3	191.9
Divestments and scrapping - acquisitions	-33.6	-7.1	-14.4	-55.1
Investments for the year/additional agreements	10.1	0.6	3.1	13.8
Depreciation/amortisation for the year	-29.3	-24.9	-14.2	-68.4
Divestments and scrapping - Depreciation	24.6	3.6	13.7	41.9
Translation differences during the year	-3.4	-	-	-3.4
Closing balance	41.3	64.0	15.4	120.7
At 31 December 2020				
Investment value	192.0	108.8	36.9	337.7
Accumulated depreciations	-150.2	-44.8	-21.5	-216.5
Accumulated write downs	-0.5	-	-	-0.5
Closing balance at 31 December 2020	41.3	64.0	15.4	120.7

Tangible assets by country	2020	2019
Sweden	63.3	94.3
Norway	12.9	16.4
Finland	37.2	74.6
Denmark	7.3	6.6
Closing balance	120.7	191.9

Note 11 Other financial assets

MSEK	2020-12-31	2019-12-31
Long-term interest-bearing receivables for sub-leasing of vehicles	6.0	11.5
Other non-current receivables	7.1	7.0
Total	13.1	18.5
Other non-current receivables:		
Deposits/Guarantees	6.3	6.1
Other items	0.8	0.9
Other items	7.1	7.0

Note 12 Deferred tax

Changes in deferred tax assets and liabilities during the year, regardless of offsetting effected within the same tax jurisdiction, are shown below.

Deferred tax liabilities, 31 December 2019

SEK M	Untaxed reserves	Other intangible assets excl. goodwill	Total
Opening balance	-22.2	-62.3	-84.5
Recognised in profit or loss	-4.4	44.6	40.2
Increase through business combinations	0.0	-17.9	-17.9
Exchange-rate difference	0.4	-0.7	-0.3
Reclassification	-	-	-
Total	-26.2	-36.3	-62.5

Deferred tax liabilities, 31 December 2020

SEK M	Untaxed reserves	Other intangible assets excl. goodwill	Total
Opening balance	-26.2	-36.3	-62.5
Recognised in profit or loss	4.9	13.5	18.4
Exchange-rate difference	-	-0.7	-0.7
Reclassification	-	-	0.0
Total	-21.2	-23.5	-44.8

Deferred tax assets, 31 December 2019

SEK M	Untaxed reserves	Other intangible assets excl. goodwill	Total
Opening balance	5.2	4.1	9.3
Recognised in profit or loss	-1.5	1.1	-0.5
Increase through business combinations	0.5	-	0.5
Exchange-rate difference	0.2	-1.0	-0.8
Reclassification	-	-2.4	-2.4
Total	4.4	1.7	6.1

Total deferred tax 2019 **-56.4**

Deferred tax assets, 31 December 2020

SEK M	Untaxed reserves	Other intangible assets excl. goodwill	Total
Opening balance	4.4	1.7	6.1
Recognised in profit or loss	-0.7	-	-0.7
Exchange-rate difference	-0.5	-	-0.5
Reclassification	-	-0.5	-0.5
Total	3.2	1.2	4.4
Total deferred tax 2020			-40.4

Note 12 Deferred tax, cont.

Deferred tax assets are reported as tax loss carry-forwards, to the extent that they are likely to be utilised via future taxable profits. There are no reported deferred tax assets attributable to the loss carry-forwards in Finland and Denmark. The tax loss carry-forwards in Norway amounted to MSEK 12,6 (16.7), of which tax effects accounted for MSEK 2.8 (3.9) and for Sweden the tax loss carry-forwards amounted to MSEK 0.0 (2.5) of which tax effects accounted

for MSEK 0.0 (0.5) and are expected to be used successively during the financial years ahead.

Unrecognised tax loss carry-forwards in Finland amounted to MSEK 130, in Sweden to MSEK 11.4 and in Denmark MSEK 1,2. The time limit is 10 years in Finland and there are no time restrictions regarding the carryforwards loss in Sweden and Denmark.

Note 13 Financial instruments by category

The Group's financial assets and liabilities are presented in the table below, recognised at carrying amounts and fair value, respectively, and are classified in categories according to IFRS 9.

Measurement of financial assets and liabilities at 31 December 2020

SEK M	Financial assets/liabilities measured at fair value through P/L	Financial assets/liabilities measured at amortised cost	Total book value	Total fair value
Assets in the balance sheet				
Lease receivables	-	16.7	16.7	16.7
Accounts receivable	-	133.2	133.2	133.2
Other receivables	-	9.8	9.8	9.8
Contract assets	-	58.6	58.6	58.6
Short-term investments	-	-	-	-
Cash and cash equivalents	-	298.2	298.2	298.2
Total	-	516.3	516.3	516.3
Liabilities in the balance sheet				
Liabilities to credit institutions	-	135.4	135.4	135.4
Bond loans	-	1,788.2	1,788.2	1,788.2
Lease liabilities	-	92.8	92.8	92.8
Accounts payable	-	42.9	42.9	42.9
Contingent earn-outs (Valuation level 3)	31.5	-	31.5	31.5
Total	31.5	2,059.4	2,090.9	2,090.9

The assets' maximum credit risk comprises the net of the carrying amounts shown in the table above. The Group has not received any pledged assets for its financial net assets.

For 2019 and 2020, the majority of the contingent earn-outs is made up of the estimated value of future fee reductions for the sellers of Taxi 4x27 in Denmark, and to a lesser extent it comprises the bonus/additional payment after 48 months from the date of the acquisition. The maximum amount that can be payable to the seller is approximately MSEK 36.

Note 13 Financial instruments by category, cont.

Measurement of financial assets and liabilities at 31 December 2019

SEK M	Financial assets/liabilities measured at fair value through P/L	Financial assets/liabilities measured at amortised cost	Total book value	Total fair value
Assets in the balance sheet				
Lease receivables	-	28.2	28.2	28.2
Accounts receivable	-	270.5	270.5	270.5
Other receivables	-	57.0	57.0	57.0
Contract assets	-	97.1	97.1	97.1
Short-term investments	-	2.4	2.4	2.4
Cash and cash equivalents	-	356.6	356.6	356.6
Total	-	811.9	811.9	811.9
Liabilities in the balance sheet				
Liabilities to credit institutions	-	141.7	141.7	141.7
Bond loans	-	1,780.6	1,780.6	1,780.6
Lease liabilities	-	148.1	148.1	148.1
Accounts payable	-	102.5	102.5	102.5
Contingent earn-outs (Valuation level 3)	48.2	-	48.2	48.2
Total	48.2	2,172.9	2,221.0	2,221.0

Note 14 Inventories

SEK M	2020-12-31	2019-12-31
Finished goods and products in progress	3.6	3.5
Total	3.6	3.5

Note 15 Accounts receivable

SEK M	2020-12-31	2019-12-31
Accounts receivable	142.4	275.6
Minus: Reserve for expected credit losses	-9.3	-5.0
Accounts receivable, net	133.2	270.5

Receivables mainly comprise accounts receivable, for which the Group has chosen to apply the simplified approach for recognition of expected credit losses. This entails that a provision is made for the remaining term of expected credit losses, which is expected to be

less than one year for all receivables. Cabonline applies a rating-based method combined with other known information and prospective factors for assessing expected credit losses on the basis of probability of default, expected loss and exposure to default. Cabonline has defined default as when payment of a receivable is delayed by 90 days or more, or when other factors indicate that payments have been suspended. Cabonline divides its accounts receivable into segments based on counterparty: receivables from municipalities/county councils and other receivables. The customers in the various groups have similar risk profiles, which is why the credit risk is initially assessed collectively for all customers in the various groups.

