

## STRONG RESULT DESPITE CONTRACT MIGRATION

### Third quarter

- Net sales amounted to SEK 2,763 million (2,599), an increase of 6.3 per cent compared to the prior-year quarter, of which 5.5 per cent related to acquisitions, 0.6 per cent was organic growth and 0.2 per cent derived from currency effects.
- EBITA amounted to SEK 243 million (267).
- EBIT amounted to SEK 225 million (254).
- Profit before tax amounted to SEK 191 million (213).
- Profit after tax amounted to SEK 148 million (166), and earnings per share totalled SEK 1.66 (1.86) before dilution.
- Cash flow from operations excluding changes in working capital was SEK 538 million (491).

### Nine-month period

- Net sales amounted to SEK 8,040 million (7,174), an increase of 12.1 per cent, of which 8.8 per cent related to acquisitions, 2.9 per cent was organic growth and 0.4 per cent derived from currency effects.
- EBITA amounted to SEK 573 million (518).
- EBIT amounted to SEK 533 million (495).
- Profit before tax amounted to SEK 389 million (366).
- Profit after tax amounted to SEK 305 million (280), and earnings per share totalled SEK 3.45 (3.16) before dilution.
- Cash flow from operations excluding changes in working capital was SEK 1,393 million (1,215).

The financial information presented in this report pertains to continuing operations, unless otherwise stated. The divestment of Swebus Express AB was reported pursuant to IFRS 5 and is therefore adjusted in the comparative periods and recognised at an aggregate amount under the line item "profit/loss from discontinued operations" in the consolidated income statement.

### Significant events during the third quarter

- In October, the innovation company Nobina Technology launched a new mobility service via the Travis travel app which is a smart journey planner where different modes of transport are linked together and provide the option of buying tickets for Stockholm Public Transport (SL) directly in the app.
- In November, Nobina repurchased 609,868 shares for a total amount of approximately SEK 37 million within the framework of a share saving scheme.
- Samtrans Omsorgsresor secured a renewed contract to drive wheelchair accessible taxis in Stockholm County. The contract period is for three years and is set to begin in April 2020 with an option for one additional year.
- Länstrafiken in Norrbotten and Piteå Municipality awarded Nobina the contract to operate and develop public transport for the next ten years, with traffic to start in December 2020 and comprise a total of 25 new scheduled buses, 13 of which are electric buses.
- In November, Nobina further developed its business in short-distance commercial traffic with the launch of LandvetterExpressen, an airport bus route from Borås to Gothenburg Landvetter airport with 50 daily departures, seven days a week.
- Nobina's contract to operate city transport in Malmö was renewed by Skånetrafiken. The contract concerns the operation of 101 scheduled buses, of which 80 are electric buses, and is worth SEK 931 million over the contract period of three years. Traffic services will start in June 2021 and, following the contract period of three years, there is an optional extension period of three years.

### Significant events after the end of the quarter

- After the end of the period, an additional 323,839 Nobina shares were repurchased for a total amount of approximately SEK 22 million within the framework of a share saving scheme.

### KEY METRICS FOR CONTINUING OPERATIONS <sup>1)</sup>

(SEK million, except as otherwise indicated)	Quarter		Period		Full year	Rolling 12 months	
	Sep–Nov 2019	Sep–Nov 2018	Mar–Nov 2019	Mar–Nov 2018	Mar 2018–Feb 2019	Dec 2018–Nov 2019	
Net sales	2,763	2,599	8,040	7,174	9,734	10,600	
EBITDA	538	499	1,407	1,234	1,596	1,770	
EBITA	243	267	573	518	620	675	
EBIT	225	254	533	495	575	613	
EBT	191	213	389	366	389	412	
EBT, adjusted <sup>2)</sup>	209	226	429	389	434	474	
Cash flow for the period	-261	-70	-867	-444	288	-135	
					30 Nov 2019	30 Nov 2018	28 Feb 2019
Net debt/EBITDA					3.2x	3.1x	3.0
Equity/assets ratio, %					14.9	16.2	14.7

A complete table of key metrics, including definitions, can be found on page 25–26.

<sup>1)</sup> The information above refers to continuing operations and, in accordance with IFRS 5, excludes the divested Swebus Express AB.

<sup>2)</sup> Adjusted for income, costs and amortisations related to acquisitions.

# Statement from the CEO

Nobina continues to grow with healthy profitability. Nobina reported growth of 6.3 per cent and an adjusted EBT of SEK 209 million (226) during the third quarter. Earnings fell short of the high figure reported in the prior-year period, mainly because we are experiencing a period of extensive contract migration since the end of the second quarter. Such a situation often results in a temporary drop in profitability due to costs for fine-tuning new contracts and additional costs for terminating old contracts. Moreover the contracts being terminated are often, purely because of their age, the most profitable ones in the portfolio. We expect the ongoing migrations to also have a negative impact on profitability in the quarters ahead.

## NEW AND DEVELOPED COOPERATIONS

We further strengthened our contract portfolio during the quarter. We returned to Norrbotten through a ten-year contract to operate public transport in Piteå Municipality, and our contract with Skånetrafiken was renewed, meaning we will operate city transport in Malmö for another three years starting in 2021. Both the Piteå and Malmö contracts involve the operation of electric-powered city transport, and our investment in 80 fully electric buses in Malmö is one of the largest of its kind in Sweden. I am also pleased to note that Samtrans, which commands a strong position in the special needs transportation segment in the Stockholm region, has maintained the trust of clients in the recent tendering process. A greater focus on quality criteria during the tendering process is benefiting both Samtrans and its passengers, who are often particularly reliant on, for example, punctuality.

## POSITIVE SIGNALS IN DENMARK AND NORWAY

In Denmark, the recently acquired De Blaa Omnibusser and Örslev continued to make strong contributions to net sales and profitability. Moreover, we are seeing increasingly positive effects from our services in Roskilde, a contract that began in the first quarter. Operations in Norway were not influenced by acquisitions, although additional services in the Oslo region provided a positive contribution to both sales and earnings for the quarter. At present, we have 351 buses operating in the capital region, 44 of which are electric buses.

## BUSINESS AND SOCIETAL DEVELOPMENT

Society has a significant need for flexible and sustainable journeys – a need that we continuously endeavour to satisfy through our contractual core business and other bus solutions. For example, on 2

December, we began operating the fossil-free LandvetterExpressen, which runs 50 times a day, seven days a week between Borås and the Landvetter airport – an incentive to reduce car travel. This solution is a good example of short-distance commercial traffic, an area where we see numerous applications and great potential, and which could contribute to significant benefits for society.

Another good example of societal development is, of course, the now familiar and notable city transport project in Barkarbystaden, which we develop in collaboration with Stockholm County Council and Järfälla Municipality. In relation to this, we have launched the smart travel planner Travis, connecting public transport, car-pooling, electric scooters and taxi services with traveling information and on-demand services in real time. Digital ticketing agents and services that, with a simple press of a button, can customise your door-to-door journey, are only embryonic in terms of development but we expect a rapid increase in this area. As the market leader we will act as the driving force to convince more people to travel collectively and climate-friendly.

## CONTINUOUS IMPROVEMENT INITIATIVES

Innovations and new, sustainable transport solutions are important for Nobina's future development. At the same time, it is clear that Nobina has become the successful Group of today because of its ability never to leave anything to chance. Our focus on details, processes and continuous improvements in the existing contract portfolio has created the conditions for profitable growth. This focused work, combined with the contributions from acquired companies, has allowed us to initiate and terminate contracts involving more than 1,000 buses during the period, without any material effect on our overall earnings.

This is a sign of strength that shows Nobina is continuing to move in the right direction.

Magnus Rosén,  
President and CEO



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**“OUR INVESTMENT IN 80 ELECTRIC BUSES IN MALMÖ IS ONE OF THE LARGEST OF ITS KIND IN SWEDEN”**

# Nobina's financial performance

## Third quarter (1 September–30 November 2019) and nine-month period (1 March 2019–30 November 2019)

The financial information presented in this report pertains to continuing operations, unless otherwise stated. The divestment of Swebus Express AB was reported pursuant to IFRS 5 and is therefore adjusted in the comparative periods and recognised at an aggregate amount under the line item "profit/loss from discontinued operations" in the consolidated income statement.

### NET SALES THIRD QUARTER

Nobina's third quarter net sales amounted to SEK 2,763 million (2,599), an increase of 6.3 per cent compared with the prior year period. Growth, adjusted for currency effects, was 6.1 per cent. The acquired companies Samtrans, DBO and Örslev contributed 5.5 per cent to growth, or SEK 143 million, and the impact of currency effects was 0.2 per cent. Organic growth was +0.6 per cent and was adversely impacted by contract migration in Sweden and Finland and positively impacted by newly started contracts and the development of existing contracts in Denmark and Norway.

### NINE-MONTH PERIOD

Nobina's net sales for the nine-month period amounted to SEK 8,040 million (7,174), an increase of 12.1 per cent compared with the prior year period. Growth, adjusted for currency effects, was 11.7 per cent. The acquired companies Samtrans, DBO and Örslev contributed 8.8 per cent to growth, or SEK 628 million, and the impact of currency effects was 0.4 per cent. Organic growth was +2.9 per cent including index revenue and contract migration.

### RESULTS THIRD QUARTER

EBITA for the third quarter amounted to SEK 243 million (267), a decline of 8.9 per cent attributable to contract migration, which was in line with expectations but was in part offset by the positive development of existing contracts and a positive contribution of SEK 36 million in the quarter from acquired companies. EBIT for the third quarter amounted to SEK 225 million (254), a decline of 11.4 per cent. Profit before tax was SEK 191 million (213). Adjusted profit before tax totalled SEK 209 million (226).