Note 15 Accounts receivables, cont.

Most of the Group's accounts receivable have municipalities/county councils as the counterparty and these have a high creditworthiness, thus the risk of loan losses is considered to be insignificant. For this reason, the Group has not posted any provision for expected credit losses on receivables that are not past due. Potential large individual receivables and past due receivables are assessed individually. The Group writes off receivables when there is no longer any expectation of receiving payment and when active measures to obtain payment have ended.

According to the simplified method, the provision for expected credit losses also includes contract assets. As per the balance sheet date, no material increase in credit risk is considered to have arisen for any financial asset recognised at amortised cost.

As of 31 December 2020, accounts receivable after deductions for expected credit losses amounted to MSEK 133.2 (270.5), the age analysis of these is as follows:

SEK M	2020-12-31	2019-12-31
Not past due	114.3	178.2
Past due 1-30 days	16.0	55.1
Past due 31-60 days	0.8	8.2
Past due 61-90 days	0.3	6.5
Past due more than 90 days	1.8	22.4
Total	133.2	270.5

Of which, provision for expected credit losses

SEK M	2020-12-31	2019-12-31
Not past due	-	0.059
Past due 1-30 days	-	0.2
Past due more than 30 days	9.3	4.8
Total	9.3	5.0

Note 16 Prepaid expenses and accrued income

SEK M	2020-12-31	2019-12-31
Prepaid service fees	0.4	0.9
Prepaid rent	6.0	7.1
Other prepaid expenses	18.0	13.5
Accrued income/ Contract assets	58.6	97.1
Total	83.0	118.6

Provisions for expected credit losses for contract assets are made in accordance with the description in note 15.

SEK M	2020-12-31	2019-12-31
SEK	78.8	183.4
NOK	38.9	59.8
EUR	10.8	16.4
DKK	4.6	10.9
Total	133.2	270.5

Provisions for the respective reversals of provisions for doubtful receivables are included in the Other external expenses item in profit and loss. Changes in the provision for expected credit losses are as follows:

SEK M	2020-12-31	2019-12-31
Opening balance	5.0	7.2
Acquired doubtful receivables	-	-
Provision for expected credit losses	4.3	2.8
Reclassifications	-	-5.0
Closing balance	9.3	5.0

Note 17 Short-term investments and cash and cash equivalents

SEK M	2020-12-31	2019-12-31
Bonds and funds	-	2.4
Short-term investments	-	2.4
<i>The following subcomponents make up cash and cash equivalents:</i>		
Balances at banks	298.2	356.6
Cash and cash equivalents	298.2	356.6

Of the bank balances MSEK 5.6 (27.0) consists of pledged bank deposits.

Note 18 Share capital, other contributed capital and reserves

SEK M	Number of shares (thousands)	Share capital	Other paid-in capital	Reserves	Total
At 31 December 2018	355,568	3.6	385.5	4.3	393.3
Change during the year	-	-	-	1.9	1.9
At 31 December 2019	355,568	3.6	385.5	6.2	395.2
Change during the year	-	-	-	-10.1	-10.1
At 31 December 2020	355,568	3.6	385.5	-3.9	385.1

SEK M	2020	2019
Net profit/loss for the year attributable to the shareholders of the Parent Company	-318.0	-260.0
Dividends/interest preference shares	-48.0	-48.0
Profit/loss for the period attributable to class A and class B shares	-366.0	-308.0
Number of class A shares	33,779,007	33,779,007
Number of class B shares	1,777,842	1,777,842
Number of outstanding class A+B	35,556,849	35,556,849
Earnings per share before dilution, SEK	-10.29	-8.66
Earnings per share after dilution, SEK	-10.29	-8.66

Share capital consists of 33,779,007 class A shares, 1,777,842 class B shares and 320,011,644 preference shares with a quota value of SEK 0.01 per share. The class A shares have two votes, while the class B shares and the preference shares have one vote each. Preference shares shall be entitled, with preferential rights in respect of ordinary shares (class A shares and class B shares), to an accumulated annual dividend per share, when paid, corresponding to fifteen (15) per cent of the cost per preference share and until the end of 2025. The inherent index yield on preference shares amounted to MSEK 275.0 (227.0) at the end of the period. The preference shares' right to future dividends equals MSEK 275.0 (227.0).

Note 19 Interest-bearing liabilities

SEK M	2020-12-31	2019-12-31
Non-current interest-bearing liabilities		
Liabilities to credit institutions	129.5	136.1
Bond loans	1,800.0	1,800.0
Transaction costs for raising loans	-11.8	-19.4
Lease liabilities	55.2	91.9
Total non-current borrowing	1,972.9	2,008.6
Current interest-bearing liabilities		
Liabilities to credit institutions	5.9	5.6
Lease liabilities	37.7	56.2
Deferred taxes and fees	70.4	-
Total current borrowing	114.0	61.8
Total interest-bearing liabilities	2,086.9	2,070.4

During the fourth quarter of 2019 Cabonline carried out a refinancing of outstanding bonds and credit facilities. The bond that would have matured in June 2020 was redeemed and a new bond with a maturity in November 2022 was issued. The bond has a total principal of MSEK 2,200 and as of 31 December 2020 MSEK 1,800 has been used. There are specific covenants for the bond loan that regulate the allowed net debt in relation to adjusted EBITDA performance. Detailed information of the complete terms of the bond is available on the company website.

The bond (ticker: CABO 002) was listed on Nasdaq Stockholm on February 5, 2020. The collateral for the bond consists of the Group's shareholdings in subsidiaries and its trademarks. During the second quarter 2020 did the company negotiate with the bondholders, to adapt the bond terms to the effects from the covid-19 pandemic on the company's operations. The process was completed with new terms 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%. In addition the company drew a revolving credit facility of SEK 125 million during the fourth quarter of 2019, with a maturity of 3 years and an interest rate of STIBOR 3m +4.25%, which replaces the company's earlier bank overdraft of SEK 200 million. At the closing date was the RCF fully utilized.

Note 19 Interest-bearing liabilities, cont.

	2020-12-31		2019-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities to credit institutions	135.4	135.4	141.7	141.7
Bond loans	1,788.2	1,788.2	1780.6	1780.6
Lease liabilities	92.8	92.8	148.1	148.1
Deferred taxes and fees	70.4	70.4	-	-
Total	2,086.9	2,086.9	2,070.4	2,070.4

The fair value of the lease liability is based on discounted cash flows with an interest rate based on the rate stated for the particular lease, in other cases on the borrowing rate, and is in level 2 of the fair value hierarchy. Fair value with regards to the bond loan is based on the price at the close of the period which is level 1 in the fair value hierarchy.

The fair value of short-term borrowing corresponds to its carrying value, as the discount effect is not material.

The Group's exposure, regarding borrowings, to changes in interest rates and contractual dates for interest rate negotiations at the end of the reporting period was as follows:

SEK M	2020-12-31	2019-12-31
6 months or less	2,086.9	2,070.4
More than 6 months	-	-
Total	2,086.9	2,070.4

Note 20 Other non-current liabilities

SEK M	2020-12-31	2019-12-31
Non-current part of additional purchase prices	16.5	30.7
Deposits from transporters	5.4	5.3
Other non-current liabilities	43.2	14.9
Closing balance	65.2	50.9

Note 22 Other disclosures to the cash flow statement

Adjustments for non-cash items, etc

SEK M	2020	2019
- Amortisation of intangible assets	107.1	169.3
- Depreciation of tangible non-current assets	67.6	74.6
- Impairment and write down of intangible assets	19.4	124.1
- Profit/loss from sale of tangible non-current assets	2.6	1.1
- Other non-cash items	-0.2	-0.1
Total	196.5	368.9

Note 21 Accrued expenses and deferred income

SEK M	2020-12-31	2019-12-31
Personnel-related costs	98.4	76.9
Accrued transport costs	152.5	287.9
Other accrued expenses and prepaid income	79.7	73.2
Prepaid income	26.0	22.0
Accrued interest expenses	16.2	7.7
Total	372.8	467.7

Note 23 Subsidiaries

Unless otherwise stated, subsidiaries have a share capital solely consisting of ordinary shares held directly by the Group, and the percentage of shares is the same as the percentage of voting rights. All subsidiaries are consolidated in the Group. The share of voting rights in the subsidiaries directly owned by the parent company do not differ from the ownership of ordinary shares.

2020-12-31

	Corp reg no	Registered office	Shareholding & voting rights
Cabonline Group Holding AB	559002-7156	Stockholm	
— Cabonline Finance 1 AB	559033-9726	Stockholm	100%
— Ixat Group Holding AB	559004-5091	Stockholm	100%
— Ixat Holding AB	559002-7149	Stockholm	100%
— Cabonline Group AB	556552-1183	Stockholm	100%
— Cabonline Stockholm AB	556378-7984	Stockholm	100%
— Taxi Kurir i Stockholm Aktiebolag	556260-6060	Stockholm	100%
— Taxi Kurir Latvia SIA	40003738473	Riga, Latvia	100%
— Cabonline Region Väst AB	556425-0859	Göteborg	100%
— Taxi Väst Aktiebolag	556139-9477	Uddevalla	100%
— Fyrbodal Taxitransporter AB	556977-9282	Uddevalla	100%
— Cabonline Region Syd AB	556391-2681	Malmö	100%
— Taxi Skåne Aktiebolag	556449-8615	Lund	100%
— Taxi Helsingborg Aktiebolag	556103-6913	Helsingborg	100%
— Cabonline Region Mitt AB	556443-4347	Uppsala	100%
— Norrtälje Taxi AB	556367-3226	Norrtälje	100%
— Norgestaxi AS	978655521	Oslo	100%
— NorgesTaxi Oslo AS	980403084	Oslo	100%
— NorgesTaxi Stavanger AS	957944493	Stavanger	100%
— Miljøtaxi Stavanger AS	957944493	Stavanger	100%
— NorgesTaxi Trondheim AS	980650170	Trondheim	100%
— NorgesTaxi Bergen AS	979647611	Bergen	100%
— NorgesTaxi Buskerud AS	985336210	Kongsberg	100%
— Cabonline AS	894887192	Oslo	100%
— Sverigetaxi i Stockholm AB	556470-1919	Stockholm	100%
— TOPCAB i Stockholm AB	556673-4355	Stockholm	100%
— Taxi Jönköping Aktiebolag	556426-2847	Jönköping	100%
— Cabonline Technologies AB	556495-5820	Stockholm	100%
— Digitax Sverige AB	556703-3195	Stockholm	100%
— Cabonline Region Norr AB	559002-3247	Umeå	100%
— Taxipass Card Service AB	556873-0658	Umeå	100%
— Umeå Taxi Åkeri AB	556269-0320	Umeå	100%
— Teknikbas Umeå Uppsala AB	556829-6056	Umeå	50%
— Tärnaby Ambulans Aktiebolag	556450-9916	Umeå	100%
— Västerbottens Taxi Aktiebolag	556222-4328	Umeå	66%
— Cabonline Finance 2 AB	559033-9817	Stockholm	100%

Note 23 Subsidiaries, cont.

2020-12-31

	Corp reg no	Registered office	Shareholding & voting rights
Svetax Invest Aktiebolag	556289-9590	Stockholm	100%
— Svetax Taxiförsäkring AB	556657-1674	Stockholm	90%
— Flygtaxi Sverige AB	556329-3074	Stockholm	100%
— Sverigetaxi Service AB	556761-3814	Stockholm	81%
Cabonline Finland OY	2788104-7	Helsingfors	100%
— Kovanen Yhtiöt OY	2840640-8	Helsingfors	100%
— Tilaus 24 h Oy	2113556-1	Helsingfors	100%
— Kovanen Taxi Oy	0587604-4	Helsingfors	100%
— Mankkaan Taksi Oy	1832871-7	Helsingfors	100%
— Kuljetusliike Kajander Oy	0591121-7	Helsingfors	100%
Cabonline Danmark AS	15197382	Köpenhamn	100%
— Taxi 4X27 invest A/S	39169509	Köpenhamn	100%

Not 24 Leasing

Before 2019, agreements regarding leasing of premises and sub-leasing of vehicles to transporters were recognised as operating leases. The Group reported income in 2018 of MSEK 28.2 from operating leasing of vehicles to transporters as well as Other external costs of MSEK 24.1 from operating leasing of premises.

As of the beginning of 2019, leasing has been reported in accordance with IFRS 16 (see Note 1) and sub-leasing is classified as finance leases.