### NINE-MONTH PERIOD

EBITA for the nine-month period amounted to SEK 573 million (518), an increase of 10.6 per cent, which reflects performance improvements in existing contracts driven by a maturing

contract portfolio and increased extra traffic at the same time as the acquired companies made a positive contribution of SEK 100 million to EBITA for the first nine months of the year. Profit for the year to date was adversely impacted by extensive contract migration. EBIT for the nine-month period amounted to SEK 533 million (495), an increase of 7.7 per cent. Profit before tax was SEK 389 million (366). Adjusted profit before tax totalled SEK 429 million (389).

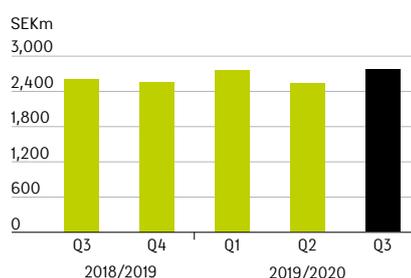
### INCOME TAX

Nobina's income tax in the income statement for the third quarter comprised current tax of SEK 0 million (–2) and a change in estimated deferred tax of SEK –43 million (–45). The effective rate of tax was –23 per cent (–22). Nobina's income tax for the nine-month period comprised current tax of SEK –2 million (–4) and a change in estimated deferred tax of SEK –82 million (–82). The effective rate of tax was –22 per cent (–23).

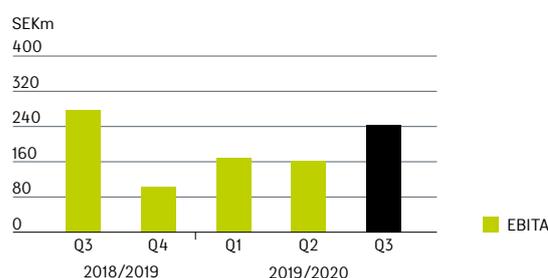
### FINANCIAL POSITION

Cash and cash equivalents amounted to SEK 192 million (320) at the end of the period. Nobina has an available bank credit facility of SEK 300 million (300) as of 30 November 2019. Nobina's interest-bearing liabilities amounted to SEK 5,893 million (5,218), mainly divided between operating and finance lease liabilities of SEK 3,271 million (4,486) and other external liabilities, mainly loans for bus financing, of SEK 2,622 million (732), which includes Nobina's green bond of SEK 500 million (0) launched in February 2019. Nobina's liabilities are primarily attributable to the financing of investments in buses and equipment used in operations, but also include certain strategic debt in the form of a bridge loan related to acquisition financing amounting to SEK 259 million (316), see Note 2. Net debt totalled SEK 5,701 million (4,898) at the end of the period, and net debt/EBITDA was 3.2x (3.1x). Shareholders' equity totalled SEK 1,388 million (1,420). The equity/assets ratio at the end of the period was 14.9 per cent (16.2).

### NET SALES



### EBITA



**INVESTMENTS AND DIVESTMENTS****THIRD QUARTER**

Bus investments in the third quarter amounted to SEK –460 million (–154) and other investments were SEK –25 million (–24). Nobina signed financial leasing agreements of SEK 293 million (90) and new loans of SEK 8 million (35) were raised. Nobina's cash investments for procurement of buses, accessories and other PPE amounted to SEK –184 million (–53) and consisted primarily of investments in loan-financed buses. Nobina sold buses and other PPE for a value of SEK –1 million (1). The profit effect from the divestments of buses was last year reported as capital gains/losses from the disposal of non-current assets. For the current year, Nobina has adjusted the applied useful lives to better reflect actual market value, which led to increased depreciation costs in the quarter of SEK -21 million (1).

**NINE-MONTH PERIOD**

Bus investments in the nine-month period amounted to SEK –2,275 million (–232) and other investments were SEK –34 million (–53). Nobina signed financial leasing agreements of SEK 821 million (123) and new loans of SEK 821 million (35) were raised. Nobina's cash investments for procurement of buses, accessories and other PPE amounted to SEK –667 million (–127) and consisted primarily of investments in loan-financed buses. Nobina sold buses and other PPE for a value of SEK 19 million (20). The profit effect from the divestments of buses was last year reported as capital gains/losses from the disposal of non-current assets. For the current year, Nobina has adjusted the applied useful lives to better reflect actual market value, which led to increased depreciation costs in the nine-month period of SEK -63 million (-18).

**CASH FLOW****THIRD QUARTER**

Cash flow from operations before changes in working capital amounted to SEK 538 million (491). The change in working capital amounted to SEK -211 million (50) and was primarily related to a timing impact of accounts payable linked to bus investments paid in the third quarter.

Cash flow from investing activities amounted to SEK –194 million (–608) and included investments in buses and equipment of SEK –192 million (–88), which were financed by loans amounting to SEK 8 million (35). In the third quarter last year, Nobina acquired Samtrans and De Blaa Omnibusser for a total of SEK –521 million, of which SEK 205 million was cash-financed and the rest loan-financed. In the third quarter an additional consideration of SEK -40 million related to the Samtrans acquisition was paid out. Refinancing of buses, which were previously lease-financed, with loans corresponded to SEK 19 million in both investments and new loans during the quarter.

Cash flow from financing activities was SEK –385 million (–3). Total cash flow for the quarter was SEK –261 million (–70).

**NINE-MONTH PERIOD**

Cash flow from operations before changes in working capital amounted to SEK 1,393 million (1,215). The change in working capital amounted to SEK –261 million (–129) and was primarily related to a timing impact of accounts payable linked to bus investments paid in the third quarter.

Cash flow from investing activities amounted to SEK –1,476 million (–663) and was impacted by investments in buses and equipment of SEK –1,488 million (–162), which were financed by loans amounting to SEK 821 million (35). Refinancing of buses, which were previously lease-financed, with loans corresponded to SEK 753 million in both investments and new loans during the nine-month period.

Cash flow from financing activities was SEK –512 million (–866) and was impacted by an additional consideration of SEK -40 million related to the Samtrans acquisition paid out in the third quarter.

Total cash flow for the nine-month period was SEK –867 million (–444) and was impacted by significant bus investments paid by cash and financed by the green bond which was issued in the prior year fourth quarter.

	Quarter		Period		Full year
	Sep–Nov 2019	Sep–Nov 2018	Mar–Nov 2019	Mar–Nov 2018	Mar 2018 –Feb 2019
<b>Investments in continuing operations (SEK million)<sup>1)</sup></b>					
Investments in new buses	–460	–154	–2,275	–232	–1,193
Other investments	–25	–24	–34	–53	–203
<b>Total investments</b>	<b>–485</b>	<b>–178</b>	<b>–2,309</b>	<b>–285</b>	<b>–1,396</b>
Lease-financed investments	293	90	821	123	289
<b>Non-lease-financed investments</b>	<b>–192</b>	<b>–88</b>	<b>–1,488</b>	<b>–162</b>	<b>–1,107</b>
Of which loan-financed investments	8	35	821	35	943
<b>Total cash investments</b>	<b>–184</b>	<b>–53</b>	<b>–667</b>	<b>–127</b>	<b>–164</b>

1) The investment table includes investments in buses and other equipment but excludes acquisitions.

## Results analysis, year to date

Management's assessment of explanatory items regarding net sales and adjusted EBT.

(SEK million)	Net sales	Adj. EBT	Comments on the outcome
<b>Period Mar–Nov 2018</b>	<b>7,174</b>	<b>389</b>	
Price and Volume	756	149	The estimated effects of price and volume were positive in terms of net sales and EBT, and are driven by a maturing contract portfolio and contract changes. This item contains positive effects of acquisitions and the volume increase in Norway.
Contract migration	–25	–47	Contract migrations this year have been extensive and impacted the results negatively in Sweden and Norway primarily.
Indexation and Operational efficiency (net)	135	11	Operational efficiency after indexation has improved compared to last year, mainly from reduced fuel consumption and maintenance.
Other		–58	This item includes other cost deviations, primarily within central functions, and includes results from the fleet operations.
Net financial items		–15	Profit for the year was adversely impacted by higher interest expenses.
<b>Period Mar–Nov 2019</b>	<b>8,040</b>	<b>429</b>	

### RESULT ANALYSIS FOR NET SALES AND EARNINGS

The results analysis above explains accumulated results from the preceding year to the current year, related to net sales and adjusted EBT.

**Price and volume** show the effects of changes in existing traffic contracts relating to prices of performed transport as well as changed transport volumes. This explanatory item includes all traffic contracts carried out by Nobina during both the preceding and current period. This category also includes effects from acquisitions.

**Contract migration** shows the effect of changes in the contract portfolio. A started traffic contract entails increased sales, and often an initial adverse impact on earnings due to start-up costs and lower initial efficiency. A concluded traffic contract results in lower sales and loss of the contract's contribution to earnings.

**Indexation** shows the impact of indexation on net sales compared with underlying cost inflation as regards pay, fuel, consumables, etc., in existing contracts. This item can also include effects of ex post adjustment of index revenues, with different lag times depending on the structure of the traffic contracts.

**Operational efficiency** shows the effect on earnings of changes in efficiency in the operations in the form of personnel expenses, maintenance, damage, etc.

**Other** includes property expenses, marketing and sales costs, other administrative expenses as well as results from fleet operations which includes the effect of sales of buses on earnings.

**Net financial items** include the effect on earnings of interest payments, exchange rates and other financial items.

## Age structure third quarter

### WEIGHTED AVERAGE CONTRACT TERM, YEARS

# 7.6 (8.1)

The duration of contracts varies between countries, and was on average (weighted by the number of buses) 7.6 years.

### AVERAGE AGE OF BUS FLEET, YEARS

# 6.3 (6.5)

Nobina's bus fleet had an average age of 6.3 years.