This means that only interest income MSEK 0.6 (0.8) from sub-leasing is recognised in profit or loss and that the discounted value of future payments is recognised as non-current and current interest-bearing receivables.

In 2020, amortisation of the right-of-use assets has been reported in an amount of MSEK -14.2 (-15.9) for vehicles and MSEK -24.9 (-23.6) for premises. Interest expenses have impacted profit/loss in an amount of MSEK -1.0 (-1.6) for vehicles and MSEK -2.2 (-2.5) for premises.

Total cashflow from leasing 2020 was payments made of MSEK 58,7 and received payments of 18,4.

Vehicle leasing and sub-leasing, under the same terms as the lease, have maturities of 2-5 years and an interest rate of 2.5-3.5%. The leasing periods for premises vary between 1 to 5 years and have been discounted using the marginal borrowing rate of 3%.

No material short-term leases (less than one year) or leases of lesser value (under SEK 50 thousand) exist.

Lease flows from 2020 and onwards, payments from sub-leases and payments of leasing fees for vehicles and premises:

2020-12-31, SEK M	Payments received sub-leasing	Lease payments made		Total payments made	Total leasing
		Vehicles	Premises		
Payments in 2020	18.4	-33.5	-25.2	-58.7	-40.3
0-12 months	10.9	-20.6	-19.6	-40.2	-29.3
13-24 months	4.8	-9.6	-12.5	-22.1	-17.3
25-36 months	1.3	-1.8	-9.8	-11.6	-10.4
37-48 months	-	-	-8.6	-8.6	-8.6
49-60 months	-	-	-7.1	-7.1	-7.1
More than 61 months	-	-	-7.5	-7.5	-7.5
Total future payments	17.0	-32.0	-65.1	-97.1	-80.2
Discounted values	16.6	-31.7	-61.0	-92.7	-76.1

Lease flows from 2019 and onwards, payments from sub-leases and payments of leasing fees for vehicles and premises:

2019-12-31, SEK M	Payments received sub-leasing	Lease payments made		Total payments made	Total leasing
		Vehicles	Premises		
Payments in 2019	26.7	-43.6	-24.9	-68.5	-41.8
0-12 months	17.0	-32.2	-27.6	-59.8	-42.8
13-24 months	9.5	-18.4	-22.7	-41.1	-31.6
25-36 months	2.0	-6.4	-14.3	-20.7	-18.7
37-48 months	0.2	-0.6	-10.3	-10.9	-10.7
49-60 months	-	-	-9.5	-9.5	-9.5
More than 61 months	-	-	-15.4	-15.4	-15.4
Total future payments	28.7	-57.6	-99.8	-157.4	-128.7
Discounted values	28.2	-55.8	-92.2	-148.1	-119.9

Note 25 Material business combinations

The following table summarises acquired assets and liabilities assumed that are recognised as per the acquisition date for the acquisition of a company's business operations that has taken place and their effect on cash and cash equivalents.

SEK M	2020			2019		
	No acquisitions			Sweden	Denmark	Total
Intangible assets	-	-	-	0.3	-	0.3
Tangible non-current assets	-	-	-	4.2	6.0	10.2
Financial assets	-	-	-	0.5	-	0.5
Current receivables	-	-	-	25.8	7.0	32.7
Cash and cash equivalents	-	-	-	2.3	-	2.3
Total assets	-	-	-	33.0	13.0	46.0
Deferred tax liabilities	-	-	-	2.5	14.1	16.6
Liabilities to credit institutions	-	-	-	3.0	-	3.0
Current liabilities	-	-	-	31.4	12.3	43.7
Total liabilities and provisions	-	-	-	36.9	26.4	63.3
Total acquired identifiable net assets	-	-	-	-3.8	-13.4	-17.3
Goodwill	-	-	-	-	-	-
Agreements with transporters	-	-	-	11.3	70.9	82.2
- of which deferred tax	-	-	-	2.4	14.1	16.5
Total purchase consideration	-	-	-	7.5	57.4	64.9
- of which earn-outs	-	-	-	1.9	56.1	58.0
Acquired cash and cash equivalents	-	-	-	2.3	-	2.3
Total impact on cash and cash equivalents	-	-	-	-3.3	-1.3	-4.6

No acquisitions were made during 2020.

In May 2019 100% of the shares of Taxi Västerås within segment Sweden and Taxi 4x27 in Denmark were acquired. Taxi Västerås with its 140 cars is a major player in the Västerås area. Taxi 4x27 operates primarily in the Copenhagen area and has some 300 affiliated cars and services in both B2C and B2B.

Both acquisitions have been consolidated from 1 May 2019. From 1 May to 31 December Taxi Västerås contributed SEK 98 million to revenues and SEK -4 million to EBITDA. If Taxi Västerås had been owned from the start of the year to 31 December, it would have contributed some SEK 122 million to revenues and SEK -5 million to EBITDA. A contingent consideration of SEK 2 million conditional to certain profitability measures has been reserved.

From 1 May to 31 December Taxi 4x27 contributed SEK 31.2 million to revenues and SEK 1 million to EBITDA. If the company had been owned from the start of the year to 31 December, it would have contributed SEK 465 million to revenues and SEK 1 million to EBITDA. The main part, SEK 56 million of the acquisition payment of SEK 57 million is paid over 36 months by existing affiliated transporters in Denmark receiving a reduced fixed fee and a conditional additional payment/bonus after 48 months.

Acquired current receivables amount to SEK 32.7 million which are essentially regarded as being settled. None of the goodwill is tax deductible.

For 2019, the contingent considerations for Taxi 4x27 consists of the estimated future fee reductions including a bonus/additional purchase price that is dependent on the number of affiliated vehicles after 48 months. The expected non-discounted amount to be payable to the seller is SEK 56.1 million with a maximum of approximately SEK 63.2 million. The additional purchase price for Taxi Västerås is mainly for guarantees that the operations correspond to the seller's descriptions.

During the fourth quarter two smaller acquisitions have been carried out, Miljøtaxi Stavanger AS in segment Norway and Norrtälje Taxi AB in segment Sweden, the combined payment for both acquisitions amounted to SEK 12 million. No material revenue or profits have been recognised from the two companies. These acquisitions have not been included in the table above.

Acquisitions that took place in 2019 have impacted cash and cash equivalents by SEK -25 million, including the material acquisitions that are reported in the table above amounting to SEK -4.6 million, smaller acquisitions described in the text above in the amount of SEK -9.4 million and contingent considerations paid in 2019 for acquisitions that took place during 2019 of SEK -11 million.

Note 26 Divestment of business operations

No divestment occurred during the financial year.