### WEIGHTED AGE OF THE CONTRACT PORTFOLIO, YEARS

# 4.3 (4.7)

The average contract age (weighted by the number of buses) was 4.3 years.

# Segments

## NET SALES BY SEGMENT FOR CONTINUING OPERATIONS

(SEK million)	Quarter		Period		Full year	Rolling 12 months
	Sep–Nov 2019	Sep–Nov 2018	Mar–Nov 2019	Mar–Nov 2018	Mar 2018 –Feb 2019	Dec 2018 –Nov 2019
Nobina Sweden	1,907	1,882	5,498	5,039	6,863	7,321
Production contracts	1,240	1,271	3,664	3,397	4,642	
Incentive contracts	641	586	1,748	1,509	2,069	
Other revenue	26	25	86	133	152	
Nobina Denmark	257	150	731	443	648	936
Production contracts	186	145	645	424	563	
Incentive contracts	2	2	3	2	3	
Other revenue	69	3	83	17	82	
Nobina Norway	289	250	891	811	1,047	1,127
Production contracts	281	243	839	781	1,009	
Incentive contracts	–	–	2	6	8	
Other revenue	8	7	50	24	30	
Nobina Finland	312	317	933	883	1,178	1,228
Production contracts	310	310	915	865	1,154	
Incentive contracts	5	5	15	14	19	
Other revenue	–3	2	3	4	5	
Total	2,765	2,599	8,053	7,176	9,736	10,612
Production contracts	2,017	1,969	6,063	5,467	7,368	
Incentive contracts	648	593	1,768	1,531	2,099	
Other revenue	100	37	222	178	269	
Central functions and other items	–9	–6	–7	4	2	–15
Elimination of sales within the Group	7	6	–6	–6	–4	3
<b>Total net sales</b>	<b>2,763</b>	<b>2,599</b>	<b>8,040</b>	<b>7,174</b>	<b>9,734</b>	<b>10,600</b>

## EBITA PER SEGMENT FOR CONTINUING OPERATIONS

(SEK million)	Quarter		Period		Full year	Rolling 12 months
	Sep–Nov 2019	Sep–Nov 2018	Mar–Nov 2019	Mar–Nov 2018	Mar 2018 –Feb 2019	Dec 2018 –Nov 2019
Nobina Sweden	234	239	534	477	586	643
Nobina Denmark	16	5	46	8	18	56
Nobina Norway	14	7	28	13	13	28
Nobina Finland	15	17	42	38	44	48
Central functions and other items	–36	–1	–77	–18	–41	–100
<b>Total EBITA</b>	<b>243</b>	<b>267</b>	<b>573</b>	<b>518</b>	<b>620</b>	<b>675</b>

## SUMMARY

Nobina's third quarter posted a growth in net sales of 6.3 per cent compared with the prior year period, and lower EBIT. Net sales rose despite considerable contract migration, predominantly in Sweden and Finland. Both Norway and Denmark reported positive organic growth in the quarter due to the positive development of newly started contracts and traffic development in existing contracts. The acquired companies Samtrans, DBO and Örslev contributed 5.5 per cent to growth. The increase in net sales adjusted for currency effects is 6.1 per cent. Contract migration began in the second quarter and had a greater impact on earnings for the third quarter. As profitability is typically low at the beginning of a contract and is high at the end, the migration will put temporary pressure on Nobina's profit margin, which we have seen in the third quarter. The impact of contract migration on EBITA was partly offset by positive earnings contributions from acquired companies and the positive development of existing contracts.

## SWEDEN

Nobina Sweden's net sales for the third quarter of the year increased slightly compared with the prior year quarter and the acquisition of Samtrans made a positive contribution. Net sales were adversely impacted by contract migration, which was partly compensated for by a maturing contract portfolio. EBITA declined slightly in the third quarter compared with the prior year period, which was attributable to the extensive contract migration that began in the second quarter of 2019. EBITA was positively impacted by the acquisition of Samtrans.

## DENMARK

Nobina Denmark's net sales for the third quarter were significantly higher than the prior year period, rising 71.3 per cent. This increase was a result of contributions from the acquired companies DBO and Örslev as well as traffic services in Roskilde, which began in April 2019. EBITA was significantly higher than the prior year period, driven by the strong figures from the acquired companies DBO and Örslev.

## NORWAY

Nobina Norway's net sales for the third quarter were 15.6 per cent higher than the prior year period, positively impacted by new contracts and traffic development in existing contracts. EBITA for the third quarter rose compared with the prior year period, driven by the positive contract development of existing contracts.

## FINLAND

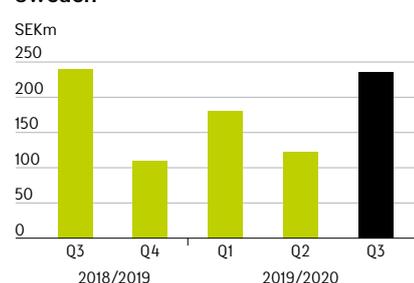
Nobina Finland's net sales for the third quarter were slightly lower than the prior year period, driven by contract migration. The EBITA margin also declined slightly in the third quarter compared with the prior year period, which was attributable to contract migration.

## CENTRAL FUNCTIONS AND OTHER ITEMS

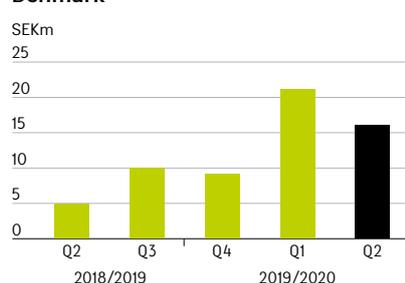
Central functions had an adverse effect on the third quarter, and reduced EBITA by SEK –36 million. The figures reported here are primarily central head office functions and include results from the fleet operations.

## EBITA PER SEGMENT

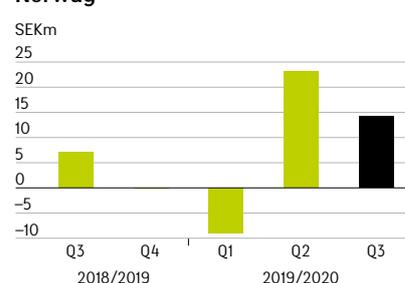
### Sweden



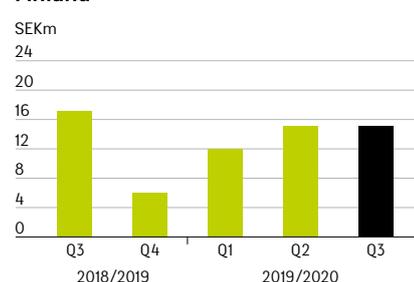
### Denmark



### Norway



### Finland

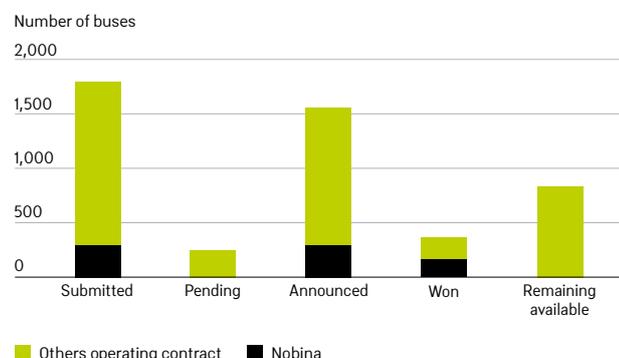


### Nobina



# Tender and contract changes

## TENDER VOLUME, TO DATE THIS YEAR



### Definitions:

**Submitted** – Number of buses in tenders submitted by Nobina

**Pending** – Number of buses in submitted tenders less announced tenders

**Announced** – Submitted tenders, results are announced

**Won** – Nobina's wins out of announced tenders

**Available** – Number of buses available in tenders to be announced this fiscal year

## TENDER OUTCOME COMMENT

During the quarter, contracts operated by Nobina for 285 buses were tendered. Out of the total market volume of 1,536 buses tendered in which Nobina participated during the year, Nobina won 355 buses. This represents a renewal rate of 125 per cent for the first three quarters. Nobina has initiated significant contract migration for which an equivalent of 331 buses will start operating, and contracts involving 111 buses will expire in the next 12 months. As contracts have low profitability at the beginning and high profitability at the end, the migration will put temporary pressure on Nobina's profit margin over the forthcoming period before the new contracts start to gear up their profitability.

## TRAFFIC STARTS AND TERMINATIONS DURING THE COMING 12 MONTHS, DECEMBER 2019–NOVEMBER 2020

During the coming 12-month period, Nobina will start traffic involving 331 buses. Of these, 317 buses are expected to be newly acquired. During the same period, Nobina will terminate traffic involving 111 buses.

### TRAFFIC START-UPS

Clients	No. of years	Start of service	No. of buses	New buses
HSL, Finland	1	January 2020	7	0
HSL, Finland	7	January 2020	27	27
Hallandstrafiken, Sweden	10	June 2020	127	120
Piteå, Sweden	10	July 2021 <sup>1)</sup>	12	12
Östgötatrafiken, Sweden	10	August 2020	87	87
Västtrafik, Sweden	10	August 2020	71	71
<b>Total traffic</b>			<b>331</b>	<b>317<sup>2)</sup></b>

1) Included the LT Sörmland contract under which service involving 119 buses expired in August 2019.

2) Start of service postponed to July 2021 due to appeal.

3) Of which 46 are electric buses.

## CONTRACT CHANGES, TO DATE THIS YEAR

The table shows the change of the number of buses in service as a result of started and completed contracts. During the first three quarters, Nobina started contracts for 428 buses and contracts for 597 buses expired.