Note 27 Related-party transactions

Risk Capital Fund H.I.G. Europe Capital Partners II, L.P. (H.I.G. Luxembourg Holdings 56 S.à R.L.) owns 93.5% of the shares of Cabonline Group Holding AB and has controlling influence over the Group. H.I.G. Luxembourg Holdings 56 S.à R.L, org nr B188872, adress 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg submits an annual report. The remaining 6.5% of the shares is owned by the current and previous members of the Board and Group management. Other closely related parties include all subsidiaries within the Group and members of senior management in the Group, i.e. the members of the Board and senior management, and their family members. The company also has a contract with H.I.G. which gives the major owner a certain transaction payment in the event of a sale or similar of the company.

During the year, the Group purchased advisory and Group leadership services from H.I.G Capital in the amount of MSEK 18.5 (16.9).

In accordance with the terms and conditions of the 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. The liability to H.I.G for this amounts to MSEK 39,4 at the balance date.

Note 28 Pledged assets

SEK M	2020-12-31	2019-12-31
Floating charge	88.1	88.1
Pledged bank funds	5.6	27.0
Pledged shares in subsidiaries	433.9	784.6
Pledged operating equipment	-	0.2
Total	527.6	899.8

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

Ixat Group Holding AB, Ixat Holding AB, Cabonline Group AB, Taxi-Kurir i Stockholm Aktiebolag, Sverigetaxi i Stockholm AB, Cabonline Technologies AB, Svetax Invest Aktiebolag, Flygtaxi Sverige AB, Cabonline Finance 1 AB, Cabonline Region Mitt AB, Cabonline Region

Norr AB, Cabonline Region Syd AB, Cabonline Region Väst AB, Cabonline Stockholm AB, Taxi Helsingborg Aktiebolag, Taxi Jönköping Aktiebolag, Taxi Skåne Aktiebolag, Norgestaxi AS, NorgesTaxi Oslo AS, Cabonline Finland OY, Kovanen Yhtiöt OY, Cabonline Danmark AsP.

The calculation of the value of pledged shares in 2019 has been corrected to MSEK 784.6 from the previous 129.0.

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

- i. Corporate mortgages through floating charges in group companies.
- ii Pledge of registered trademarks.

Pledged trademarks are TaxiKurir, Taxi Skåne, 020202020, Taxi card and TaxiFörarnas Yrkesskola. The trademarks have no book values and have not been reported with any amounts.

Note 29 Contingent liabilities

There is no material outstanding Contingent liabilities at December 31, 2020, respectively 2019.

Note 30 Financial liabilities

SEK M	31 Dec 2019	Non-cash items					31 Dec 2020	of which short-term	of which long-term
		Cash impacting items	Business combinations	Financial leases	Accrual of transaction costs	Other/Reclassification/currency effects			
Liabilities for financial leasing	148.1	-55.4	-	-	-	0.1	92.8	37.7	55.2
Liabilities to credit institutions	141.7	-5.7	-	-	-	-0.6	135.4	5.9	129.5
Bond loans	1,780.6	-	-	-	7.6	-	1,788.2	-	1,788.2
Deferred taxes and fees	-	70.4	-	-	-	-	70.4	70.4	-
Total	2,070.4	9.3	-	-	7.6	-0.5	2,086.9	114.0	1,972.9

SEK M	31 Dec 2018	Non-cash items					31 Dec 2019	of which short-term	of which long-term
		Cash impacting items	Business combinations	Financial leases	Accrual of transaction costs	Other/Reclassification/currency effects			
Liabilities for financial leasing	97.6	-64.4	-	114.9	-	-	148.1	56.2	91.9
Liabilities to credit institutions	42.2	102.7	-	-	-	-3.3	141.7	5.6	136.1
Bond loans	1,539.5	230.6	-	-	10.5	-	1,780.6	-	1,780.6
Summa	1,679.3	269.0	0.0	114.9	10.5	-3.3	2,070.4	61.8	2,008.6

Note 31 Impact of Covid-19 and assumptions about continued operation

The COVID-19 pandemic has had, and continues to have, a negative impact on our operations, operating profit and financial position. The continued restrictions also negatively affected travel volumes during the first quarter of 2021. The operations and the financial results for the next few months will remain uncertain. At present, the assessment is that the liquidity is sufficient for at least the next 12 months. Management and the Board continuously monitor the development of the business in this context in order to be able to quickly and efficiently handle any risks and situations that may arise.

Note 32 Significant events after the close of the financial year

Except as mentioned in the section "Impact Covid-19 and assumptions regarding continued operation", have no significant events occurred.

Notes • Parent Company

Note 33 Parent Company's accounting policies

See note 48 for information regarding the owners of the company.

Basis for the preparation of the financial statements

The Annual Report for the Parent Company, Cabonline Group Holding AB, has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 states that in its Annual Reports, the Parent Company shall apply International Financial Reporting Standards (IFRS), as adopted by the EU, to the extent this is possible within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act (Tryg-gandelagen), and with regard to the relationship between accounting and taxation. The Recommendation specifies the exceptions and supplements required in relation to IFRS.

Leasing

The Parent Company applies the exception permitted in RFR 2 concerning leases, whereby the Parent Company recognises a straight-line cost over the period of the lease. The Parent Company thus applies the policies presented in Note 1 of the consolidated financial statements, with the exceptions as set out below. The policies have been consistently applied for all years presented.

Presentation format

The Profit & Loss Statement and Balance Sheet conform to the presentation specified in the Swedish Annual Accounts Act. The statement of changes in equity also complies with the Group's presentation format but also includes the columns specified in the Swedish Annual Accounts Act. Furthermore, this entails a difference in terminology compared to the consolidated financial statements, primarily with regard to financial income and expenses and equity.

Participation in Group companies

Participation in Group companies is recognised at cost less any impairment losses. Cost includes acquisition-related expenses. Where there is an indication that participation in Group companies has decreased in value, the recoverable value is calculated. If this is lower than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in "Gains/losses from ownership in Group companies".

Financial instruments

Due to the relationship between accounting and taxation, the rules on financial instruments in accordance with IFRS 9 are not applied in the Parent Company as a legal entity, the Parent Company applies the cost method in accordance with the Swedish Annual Accounts Act. In the Parent Company, therefore, financial non-current assets are valued at cost and financial current assets as the lower of cost or market, with the write downs for expected credit losses according to IFRS 9 for assets that are debt instruments. Concerning other financial assets impairment losses are based on market values. The Parent Company applies the exception rule not to value financial guarantee agreements for the benefit of subsidiaries and associated companies and joint ventures in accordance with the rules in IFRS 9, and instead applies the policies for valuation in accordance with IAS 37 Provisions, contingent liabilities and contingent assets.

Write-down of intra-group receivables

The Parent Company applies the same write-down method as the Group for expected losses on current and non-current receivables from Group companies. No material increase in credit risk as per the balance sheet date is considered to have arisen for any Group-company receivable. It has been assessed that expected losses would not be material and no provision has therefore been recognized.

Note 34 Group internal revenues and costs

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 17.3) as significant reductions have been made within the Group functions to adapt the company to the effects of the Covid-19 pandemic. All, MSEK 113.6 (86.1) of interest income pertains to intragroup interest. Intra-group interest expenses amounted to MSEK 0.4 (0.4).

Note 35 Fees paid to the auditors

Fees for audit services are recognised in the subsidiary Cabonline Group AB.

Note 36 Salaries and remuneration

2020

SEK M	Board members, CEO and other senior executives	Other employees	Total
Salaries and other remuneration	14,6	1,1	15,7
– (of which, bonus)	–	–	–
Pension costs	2,3	0,4	2,7
Social security charges	3,9	0,5	4,4
Total	20,7	2,0	22,7

2019

SEK M	Board members, CEO and other senior executives	Other employees	Total
Salaries and other remuneration	8,5	1,3	9,8
– (of which, bonus)	0,5	–	0,5
Pension costs	1,9	0,5	2,4
Social security charges	3,4	0,7	4,1
Total	13,8	2,5	16,3

In 2020 the company has had an average of 4 (8) employees, 2 (6) of which were men and 2 (2) of which were women. For remuneration of the Board and Group Management, also see Note 5.

Note 37 Interest income and similar income items

SEK M	2020	2019
Interest income from group companies	113,6	86,1
Total	113,6	86,1

Note 38 Interest expense and similar expense items

SEK M	2020	2019
Interest expense	-147,7	-108,8
Other financial expenses and other borrowing expenses	-38,5	-11,2
Total	-186,2	-119,9

Note 39 Group contributions

SEK M	2020	2019
Group contributions received	29,1	50,1
Total	29,1	50,1

Note 40 Tax on profit/loss for the year

SEK M	2020	2019
Current tax	-0,1	–
Total	-0,1	–

Note 41 Reconciliation of effective tax

SEK M	2020 Per cent	2020 Amount	2019 Per cent	2019 Amount
Profit/loss before tax	-	-75.7	-	-35.8
Tax according to applicable tax rate for the Parent Company	21.4%	-16.2	21.4%	-7.7
Other non-tax-deductible costs	-21.4%	16.1	-21.4%	7.7
Recognised effective tax	-	-0.1	-	-

Note 42 Participation in Group companies

SEK M	2020	2019
Opening balance	655.7	655.7
Shareholder contribution	0.6	-
Closing balance	656.3	655.7

At 31 December 2020

SEK M	Corporate registration number	Registered office	Share of capital	Number of shares	Carrying amount
Cabonline Finance 1 AB	559033-9726	Stockholm	100%	50,000	0.7
Ixat Group Holding AB	559004-5091	Stockholm	100%	50,000	655.6
Total					656.3

At 31 December 2019

SEK M	Corporate registration number	Registered office	Share of capital	Number of shares	Carrying amount
Cabonline Finance 1 AB	559033-9726	Stockholm	100%	50,000	0.1
Ixat Group Holding AB	559004-5091	Stockholm	100%	50,000	655.6
Total					655.7

Note 43 Share capital and share premium reserve

Distribution by share category

SEK M	Number of shares (thousands)	Number of votes (thousands)	Share capital	Share premium reserve
Class A shares	33,779	67,558	338	33,441
Class B shares	1,778	1,778	18	1,760
Preference shares	320,012	320,012	3,200	316,811
At 31 December 2020	355,568	389,348	3,556	352,012

SEK M	Number of shares (thousands)	Number of votes (thousands)	Share capital	Share premium reserve
Class A shares	33,779	67,558	338	33,441
Class B shares	1,778	1,778	18	1,760
Preference shares	320,012	320,012	3,200	316,811
At 31 December 2019	355,568	389,348	3,556	352,012

Share capital consists of 33,779,007 class A shares, 1,777,842 class B shares and 320,011,644 preference shares with a quota value of SEK 0.01 per share. The class A shares have two votes, while the class B shares and the preference shares have one vote each. Preference shares shall be entitled, with preferential rights in respect of ordinary shares (class A shares and class B shares), to an accumulated annual

dividend per share corresponding to fifteen (15) percent of the cost per preference share and year until the end of 2025. The inherent indexed yield on preference shares amounted to MSEK 275.0 (227.0) at year-end. The preference shares' right to future dividends equals MSEK 275.0 (227.0).

Note 44 Other non current liabilities

SEK M	2020-12-31	2019-12-31
Opening balance	1,780.6	1,539.5
Borrowings	-	574.6
Redemption of previous loans	-	-344.0
Accrued borrowing costs	7.6	10.5
Closing balance	1,788.2	1,780.6

Other long-term liabilities refers to bond loans that have a maturity of November 2022. The bond has a total principal of SEK 2,200 million and as of 31 December 2020 SEK 1,800 million has been used. See note 19 for further information.

Note 45 Accrued expenses and deferred income

SEK M	2020-12-31	2019-12-31
Personnel-related costs	16.9	5.6
Accrued interest	16.1	10.3
Other items	1.8	3.2
Total	34.8	19.1

Note 46 Pledged assets and contingent liabilities

SEK M	2020-12-31	2019-12-31
Pledged shares in subsidiaries	656.3	655.7
Pledged Intra-Group receivables	1,514.2	1,575.9
Contingent liabilities	None	None

As collateral for the bond and revolving credit facility, the Group has pledged its shares in all material subsidiaries as well as other assets. See detailed information in Note 28.

Note 47 Significant events after the close of the financial year

Except as mentioned in the section (note 31) "Impact Covid-19 and assumptions regarding continued operation", have no significant events occurred.

Note 48 Appropriation of profit or loss

The Board of Directors proposes that the unappropriated earnings available for distribution be appropriated as follows:

SEK T	2020-12-31
Profit/loss brought forward	44,225,373
Premium reserve	352,012,808
Net profit/loss for the year	-75,819,409
Total	320,418,772

Distributed so that no dividend be paid and that the loss, SEK 75,819,409 is offset against the premium reserve and the remaining premium reserve SEK 276,193,399 and retained earnings of SEK 44,225,373 SEK, total SEK 320,418,772, is carried forward.

Note 49 Related-party transactions

Risk Capital Fund H.I.G. Europe Capital Partners II, L.P. (H.I.G. Luxembourg Holdings 56 S.à R.L) owns 93.5% of the shares of Cabonline Group Holding AB and has controlling influence over the Group. H.I.G. Luxembourg Holdings 56 S.à R.L, org nr B188872, adress 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg submits an annual report. The remaining 6.5% of the shares is owned by the current and previous members of the Board and Group management. Other closely related parties include all subsidiaries within the Group and members of senior management in the Group, i.e. the members of the Board and senior management, and their family members. The company also has a contract with H.I.G. which gives the major owner a certain transaction payment in the event of a sale or similar of the company.