March 2019–November 2019	Traffic changes during the period (No. of buses)	
	Started	Expired
Sweden	166	321 <sup>1)</sup>
Norway	127	154
Finland	115	122
Denmark	20	0
<b>Total</b>	<b>428</b>	<b>597</b>

## TENDER VOLUME, TO DATE THIS YEAR

The table shows the results of the tendering processes in which Nobina has participated. Tenders that Nobina participated in during the first three quarters have been announced for 1,536 buses and Nobina won tenders for 355 of these buses.

March 2019–November 2019	Tenders during the period (No. of buses)	
	Completed	Won
Sweden	904	321
Norway	429	0
Finland	129	34
Denmark	74	0
<b>Total</b>	<b>1,536</b>	<b>355</b>

### EXPIRED TRAFFIC

Clients	End of service	No. of buses
Movia, Denmark	December 2019	11
Hallandstrafiken, Sweden	June 2020	58
HSL, Finland	August 2020	19
Midtrafik, Denmark	August 2020	23
<b>Total traffic</b>		<b>111</b>

## The Nobina share

The Nobina share (ticker: Nobina) is listed on Nasdaq Stockholm and belongs to the Mid Cap and Industry sector segment. As of 30 November 2019, there was a total of 88,355,682 shares in Nobina, carrying one vote each. The number of shareholders at the

close of the period was 28,629. Nobina has 1,856,522 treasury shares on the balance-sheet date. As of the date this report was submitted, there were a total of 2,180,361 treasury shares in Nobina AB.

## Nobina's financial targets

	Target	2018/2019 <sup>5)</sup>	Rolling 12 months	Definition
Net sales	5%	9,734	10,600	Nobina's target is 5 per cent accumulated annual average net sales growth with 18/19 as the base year.
Adjusted EBT margin <sup>1)</sup>	5%	4.5%	4.5%	Nobina's target is to achieve an EBT margin of 5 per cent at an average contract age of 50 per cent of the average contract length.
Net debt/EBITDA <sup>2)</sup>	3.0x–4.0x	3.1x	3.2x	Under normal circumstances, Nobina aims to maintain a net leverage ratio of between 3.0x and 4.0x EBITDA, including strategic debt financing.
Dividend policy <sup>3)</sup>	75% of earnings after tax paid	76% <sup>4)</sup>	n/a	Under normal circumstances, Nobina expects to pay a dividend of at least 75 per cent of earnings after tax paid.

1) Adjusted EBT is defined as profit before tax after adjustment for costs and depreciation/amortisation related to acquisitions.

2) Profit/loss for the period before net financial items, taxes, depreciation/amortisation and impairment of intangible and tangible non-current assets, and capital gains/losses on the sale of non-current assets. EBITDA for the past twelve months. Debts can temporarily exceed this range on the start-up of new contracts or acquisitions.

3) Taking into consideration Nobina's cash flow, investment needs and general operating conditions.

4) The Annual General Meeting resolved on a dividend based on the Group's dividend policy.

5) The information above refers to continuing operations and, in accordance with IFRS 5, excludes the divested Swebus Express AB.

## Other information

### PERSONNEL

Nobina had 10,630 (10,414) employees (FTEs) in its continuing operations. The change in the number of employees is mainly a result of contract migration. Nobina applies collective agreements and has well-established principles and traditions as to the manner in which working hours, remuneration conditions, information and cooperation are negotiated.

### PARENT COMPANY

The Parent Company has ten (ten) employees who participate in the overall management of the Nobina Group, including financial analysis, follow-up and financing.

The Parent Company's net sales, which were comprised entirely of internal services, amounted to SEK 13 million (11) during the third quarter. Loss before tax for the third quarter amounted to SEK -84 million (-3). The Parent Company's net sales for the nine-month period amounted to SEK 40 million (32) and profit before tax to SEK -83 million (35). In the third quarter, the Parent Company was impacted by a net dividend of SEK -9 million received from Nobina Europe AB, a net dividend of SEK -28 million received from Nobina Sverige 3 AB and impairment of a capital contribution of SEK -53 million in Nobina AS. In the nine-month period, the Parent Company was impacted by a net dividend of SEK 20 million received from Nobina Europe AB, a net dividend of SEK -28 million received from Nobina Sverige 3 AB and impairment of capital contributions of SEK -53 million in Nobina AS. The nine-month period of the preceding year was impacted by a net dividend of SEK 28 million received from Nobina Sverige 3 AB, impairment of capital contributions in Nobina AS of SEK -32 million and a capital gain of SEK 64 million from the sale of the shareholding of Swebus Express AB. Cash and cash equivalents amounted to SEK 156 million (311) at the end of the period. Investments in PPE and intangible assets amounted to SEK 0 million (0). On 30 November 2019, the Parent Company's shareholders' equity was SEK 2,103 million (2,344). The equity/assets ratio was 40 per cent (50).

### TRANSACTIONS WITH CLOSELY RELATED PARTIES

No transactions with closely-related parties have taken place during the fiscal year.

### SEASONAL VARIATIONS

Sales, earnings and cash flow trends vary between quarters where the third quarter is the strongest due to higher traffic volumes, a larger number of working days, and high levels of travel activity for the general public, while the second and fourth quarters are weaker due to lower traffic volumes during vacation and public holiday periods and higher costs during the winter. The breakdown of sales and earnings by quarter is shown in the key metrics table on page 25.

### RISK AND UNCERTAINTY FACTORS

Nobina is exposed to interest rate risks since the Company's financial and operational leases primarily carry variable interest. The interest rate risk is largely offset by revenue indexation in traffic contracts. During the quarter, Nobina had no interest-rate hedging.

Nobina is exposed to currency risks in conjunction with translation of the balance sheets and income statements of subsidiaries and acquisition financing in a currency other than SEK. Nobina also has indirect exposure to USD/SEK since diesel is purchased in USD in the international commodities markets. Nobina's finance policy provides that, if the need exists, currency risks may be hedged through currency derivatives. Nobina had no currency hedging during the quarter.

Nobina is exposed to changes in the price of fuel in its purchases of diesel. The commodity price accounts for less than one-half of the total diesel price, with the remainder comprising taxes, transportation and processing. Within the contract operations, compensation for changes in the diesel price is obtained through revenue indexation in traffic contracts. The index baskets in the traffic contracts are relatively well matched against the cost breakdown, but compensation takes place with a time lag of one to six months, which results in a negative impact on earnings during a period of increasing prices. An imbalance may also arise between costs incurred in a contract and index-based compensation if the index fails to reflect the actual cost structure. This may, for example, occur if an index is based on the price of diesel, while the contract in question requires buses to be run on biogas. This risk is limited through careful risk evaluation in the tender process. Most contracts now have an index which matches the type of fuel. Nobina may be affected by the result of appeals regarding the tender outcome. However, the impact is limited as no vehicle is on order and no other investments will be made before a traffic contract is signed.

During the previous fiscal year, Nobina completed two material acquisitions: Samtrans and DBO. Any acquisition process gives rise to new risks. The starting points for the valuation of acquired companies are based, among other things, on documented data on the target companies' financial positions and historical results, but above all on assessments and assumptions about future market developments, Nobina's ability to develop the companies, the companies' ability to win new traffic contracts and future earnings. Risks can arise if assumptions and judgments deviate from the expectations that existed at the time of acquisition, which may affect the view of the acquired values.

For more information regarding risks and uncertainty factors, refer to the corresponding section in Nobina AB's Annual Report 2018/2019.

**DISPUTES**

Nobina has an ongoing dispute with Länstrafiken Örebro for faulty gas quality.

**FINANCING**

Nobina has as its primary strategy the financing of the purchase of vehicles with finance leases or loans with a term of ten years at a residual value of 10 per cent. Lease liabilities are recognised as finance leases and are, like loans, visible in the balance sheet. In addition, some financing is raised in the green bond market for which Nobina has pledged collateral. Nobina's liabilities are primarily attributable to the financing of investments in buses and equipment used in operations, but may also include certain strategic debt financing.

Nobina has an available bank credit facility of SEK 300 million (300) as of 30 November 2019.

**FINANCIAL TARGETS AND DIVIDEND POLICY**

In connection with the company's Capital Markets Day on 9 October 2018, Nobina's Board of Directors adopted new financial targets and a new dividend policy, which replaced the targets and policy adopted ahead of the IPO in 2015 (see page 9).

**SIGNIFICANT EVENTS DURING THE THIRD QUARTER**

- In October, the innovation company Nobina Technology launched a new mobility service via the Travis travel app which is a smart journey planner where different modes of transport are linked together and provide the option of buying tickets for Stockholm Public Transport (SL) directly in the app.
- In November, Nobina repurchased 609,868 shares for a total amount of approximately SEK 37 million within the framework of a share saving scheme.
- Samtrans Omsorgsresor has secured a renewed contract to drive wheelchair accessible taxis in Stockholm County. The contract period is for three years and is set to begin in April 2020 with an option for one additional year.
- Länstrafiken in Norrbotten and Piteå Municipality awarded Nobina the contract to operate and develop public transport for the next ten years, with traffic to start in December 2020 and comprise a total of 25 new scheduled buses, 13 of which are electric buses.
- In November, Nobina further developed its business in short-distance commercial traffic with the launch of LandvetterExpressen, an airport bus route from Borås to Gothenburg Landvetter airport with 50 daily departures, seven days a week.
- Nobina's contract to operate city transport in Malmö was renewed by Skånetrafiken. The contract concerns the operation of 101 scheduled buses, of which 80 are electric buses, and is worth SEK 931 million over the contract period of three years. Traffic services will start in June 2021 and, following the contract period of three years, there is an optional extension period of three years.

**SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER**

- After the end of the period, an additional 323,839 Nobina shares were repurchased for a total amount of approximately SEK 22 million within the framework of a share saving scheme.

**ACCOUNTING POLICIES**

Nobina applies International Financial Reporting Standards (IFRS) as adopted by the EU and applies RFR 1 "Supplementary accounting rules for groups". Nobina applies the same accounting policies and calculation methods as in the 2018/2019 Annual report, with the additions of the introduction of IFRIC 23, which addresses uncertainty over income tax treatments and could give rise to new measurements of uncertain tax positions. The introduction of IFRIC 23 has not had any impact on the Nobina Group's income statement and balance sheet. The new lease standard, IFRS 16 replaced the previous IAS 17 on 1 January 2019. The IFRS 16 standard removes the classification of leases between operating and finance leases, as required in IAS 17. Pursuant to the new model, all leases entail that the lessee is granted control over an asset when the lease commences. When IFRS 16 is implemented, the lessee is to recognise assets and liabilities for all leases with contractual terms exceeding 12 months and when the underlying asset is of considerable value. The Nobina Group has applied the practical exemptions of recognising payments attributable to short-term leases and leases of low-value assets as costs in profit or loss. Nobina's lease portfolio contains leases for offices and depots, and buses on operating leases. Nobina's property leases correspond with the terms of traffic contracts and are depreciated over the same period. The Nobina Group has implemented IFRS 16 with retroactive application for the 2018/2019 fiscal year, subject to adjustments of all periods presented. All leases are recognised in the balance sheet as financial liabilities and right-of-use assets in non-current assets. In the income statement, all lease expenses are recognised as depreciation and interest expenses. Lease payments in the statement of cash flows are divided between interest payments and payments of lease liabilities. Interest payment and payments of lease liabilities are recognised under financing activities. Refer to the supplementary information in the 2018/2019 Annual Report and the detailed information in Note 1 on page 22. The financial statements for the Parent Company, Nobina AB, and the Group were prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities, as well as opinions issued by the Swedish Financial Reporting Board. This interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act and covers pages 1–28, and the interim period information on pages 1–12 thus constitutes an integral part of this financial report. The growth for the two first quarters has been adjusted after restatement where organic growth was 4.5%, the acquisitions contributed with 10.3% and currency effects with 0.5%.

**ASSURANCE**

The CEO hereby provides an assurance that the interim report provides a true and fair view of the operations, financial position and earnings of the company and the Group and describes the significant risks and uncertainty factors facing the company and companies within the Group.

Stockholm, 20 December 2019

Magnus Rosén  
*President and CEO*

The content in this interim report has not been subject to review by the company's auditor.

## Financial calendar

Year-end Report 2019/2020	8 April 2020
Annual General Meeting 2019/2020	28 May 2020
Interim report 1 March–31 May 2020	26 June 2020
Interim report 1 June–31 August 2020	1 October 2020
Interim report 1 September–30 November 2020	23 December 2020

## Telephone conference

Nobina will present the interim report and answer questions during a telephone conference at 10.00 a.m. CET on Friday, 20 December 2019. The presentation will be available on the website in connection with the telephone conference. Telephone numbers and web link for participants are available on [www.nobina.com](http://www.nobina.com).

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## Contact persons

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### Nobina AB

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[www.nobina.com](http://www.nobina.com)  
Reg. no. 556576-4569

# Condensed consolidated income statement

SEK million	Quarter		Period		Full year
	Sep–Nov 2019	Sep–Nov 2018	Mar–Nov 2019	Mar–Nov 2018	Mar 2018 –Feb 2019
<b>Continuing operations</b>					
<b>Net sales</b>	<b>2,763</b>	<b>2,599</b>	<b>8,040</b>	<b>7,174</b>	<b>9,734</b>
<b>Operating expenses</b>					
Fuel, tyres and other consumables	–447	–457	–1,360	–1,314	–1,769
Other external expenses	–390	–332	–1,155	–814	–1,179
Personnel expenses	–1,388	–1,311	–4,118	–3,812	–5,190
<b>Total EBITDA</b>	<b>538</b>	<b>499</b>	<b>1,407</b>	<b>1,234</b>	<b>1,596</b>
Capital gains/losses from the disposal of non-current assets	–	1	–	–18	–32
Depreciation/impairment of PPE	–295	–233	–834	–698	–944
<b>Total EBITA</b>	<b>243</b>	<b>267</b>	<b>573</b>	<b>518</b>	<b>620</b>
Acquisition-related income and costs	–3	–8	3	–17	–20
Amortisation/impairment of intangible assets	–15	–5	–43	–6	–25
<b>Operating profit (EBIT), Note 1</b>	<b>225</b>	<b>254</b>	<b>533</b>	<b>495</b>	<b>575</b>
<b>Profit from net financial items</b>					
Financial income	–	–	–	–	–
Financial expenses, Note 2	–34	–41	–144	–129	–186
<b>Net financial items</b>	<b>–34</b>	<b>–41</b>	<b>–144</b>	<b>–129</b>	<b>–186</b>
<b>Profit before tax (EBT), Note 1</b>	<b>191</b>	<b>213</b>	<b>389</b>	<b>366</b>	<b>389</b>
Income tax	–43	–47	–84	–86	–91
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>148</b>	<b>166</b>	<b>305</b>	<b>280</b>	<b>298</b>
<b>Discontinued operations</b>					
Profit for the period from discontinued operations	–	–	–	56	56
<b>Profit for the period</b>	<b>148</b>	<b>166</b>	<b>305</b>	<b>336</b>	<b>354</b>
Profit for the period attributable to Parent Company shareholders	148	166	305	336	354
Earnings per share before dilution (SEK), attributable to continuing operations	1.66	1.86	3.45	3.16	3.44
Earnings per share before dilution (SEK), attributable to discontinued operations	–	–	–	0.62	0.62
Earnings per share before dilution (SEK), attributable to Parent Company shareholders	1.66	1.86	3.45	3.78	4.06
Earnings per share after dilution (SEK), attributable to Parent Company shareholders	1.64	1.87	3.42	3.14	4.03
Average number of shares before dilution (000s)	88,356	88,356	88,356	88,356	88,356
Average number of shares after dilution (000s)	89,475	87,944	89,102	89,145	89,054
Number of shares outstanding at end of period (000s)	86,500	87,109	86,500	87,109	87,109

# Statement of consolidated comprehensive income

SEK million	Quarter		Period		Full year
	Sep–Nov 2019	Sep–Nov 2018	Mar–Nov 2019	Mar–Nov 2018	Mar 2018 –Feb 2019
<b>Profit for the period</b>	<b>148</b>	<b>166</b>	<b>305</b>	<b>336</b>	<b>354</b>
<b>Other comprehensive income</b>	<b>148</b>	<b>166</b>	<b>305</b>	<b>336</b>	<b>354</b>
<b>Items not to be reclassified to profit or loss for the period</b>					
Revaluation of defined-benefit pension plan	–	–	–	–	–
Tax on items that will not be reclassified to profit or loss for the period	–	–	–	–	–
<b>Items that can later be reclassified to profit or loss for the period</b>					
Exchange-rate differences in foreign operations	–29	15	–7	12	23
<b>Other comprehensive income for the period, net after tax</b>	<b>–29</b>	<b>15</b>	<b>–7</b>	<b>12</b>	<b>23</b>
<b>Comprehensive income for the period</b>	<b>119</b>	<b>181</b>	<b>298</b>	<b>348</b>	<b>377</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>	<b>119</b>	<b>181</b>	<b>298</b>	<b>348</b>	<b>377</b>

# Condensed consolidated balance sheet

SEK million	30 Nov 2019	30 Nov 2018	Full year 28 Feb 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	780	788	785
Other intangible assets	461	508	495
Real estate and costs for leasehold improvements	756	761	831
Equipment, tools, fixtures and fittings	138	92	152
Vehicles	5,750	4,956	5,041
Deferred tax assets	99	197	179
Assets for pension commitments	16	18	17
Other non-current receivables	5	4	4
<b>Total non-current assets</b>	<b>8,005</b>	<b>7,324</b>	<b>7,504</b>
<b>Current assets</b>			
Inventories	59	50	51
Trade receivables	648	681	663
Other current receivables	58	64	253
Deferred expenses and accrued income	334	317	316
Cash and cash equivalents	192	320	1,058
<b>Total current assets</b>	<b>1,291</b>	<b>1,432</b>	<b>2,341</b>
<b>TOTAL ASSETS</b>	<b>9,296</b>	<b>8,756</b>	<b>9,845</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity attributable to Parent Company shareholders</b>	<b>1,388</b>	<b>1,420</b>	<b>1,451</b>
<b>Non-current liabilities</b>			
Borrowing, Note 2	4,736	4,393	4,841
Deferred tax liabilities	251	276	256
Provision for pensions and similar commitments	30	37	33
Other provisions	53	66	63
<b>Total non-current liabilities</b>	<b>5,070</b>	<b>4 772</b>	<b>5,193</b>
<b>Current liabilities</b>			
Accounts payable	552	579	597
Borrowing, Note 2	1,127	788	1,012
Other current liabilities	198	212	430
Accrued expenses and deferred income	961	985	1,162
<b>Total current liabilities</b>	<b>2,838</b>	<b>2,564</b>	<b>3,201</b>
<b>Total liabilities</b>	<b>7,908</b>	<b>7,336</b>	<b>8,394</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>9,296</b>	<b>8,756</b>	<b>9,845</b>