During the year, the Group purchased advisory and Group leadership services from H.I.G Capital in the amount of MSEK 18.5 (16.9).

In accordance with the terms and conditions of the 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. The liability to H.I.G for this amounts to MSEK 39.4 at the balance date.

Statement of assurance from the Board of Directors and the CEO

The Board of Directors and the CEO attest that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and the consolidated accounts give a true and fair view of the financial status and financial results of the Parent Company and the Group. The Management Report for the Parent Company and the Group provides a true and fair view of the development of the Parent Company's and the Group's business operations, financial position and financial results, as well as the significant risks and uncertainties faced by the Parent Company and the companies included in the Group. The annual financial statements and consolidated financial statements were approved by the Board of Directors on April 9, 2021. The consolidated Profit and Loss statement and Balance sheet and the Parent Company's Profit and Loss statement and Balance sheet will be presented to the Annual General Meeting on May 7, 2021 for adoption.

John Harper
Board member

James Mitchell
Board member

Anna Söderblom
Board member

Dag Kibsgaard-Petersen
CEO

Our audit report has been submitted on April 12, 2021,
by Ernst & Young Aktiebolag

Andreas Nyberg
Authorised Public Accountant

The text in this report (page 85 to 88) is an unofficial in-house translation. In the event of any differences between this translation and the original Swedish version, the latter shall prevail.

Auditor's report

To the general assembly of the shareholders of Cabonline Group Holding AB (publ), corporate identity number 559002-7156

Report on the annual accounts and consolidated accounts Opinions

We have audited the annual accounts and consolidated accounts of Cabonline Group Holding AB (publ) for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 30 - 84 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31st, 2020, and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31st, 2020, and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general assembly of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Goodwill and shares in subsidiaries

Description of the area

Intangible fixed assets are recorded at 1,417.0 million as at 31 December 2020, of which SEK 1,248.2 million constitutes Goodwill. Goodwill accounts for 59 % of the group's balance sheet total. Shares in subsidiaries amounts to SEK 656 million in the parent company as at 31 December 2020. At least on an annual basis, and if there's an indication of a decrease in value, the company ensures that the reported values do not exceed the amount of recoverable assets.

The recoverable amounts for Goodwill and shares in subsidiaries are determined by a discounted calculation of future cash flows per cash-generating unit and are based on expected outcomes of a number of factors based on management's business plans and forecasts.

The assessment of recoverable amounts is based on management's assumptions such as future cash flows, growth, discount rates and investment needs. We have therefore assessed that valuation of Goodwill and shares in subsidiaries is a Key Audit Matter in the audit.

A description of Cabonline's Goodwill and impairment tests is set out in Note 1 (Group Accounting Policies) in the "Goodwill" section of page 52 and the section "Important estimates for accounting purposes" on page 57 and note 9. A description of shares in subsidiaries is shown in note 33 (Parent Company Accounting Policies) on page 79 and in note 42.

How this area was addressed in the audit

We have evaluated management's process for establishing impairment tests for Goodwill and shares in subsidiaries and how cash-generating units are identified.

We have, with the support of our valuation specialists, reviewed the company's model and method for implementing the write-down test for Goodwill and shares in subsidiaries as well as evaluated the plausibility of assumptions about the discount rate and applied long-term growth, by using data for comparable companies. We have conducted sensitivity analyses of key assumptions in the company's calculation of discounted future cash flows and evaluated the accuracy in previous forecasts and assumptions.

We have reviewed the supplementary information obtained in the financial statements.

Revenue recognition

Description of the area

As shown in note 3, Cabonline reports transport revenue amounting to approximately SEK 3,534.3 million, which represents approximately 85 % of total revenue and contract revenue amounting to SEK 551.9 million, which represents approximately 13 % of total revenue. Transport revenue is constituted of revenue from performed transport services and contract revenue is constituted of revenue from contracts with affiliated haulage companies so that these can be incorporated into the group's booking system and consists in turn of both fixed and variable remuneration. A description of Cabonline's revenue recognition and different revenue streams can be seen in note 1 (Group Accounting Policies) under the heading "Revenue recognition". The agreements with customers and affiliated haulage companies are not generic, which increases the risk of accounting misstatements.

Cabonline applies principal accounting, which can be seen in the section "Important estimates for accounting purposes" in note 1, which entails gross accounting of transport revenues and transport costs. We have identified the completeness of the revenue recognition as a Key Audit Matter as the company's revenue is a key item that consists of a vast number of transactions that are attributable to customer-specific contracts.

How this area was addressed in the audit

In our audit, we have reviewed current contractual terms with customers regarding transport revenue in order to evaluate the company's assessment regarding principal accounting.

In our audit, we have created an understanding of and clarified the transaction flow for transport revenue and transport costs with the help of data analytics as well as evaluated Cabonline's internal controls implemented to manage the risk of material misstatements. We have performed analytical substantive testing of transport revenue and transport costs as well as fixed and variable contract revenues. We have also, for a selection of individual revenue transactions, verified that these have been priced in accordance with their respective customer contracts, verified the revenue's existence and completeness by reconciling them towards underlying documentation and reviewed that the revenue has been reported in the period in which Cabonline has completed its commitments.

We have reviewed the supplementary information obtained in the financial statements.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-29. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so. The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Cabonline Group Holding AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general assembly of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Cabonline Group Holding AB (publ) by the general assembly of the shareholders on May 7th, 2020, and has been the company's auditor since June 21st, 2016.