# Condensed consolidated statement of changes in equity

SEK million	Share capital	Other contributed capital	Translation differences	Profit/loss brought forward	Total equity attributable to Parent Company shareholders
<b>Opening equity, 1 March 2018</b>	<b>318</b>	<b>3,212</b>	<b>39</b>	<b>-2,133</b>	<b>1,436</b>
Adjusted accounting policies in accordance with IFRS 16	-	-	-	2	2
Profit for the period	-	-	-	354	354
Other comprehensive income	-	-	23	-	23
<b>Total profit/loss for the year</b>	<b>318</b>	<b>3,212</b>	<b>62</b>	<b>-1,777</b>	<b>1,815</b>
<b>Transactions with owners</b>					
Repurchase of treasury shares	-	-	-	-74	-74
Share-based remuneration	-	-	-	6	6
Dividend	-	-	-	-296	-296
<b>Closing equity, 28 February 2019</b>	<b>318</b>	<b>3,212</b>	<b>62</b>	<b>-2,141</b>	<b>1,451</b>
<b>Opening equity, 1 March 2018</b>	<b>318</b>	<b>3,212</b>	<b>39</b>	<b>-2,133</b>	<b>1,436</b>
Adjusted accounting policies in accordance with IFRS 16	-	-	-	3	3
Profit for the period	-	-	-	336	336
Other comprehensive income	-	-	12	-	12
<b>Total profit/loss for the year</b>	<b>318</b>	<b>3,212</b>	<b>51</b>	<b>-1,794</b>	<b>1,787</b>
<b>Transactions with owners</b>					
Repurchase of treasury shares	-	-	-	-74	-74
Share-based remuneration	-	-	-	3	3
Dividend	-	-	-	-296	-296
<b>Closing equity, 30 November 2018</b>	<b>318</b>	<b>3,212</b>	<b>51</b>	<b>-2,161</b>	<b>1,420</b>
<b>Opening equity, 1 March 2019</b>	<b>318</b>	<b>3,212</b>	<b>62</b>	<b>-2,141</b>	<b>1,451</b>
Reclassification of exchange-rate differences	-	-	5	-5	-
Profit for the period	-	-	-	305	305
Other comprehensive income	-	-	-7	-	-7
<b>Total profit/loss for the year</b>	<b>318</b>	<b>3,212</b>	<b>60</b>	<b>-1,841</b>	<b>1,749</b>
<b>Transactions with owners</b>					
Repurchase of treasury shares	-	-	-	-37	-37
Share-based remuneration	-	-	-	7	7
Dividend	-	-	-	-331	-331
<b>Closing equity, 30 November 2019</b>	<b>318</b>	<b>3,212</b>	<b>60</b>	<b>-2,202</b>	<b>1,388</b>

There are no non-controlling interests.

# Condensed consolidated cash-flow statement

SEK million	Quarter		Period		Full year
	Sep–Nov 2019	Sep–Nov 2018	Mar–Nov 2019	Mar–Nov 2018	Mar 2018 –Feb 2019
<b>Cash flow from operating activities</b>					
<b>Profit after financial items</b>	<b>191</b>	<b>203</b>	<b>389</b>	356	<b>379</b>
(of which, attributable to continuing operations)	191	203	389	366	389
(of which, attributable to discontinued operations)	–	–	–	–10	–10
Adjustment for non-cash items	347	288	1,004	849	1,175
<b>Cash flow from operations before changes in working capital</b>	<b>538</b>	<b>491</b>	<b>1,393</b>	<b>1,205</b>	<b>1,554</b>
(of which, attributable to continuing operations)	538	491	1,393	1,215	1,564
(of which, attributable to discontinued operations)	–	–	–	–10	–10
<b>Cash flow from changes in working capital</b>					
Change in inventories	–6	–1	–8	–6	–6
Changes in operating receivables	45	–31	185	33	–115
Changes in operating liabilities	–250	82	–438	–156	199
<b>Total change in working capital</b>	<b>–211</b>	<b>50</b>	<b>–261</b>	<b>–129</b>	<b>78</b>
(of which, attributable to continuing operations)	–211	50	–261	–129	78
(of which, attributable to discontinued operations)	–	–	–	–	–
Received interest income	–	1	–	–	–
Tax paid	–9	–1	–11	–1	–5
<b>Cash flow from operating activities</b>	<b>318</b>	<b>541</b>	<b>1,121</b>	<b>1,075</b>	<b>1,627</b>
(of which, attributable to continuing operations)	318	541	1,121	1,085	1,637
(of which, attributable to discontinued operations)	–	–	–	–10	–10
<b>Cash flow from investing activities</b>					
Investments in subsidiaries	–1	–521	–7	–521	–521
Investments in PPE and intangible assets	–192	–88	–1,488	–162	–1,107
Divestment of PPE and intangible assets	–1	1	19	20	40
Divestment of subsidiary, Note 1	–	–3	–	46	46
<b>Cash flow from investing activities</b>	<b>–194</b>	<b>–611</b>	<b>–1,476</b>	<b>–617</b>	<b>–1,542</b>
(of which, attributable to continuing operations)	–194	–608	–1,476	–663	–1,588
(of which, attributable to discontinued operations)	–	–3	–	46	46
<b>Cash flow from financing activities</b>					
Amortisation of operating and finance lease liabilities	–171	–224	–499	–678	–889
Amortisation of other external loans	–137	–12	–317	–35	–79
New borrowing, other external loans	8	350	821	350	1,766
Financing costs	–	–	–	–	–7
Repurchase of treasury shares	–37	–74	–37	–74	–74
Interest paid	–48	–43	–149	–133	–182
Dividend	–	–	–331	–296	–296
<b>Cash flow from financing activities</b>	<b>–385</b>	<b>–3</b>	<b>–512</b>	<b>–866</b>	<b>239</b>
(of which, attributable to continuing operations)	–385	–3	–512	–866	239
(of which, attributable to discontinued operations)	–	–	–	–	–
<b>Cash flow for the period</b>	<b>–261</b>	<b>–73</b>	<b>–867</b>	<b>–408</b>	<b>324</b>
(of which, attributable to continuing operations)	–261	–70	–867	–444	288
(of which, attributable to discontinued operations)	–	–3	–	36	36
<b>Cash and cash equivalents at beginning of period</b>	<b>460</b>	<b>402</b>	<b>1,058</b>	720	<b>720</b>
Cash flow for the period	–261	–73	–867	–408	324
Exchange-rate difference	–7	–9	1	8	14
<b>Cash and cash equivalents at end of period</b>	<b>192</b>	<b>320</b>	<b>192</b>	<b>320</b>	<b>1,058</b>

## Condensed income statement – Parent Company

SEK million	Quarter		Period		Full year
	Sep–Nov 2019	Sep–Nov 2018	Mar–Nov 2019	Mar–Nov 2018	Mar 2018 –Feb 2019
<b>Net sales</b>	<b>13</b>	<b>11</b>	<b>40</b>	<b>32</b>	<b>44</b>
<b>Operating expenses</b>					
Other external expenses	–7	1	–17	–24	–38
Personnel expenses	–16	–13	–49	–35	–50
<b>Operating loss (EBIT)</b>	<b>–10</b>	<b>–1</b>	<b>–26</b>	<b>–27</b>	<b>–44</b>
Profit/loss from participations in Group companies	–90	–	–61	60	362
Financial income	19	–1	28	7	8
Financial expenses	–3	–1	–24	–5	–15
<b>Net financial items</b>	<b>–74</b>	<b>–2</b>	<b>–57</b>	<b>62</b>	<b>355</b>
<b>Profit/loss before tax (EBT)</b>	<b>–84</b>	<b>–3</b>	<b>–83</b>	<b>35</b>	<b>311</b>
Income tax	–	–	–	–	–76
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>–84</b>	<b>–3</b>	<b>–83</b>	<b>35</b>	<b>235</b>

Since there are no items attributable to other comprehensive income, other comprehensive income is not recognised.

## Condensed balance sheet – Parent Company

SEK million	30 Nov 2019	30 Nov 2018	Full year 28 Feb 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Participations in Group companies	4,181	4,256	4,647
Non-current receivables in Group companies	500	–	500
<b>Total non-current assets</b>	<b>4,681</b>	<b>4,256</b>	<b>5,147</b>
<b>Current assets</b>			
Receivables from Group companies	441	155	676
Other current receivables	18	4	6
Deferred expenses and accrued income	–	–	2
Cash and cash equivalents	156	311	1,043
<b>Total current assets</b>	<b>615</b>	<b>470</b>	<b>1,727</b>
<b>TOTAL ASSETS</b>	<b>5,296</b>	<b>4,726</b>	<b>6,874</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity attributable to Parent Company shareholders	2,103	2,344	2,547
<b>Non-current liabilities</b>			
Borrowing	759	–	867
Provision for pensions and similar commitments	3	5	6
Deferred tax liabilities	89	–	76
<b>Total non-current liabilities</b>	<b>851</b>	<b>5</b>	<b>949</b>
<b>Current liabilities</b>			
Accounts payable	3	1	5
Borrowing	79	–	55
Liabilities to Group companies	2,241	1,941	3,285
Other current liabilities	1	411	2
Accrued expenses and deferred income	18	24	31
<b>Total current liabilities</b>	<b>2,342</b>	<b>2,377</b>	<b>3,378</b>
<b>Total liabilities</b>	<b>3,193</b>	<b>2,382</b>	<b>4,327</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>5,296</b>	<b>4,726</b>	<b>6,874</b>

## Condensed Parent Company statement of changes in equity

SEK million	Share capital	Statutory reserve	Share premium reserve	Profit/loss brought forward	Profit for the period	Total equity
<b>Opening equity, 1 March 2018</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>960</b>	<b>61</b>	<b>2,676</b>
Transfer of the preceding year's profit/loss	–	–	–	61	–61	–
Profit for the period	–	–	–	–	235	235
<b>Total profit for the year</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>1,021</b>	<b>235</b>	<b>2,911</b>
<b>Transactions with owners</b>						
Repurchase of treasury shares	–	–	–	–74	–	–74
Share-based remuneration	–	–	–	6	–	6
Dividend	–	–	–	–296	–	–296
<b>Closing equity, 28 February 2019</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>657</b>	<b>235</b>	<b>2,547</b>
<b>Opening equity, 1 March 2018</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>960</b>	<b>61</b>	<b>2,676</b>
Transfer of the preceding year's profit/loss	–	–	–	61	–61	–
Profit for the period	–	–	–	–	35	35
<b>Total profit for the year</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>1,021</b>	<b>35</b>	<b>2,711</b>
<b>Transactions with owners</b>						
Treasury shares	–	–	–	–74	–	–74
Share-based remuneration	–	–	–	3	–	3
Dividend	–	–	–	–296	–	–296
<b>Closing equity, 30 November 2018</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>654</b>	<b>35</b>	<b>2,344</b>
<b>Opening equity, 1 March 2019</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>657</b>	<b>235</b>	<b>2,547</b>
Transfer of the preceding year's profit/loss	–	–	–	235	–235	–
<b>Loss for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–83</b>	<b>–83</b>
<b>Total profit/loss for the year</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>892</b>	<b>–83</b>	<b>2,464</b>
<b>Transactions with owners</b>						
Repurchase of treasury shares	–	–	–	–37	–	–37
Share-based remuneration	–	–	–	7	–	7
Dividend	–	–	–	–331	–	–331
<b>Closing equity, 30 November 2019</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>531</b>	<b>–83</b>	<b>2,103</b>

# Notes

## NOTE 1 RECLASSIFICATION AND ADJUSTMENTS UPON TRANSITION TO IFRS 16, FOR CONTINUING OPERATIONS, COMPREHENSIVE INCOME

### The effects of implementing IFRS 16

The new lease standard, IFRS 16 replaced the previous IAS 17 on 1 January 2019. The new IFRS 16 standard removes the classification of leases between operating and finance lease undertakings, as required in IAS 17. Pursuant to the new model, all leases entail that the lessee is granted control over an asset when the lease commences. When IFRS 16 is implemented, the lessee is to recognise assets and liabilities for all leases with contractual terms exceeding 12 months and when the underlying asset is of considerable value. Nobina's lease portfolio contains leases for offices and depots, and buses on operating leases. The Nobina Group has implemented IFRS 16 with retroactive application of the 2018/2019 fiscal year, subject to adjustments of all periods presented. All leases are recognised in the balance sheet as financial liabilities and right-of-use assets in non-current assets. In the income statement, all lease expenses are recognised as depreciation and interest expenses. Lease payments in the statement of cash flows are divided between interest payments and payments of lease liabilities. Interest payment and payments of lease liabilities are recognised under financing activities.

### IAS 20 adjustments of the policy for subsidy management in previous periods

For previous periods, the Nobina Group has recognised subsidies for Nystartsjobb (New start jobs) and wage subsidies as revenue in the Nobina Group and other subsidies received as a reduction in the Group's personnel expenses. Last year, the Nobina Group changed accounting policy, IAS 8 p.14, so all government grants received, IAS 20, are recognised as a cost reduction, in order to achieve uniform and consistent accounting.

### Discontinued operations

Swebus Express AB, which was divested during the preceding year, is classified as discontinued operations pursuant to IFRS 5 and is therefore adjusted in comparative periods and recognised at an aggregate amount under the line item "profit/loss from discontinued operations" in the consolidated income statement.

	2019/2020 Q3			2019/2020 Acc Q3		
	Continuing operations	Adjusted IFRS 16	Restated	Continuing operations	Adjusted IFRS 16	Restated
<b>Income statement</b>						
Net sales	2,763	–	2,763	8,040	–	8,040
EBITDA	467	71	538	1,207	200	1,407
EBITDA, %	16.9%	–	19.5%	15.0%	–	17.5%
EBITA	232	11	243	537	36	573
EBITA, %	8.4%	–	8.8%	6.7%	–	7.1%
EBIT	214	11	225	497	36	533
EBIT, %	7.7%	–	8.1%	6.2%	–	6.6%
EBT	192	–1	191	389	–	389
EBT, %	6.9%	–	6.9%	4.8%	–	4.8%
<b>Profit/loss for the period</b>	<b>149</b>	<b>–1</b>	<b>148</b>	<b>305</b>	<b>–</b>	<b>305</b>
Cash flow for the period	–261	–	–261	–867	–	–867
Net debt/EBITDA	3.3	–0.1	3.2	3.3	–0.1	3.2
Equity/assets ratio, %	16.1%	–1.2%	14.9%	16.1%	–1.2%	14.9%
<b>Balance sheet</b>						
Real estate and costs for leasehold improvements	168	588	756	168	588	756
Vehicles	5,636	114	5,750	5,636	114	5,750
<b>Total assets</b>	<b>5,804</b>	<b>702</b>	<b>6,506</b>	<b>5,804</b>	<b>702</b>	<b>6,506</b>
Borrowing (current and non-current borrowing)	5,158	705	5,863	5,158	705	5,863
<b>Total liabilities</b>	<b>5,158</b>	<b>705</b>	<b>5,863</b>	<b>5,158</b>	<b>705</b>	<b>5,863</b>

	2018/2019 Q3				2018/2019 Acc Q3			
	Continuing operations	Adjusted IAS 20, government grants	Adjusted IFRS 16	Restated	Continuing operations	Adjusted IAS 20, government grants	Adjusted IFRS 16	Restated
<b>Income statement</b>								
Net sales	2,609	-10	-	2,599	7,205	-31	-	7,174
EBITDA	429	-	70	499	1,025	-	209	1,234
EBITDA, %	16.4%	-	-	19.2%	14.2%	-	-	17.2%
EBITA	256	-	11	267	487	-	31	518
EBITA, %	9.8%	-	-	10.3%	6.7%	-	-	7.2%
EBIT	243	-	11	254	464	-	31	495
EBIT, %	9.3%	-	-	9.7%	6.4%	-	-	6.9%
EBT	214	-	-1	213	372	-	-6	366
EBT, %	8.2%	-	-	8.2%	5.2%	-	-	5.1%
<b>Profit/loss for the period</b>	<b>166</b>	<b>-</b>	<b>-</b>	<b>166</b>	<b>285</b>	<b>-</b>	<b>-5</b>	<b>280</b>
Cash flow for the period	-70	-	-	-70	-444	-	-	-444
Net debt/EBITDA	3.2	-	-0.1	3.1	3.2	-	-0.1	3.1
Equity/assets ratio, %	18.0%	-	-1.8%	16.2%	18.0%	-	-1.8%	16.2%
<b>Balance sheet</b>								
Real estate and costs for leasehold improvements	59	-	702	761	59	-	702	761
Vehicles	4809	-	147	4,956	4,809	-	147	4,956
<b>Total assets</b>	<b>4,868</b>	<b>-</b>	<b>849</b>	<b>5,717</b>	<b>4,868</b>	<b>-</b>	<b>849</b>	<b>5,717</b>
Borrowing (current and non-current borrowing)	4,330	-	851	5,181	4,330	-	851	5,181
<b>Total liabilities</b>	<b>4,330</b>	<b>-</b>	<b>851</b>	<b>5,181</b>	<b>4,330</b>	<b>-</b>	<b>851</b>	<b>5,181</b>

	Full year 2018/2019		
	Continuing operations	Adjusted IFRS 16	Restated
<b>Income statement</b>			
Net sales	9,734	-	9,734
EBITDA	1,315	281	1,596
EBITDA, %	13.5%	-	16.4%
EBITA	578	42	620
EBITA, %	5.9%	-	6.4%
EBIT	533	42	575
EBIT, %	5.5%	-	5.9%
EBT	395	-6	389
EBT, %	4.1%	-	4.0%
<b>Profit/loss for the period</b>	<b>303</b>	<b>-5</b>	<b>298</b>
Cash flow for the period	288	-	288
Net debt/EBITDA	3.1	-0.1	3.0
Equity/assets ratio, %	16.1%	-1.4%	14.7%
<b>Balance sheet</b>			
Real estate and costs for leasehold improvements	178	653	831
Vehicles	4,902	139	5,041
<b>Total assets</b>	<b>5,080</b>	<b>792</b>	<b>5,872</b>
Borrowing (current and non-current borrowing)	5,056	797	5,853
<b>Total liabilities</b>	<b>5,056</b>	<b>797</b>	<b>5,853</b>

**NOTE 2 FINANCING**

SEK million, except as otherwise indicated	Quarter		Period		Full year
	Sep–Nov 2019	Sep–Nov 2018	Mar–Nov 2019	Mar–Nov 2018	Mar 2018 –Feb 2019
<b>Borrowing</b>					
Other loans for bus financing	2,253	260	2,253	260	1,639
Other loans for current financing	259	316	259	316	308
Contingent consideration not paid	86	119	86	119	121
Finance lease liability for bus financing	2,566	3,635	2,566	3,635	2,995
Operating lease liability	705	851	705	851	797
Capitalised financing expenses	–6	–	–6	–	–7
<b>Total</b>	<b>5,863</b>	<b>5,181</b>	<b>5,863</b>	<b>5,181</b>	<b>5,853</b>
Of which short-term repayment by instalment of portion of the Group's borrowings	1,127	788	1,127	788	1,012
Of which long-term portion of the Group's borrowings	4,736	4,393	4,736	4,393	4,841
<b>Total liabilities</b>	<b>5,863</b>	<b>5,181</b>	<b>5,863</b>	<b>5,181</b>	<b>5,853</b>
<b>Interest expenses and similar loss items</b>					
Interest expenses for operating and finance leases	–32	–38	–95	–119	–156
Interest expense, other loans	–15	–5	–45	–9	–13
Other financial expenses	–1	1	–5	–3	–8
Realised and unrealised exchange gains/losses, net	14	1	1	2	–9
<b>Total</b>	<b>–34</b>	<b>–41</b>	<b>–144</b>	<b>–129</b>	<b>–186</b>