Stockholm, April 12th, 2021
Ernst & Young AB

Andreas Nyberg
Authorized Public Accountant

Reconciliation of alternative performance measures

Operating margin		
SEK M	2020	2019
Revenues	4,171.5	6,490.1
Operating profit	-124.5	-158.0
Operating margin %	-3.0%	-2.4%
Organic growth		
SEK M	2020	2019
Revenues	4,171.5	6,490.1
Revenues from acquisitions	-141.8	-464.4
Fx effect, from translation to comparable period Fx rate	51.7	-14.9
Effect from changes in accounting principles- IFRS 16 Sublease	-	26.6
Organic revenue	4,081.4	6,036.9
Reported revenue in comparable period	6,490.1	6,217.0
Organic growth %	-37.1%	-2.9%
Items Affecting Comparability		
SEK M	2020	2019
Adjusted EBITDA	151.3	307.0
Adjusted EBITA	36.8	201.7
H.I.G Capital - strategic consulting	-18.5	-16.9
Aquisition-related expenses	-0.5	-4.3
Preparing for ownership change	0.0	-29.0
Rebranding	-2.8	-0.2
Restructuring	-59.2	-38.9
Miscellaneous	-0.6	-7.5
Total Items affecting comparability	-81.7	-96.7
EBITDA	69.6	210.2
EBITA	-44.9	105.0
Adjusted EBITDA		
SEK M	2020	2019
Operating profit (EBIT)	-124.5	-158.0
-Depreciation of fixed asset	114.5	105.3
-Amortisation of acquired excess values	60.2	138.9
-Impairment of Goodwill	19.4	124.1
-Items affecting comparability	81.7	96.7
Adjusted EBITDA	151.3	307.0
Revenues	4,171.5	6,490.1
Adjusted EBITDA margin %	3.6%	4.7%
Adjusted EBITA		
SEK M	2020	2019
Operating profit	-124.5	-158.0
-Amortisation of acquired excess values	60.2	138.9
-Impairment of Goodwill	19.4	124.1
-Items affecting comparability	81.7	96.7
Adjusted EBITA	36.8	201.7
Revenues	4,171	6,490
Adjusted EBITA margin %	0.9%	3.1%
EBITDA margin %		
SEK M	2020	2019
Operating profit	-124.5	-158.0
-Depreciation of fixed asset	114.5	105.3
-Amortisation of acquired excess values	60.2	138.9
-Impairment of Goodwill	19.4	124.1
EBITDA	69.6	210.2
Revenues	4,171.5	6,490.1
EBITDA margin %	1.7%	3.2%
EBITA margin %		
SEK M	2020	2019
Operating profit	-124.5	-158.0
-Amortisation of acquired excess values	60.2	138.9
-Impairment of Goodwill	19.4	124.1
EBITA	-44.9	105.0
Revenues	4,171.5	6,490.1
EBITA margin %	-1.1%	1.6%
Net profit/loss for the period excl amortisation and impairment		
SEK M	2020	2019
Net profit/loss for the period	-317.1	-259.3
-Amortisation of acquired excess values	60.2	138.9
-Impairment of Goodwill	19.4	124.1
Net profit/loss for the period excl amortisation and impairment	-237.5	3.7
Revenues	4,171.5	6,490.1
Net profit/loss for the period excl amortisation and impairment, margin %	-5.7%	0.1%

Earnings per share for the period excl amortisation and impairment

SEK M	2020	2019
Net profit/loss for the period attributable to parent company shareholders	-318.0	-260.0
- Amortisation of acquired excess values	60.2	138.9
- Impairment of Goodwill	19.4	124.1
Net profit/loss for the period excl amortisation and impairment	-238.4	3.0
Number of outstanding shares	35,556,850	35,556,850
Cost of outstanding preference shares	320.0	320.0
Interest cost/dividend to preference shares, 15%	-48.0	-48.0
Net profit/loss for the period including dividend to preference shares	-286.4	-45.1
Earnings per share, excl depreciation on excess values before dilution, SEK	-8.05	-1.27
Earnings per share, excl depreciation on excess values after dilution, SEK	-8.05	-1.27

Cash flow generation, rolling 12 months

SEK M	2020	2019
Adjusted EBITDA, R12	151.3	307.0
-Investments CAPEX, R12	-30.5	-75.0
-Received Payments - Sublease Vehicles	18.1	25.9
-Leasing payments- Vehicles	-32.5	-42.0
-Leasing payments- Rent	-22.9	-22.4
Cash conversion excl items affecting comparability, R12	83.5	193.5
Adjusted EBITDA, incl payment of financial lease, R12	114.0	268.5
Cash conversion, R12 %	73%	72%

Net debt ratio

SEK M	2020-12-31	2019-12-31
Cash and bank balances	298.2	356.6
Short-term interest-bearing receivables	10.3	29.4
Long-term interest-bearing receivables	6.0	11.5
Long-term interest-bearing liabilities	1,972.9	2,008.6
Short-term interest-bearing liabilities	114.0	61.8
Net debt	1,772.4	1,672.8

Rolling 12 months

SEK M	2020 R12, Dec	2019 R12, Dec
Operating profit	-124.5	-158.0
-Depreciation of fixed assest	114.5	105.3
-Amortisation of excess values	60.2	138.9
-Impairment of Goodwill	19.4	124.1
-Items affecting comparability	81.7	96.7
Adjusted EBITDA, R12	151.3	307.0
Net debt/ Adjusted EBITDA, R12	11.7	5.5

Definitions

Alternative performance measures - APMs

Alternative performance measures are used in the Group's financial reporting. Management uses these key performance indicators to assess the Group's financial performance. Information concerning the company's alternative performance measures is provided on pages 89-90.

Number of employees

The average number of employees during the period.

Revenue

Transport revenue, Contract revenue and Other revenue. All revenues relate to revenues from customer contracts.

Purchased transport costs

Costs for transport services purchased from sub-contractors or external affiliated transporters.

Organic growth

Organic revenue is revenue adjusted for exchange rate fluctuations, acquisitions and accounting policies, when compared to the comparable period.

Items affecting comparability

To facilitate understanding of the operations we deem it appropriate to analyse certain metrics and key performance indicators excluding items affecting comparability. Items affecting comparability are items of a one-off character that have a material impact and are considered important for understanding development/performance of the business when comparing periods. Items affecting comparability are listed in Note 3.

Adjusted EBITDA

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

Adjusted EBITDA %

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

Adjusted EBITA

Operating profit/loss before depreciation, amortisation, impairment of excess value attributable to acquisitions, and items affecting comparability.

Adjusted EBITA %

Operating profit/loss before depreciation, amortisation, impairment of excess value attributable to acquisitions, and items affecting comparability as a percentage of revenue.

EBITDA

Operating profit/loss before depreciation/amortisation and impairment losses

EBITDA margin %

Operating profit/loss before depreciation/amortisation and impairment losses as a percentage of revenue.

EBITA

Operating profit/loss before depreciation/amortisation and impairment of excess value attributable to acquisitions.

EBITA margin %

Operating profit/loss before amortisation/depreciation and impairment of excess value attributable to acquisitions as a percentage of revenue.

Operating profit/loss

Profit/loss before financial items and taxes.

Operating margin %

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

Profit/loss before tax

Profit/loss after net financial items.

Profit/loss excluding amortisation of excess value Net profit/loss for the period following reversal of amortisation and impairment losses attributable to excess value from acquisitions.

Earnings per share

Profit/loss for the period attributable to the shareholders of the Parent Company plus additional interest expense/dividend on preference shares divided by the number of ordinary shares outstanding.

Net liabilities

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

Net indebtedness/Adjusted EBITDA, rolling 12-month basis, multiple Net liabilities in relation to the rolling 12-month adjusted EBITDA.

Working capital

Total current assets less interest-bearing receivables minus total current liabilities less interest-bearing liabilities, according to the consolidated balance sheet.

Investments (CAPEX)

Investments in tangible and intangible non-current assets according to the consolidated statement of cash flows.

Cash flow generation, rolling 12-month basis, adjusted for items affecting comparability

Rolling 12-month adjusted EBITDA less CAPEX.



C A B O N L I N E

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