**NOTE 3 PLEDGED ASSETS AND CONTINGENT LIABILITIES**

SEK million, except as otherwise indicated	Group		Parent Company	
	30 Nov 2019	30 Nov 2018	30 Nov 2019	30 Nov 2018
<b>Pledged assets</b>				
Chattel mortgages				
Other pledged assets	150	150	223	135
<b>Contingent liabilities</b>				
Guarantee of lease obligations and other obligations	5,210	5,856	5,189	5,835
<b>Total pledged assets and contingent liabilities</b>	<b>5,360</b>	<b>6,006</b>	<b>5,412</b>	<b>5,970</b>

# Information on performance measures

## DEFINITIONS

### Alternative performance measures

In its interim report, Nobina presents performance measures as supplementary financial measures as defined by IFRS, so-called APM (Alternative Performance Measures). The company is of the opinion that the performance measures provide valuable and significant information for investors and company management, since they facilitate an evaluation of the company's results. Financial non-IFRS measures are subject to limitations as analytical tools

and should not be regarded as isolated or as replacements for financial measures prepared pursuant to IFRS. Financial non-IFRS measures are reported in order to improve the investors' valuation of the company's results from operations and position. The financial non-IFRS measures presented in this report can differ from similar measures used by other companies.

Key metrics	Description
Rolling 12 months	Total for the most recent four quarters.
EBITDA	Operating profit before net financial items, tax, depreciation, amortisation, earnings from sale of non-current assets.
EBITDA margin	EBITDA in relation to net sales.
EBITA	Earnings before interest, tax and amortisation of intangible assets and adjusted for fair value of conditional acquisition not paid and acquisition-related income and costs.
EBITA margin	EBITA in relation to net sales.
EBIT	Operating profit before net financial items and taxes.
EBIT margin	EBIT in relation to net sales.
EBT	Operating profit before tax.
EBT margin	EBT in relation to net sales.
EBT adjusted	Earning before taxes adjusted for amortisation of intangible assets, fair value of conditional acquisition not paid and acquisition-related income and costs.
Acquisition-related income and costs	Adjustments of fair value of contingent considerations not paid and acquisitions-related costs. Acquisitions-related costs includes costs attributable to ongoing, completed and continuing acquisitions.
Items affecting comparability	Items affecting comparability include events and transactions, the effect of which on earnings is important to report when profit for the period is compared with previous periods.
Interest-bearing liabilities	Interest-bearing non-current and current liabilities (external loans, pension liabilities and operating and finance lease liabilities).
Net debt	Interest-bearing non-current and current liabilities (external loans, pension liabilities, operating and finance lease liabilities) after deducting cash and cash equivalents.
Net debt/EBITDA	Interest-bearing non-current and current liabilities (external loans, pension liabilities, operating and finance lease liabilities) after deducting cash and cash equivalents in relation to EBITDA during four sequential quarters.
Renewal rate	All won tenders/All own announced tenders.
Retention rate	Defended tenders/Own announced tenders.
Average number of employees (FTEs)	The number of hours paid divided by normal working hours for a full-time employee.
Cash investments	Cost of investments in non-current assets less loan-financed investments.
Reallocation rate	Number of buses allocated to a new contract during the year/Total number of buses.
Earnings per share	Profit for the period divided by average number of shares.
Earnings per share after full dilution	Profit for the period divided by average number of shares after full dilution.
Shareholders' equity per ordinary share	Shareholders' equity per ordinary share as per the balance-sheet date.
Dividend yield	Dividend in relation to the company's share price as per the balance-sheet date.
Equity/assets ratio	Shareholders' equity in relation to total assets at the end of the period.
Yield	Revenue per driven kilometre.
Contract length	A publicly tendered contract concluded for the provision of transport services between a client and a public transport company. The duration of the contract is typically five to eight years, with the option of extending for an additional one or two years. It is based on either a production or an incentive contract.
Production hours	Number of hours produced as part of a contract.
Production kilometres	Total number of kilometres produced as part of a contract.
Number of buses	The number of buses that are owned on finance or operating leases or rented on a short-term basis at the end of the period.

**KEY METRICS FOR CONTINUING OPERATIONS**

SEK million, except as otherwise indicated	2018/2019		2019/2020		Full year	
	Q3	Q4	Q1	Q2	Q3	Mar 2018– Feb 2019
Net sales for the period	2,599	2,560	2,749	2,528	2,763	9,734
EBITDA	499	363	431	438	538	1,596
EBITDA margin	19.2%	14.2%	15.7%	17.3%	19.5%	16.4%
EBITA	267	102	168	162	243	620
EBITA margin	10.3%	4.0%	6.1%	6.4%	8.8%	6.4%
EBIT	254	80	152	156	225	575
EBIT margin	9.7%	3.1%	5.5%	6.2%	8.1%	5.9%
EBT	213	23	97	101	191	389
EBT margin	8.2%	0.8%	3.5%	4.0%	6.9%	4.0%
Profit for the period	166	18	76	81	148	298
Cash flow for the period	-70	732	-70	-536	-261	288
Cash and cash equivalents	320	1,058	992	460	192	1,058
Equity/assets ratio, %	16.2%	14.7%	16.1%	13.6%	14.9%	14.7%
Shareholders' equity	1,420	1,449	1,539	1,303	1,388	1,451
Shareholders' equity/ordinary share, SEK	16.0	16.4	17.4	14.7	15.7	16.4
Number of buses (on balance-sheet date)	3,552	3,644	3,711	3,897	3,822	3,644
Estimated FTEs	10,414	10,547	10,791	10,698	10,630	10,547
Production hours	2,899	2,783	2,928	2,964	2,868	11,296
Production kilometres	74,795	70,151	74,346	78,356	71,337	285,739

**CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES FOR CONTINUING OPERATIONS**

SEK million, except as otherwise indicated	2018/2019		2019/2020		Full year	
	Q3	Q4	Q1	Q2	Q3	Mar 2018– Feb 2019
<b>Interest-bearing liabilities:</b>						
Non-current borrowing	4,393	4,841	4,465	4,729	4,736	4,841
Pension liability	37	33	32	41	30	33
Current borrowing	788	1,012	1,012	1,065	1,127	1,012
<b>Total interest-bearing liabilities</b>	<b>5,218</b>	<b>5,886</b>	<b>5,509</b>	<b>5,835</b>	<b>5,893</b>	<b>5,886</b>
Cash	-320	-1,058	-992	-460	-192	-1,058
<b>Total net debt</b>	<b>4,898</b>	<b>4,828</b>	<b>4,517</b>	<b>5,375</b>	<b>5,701</b>	<b>4,828</b>
EBITDA Q1	348	348	431	431	431	348
EBITDA Q2	378	378	378	438	438	378
EBITDA Q3	499	499	499	499	538	507
EBITDA Q4	363	363	363	363	363	363
<b>Total EBITDA full year</b>	<b>1,588</b>	<b>1,588</b>	<b>1,671</b>	<b>1,731</b>	<b>1,770</b>	<b>1,596</b>
<b>Net debt/EBITDA</b>	<b>3.1</b>	<b>3.0</b>	<b>2.7</b>	<b>3.1</b>	<b>3.2</b>	<b>3.0</b>

# Nobina in brief

Nobina is the largest and most experienced public transport service provider in the Nordic region. The company's expertise in prospecting, tendering and active management of public bus transport contracts in combination with long-term delivery quality makes Nobina the industry leader in terms of profitability, development and initiatives that promote a healthier industry.

Every day, Nobina ensures that close to one million people arrive at work, school or other activities by delivering contracted public bus transport services in Sweden, Norway, Finland and Denmark.

Nobina has sales of around SEK 10 billion on an annual basis and has more than 11,500 employees, with its head office located in Solna, Stockholm. Nobina's success creates a better society in the form of increased mobility, reduced environmental impact and lower cost to society.

## NOBINA'S STRATEGIC FOCUS AREAS

We are focusing resources primarily on four strategic areas to thereby create continued profitable growth. These encompass the development of new bus solutions that add growth to the current offering, efficient and innovative contract management, optimisation of the company's resources and traffic planning, and development of employee skills with diversity and equality as fundamental elements. Moreover, when suitable opportunities arise, we will grow further through acquisitions.

### Bus solutions

By capitalising on our extensive knowledge of passenger flows and customer needs, we can develop solutions that add further value to existing contracts or create completely new business opportunities. We work with three areas for our solutions — all of these with a focus on buses.

- Complete solutions
- Bus-for-rail service solutions
- Special transportation

### Contract management

A broad contract portfolio, an increasing contribution from new services and cost-efficient operations are essential for continuing profitable growth. In line with the goals of our clients, we achieve this by ensuring productivity through early involvement and by driving business development and additional sales in new and existing contracts.

### Resource efficiency

In order to manage our resources as efficiently as possible, we work continuously to optimise our fleet of vehicles, traffic planning and driving. This has a positive impact on both costs and the environment, at the same time as activities to convince more people to use public transport offer benefits for society at large.

## Employee development

Our employees are our most important resource in developing sustainable public transport solutions and in creating long-term, profitable growth. Nobina aims to be an attractive employer with a values-driven management style where diversity and equality are self-evident.

## MARKET

In the Nordic region, public transport solutions are critical to the sustainable development of society. The size of the Nordic public transport market for buses is estimated at SEK 47 billion. In all of the Nordic markets, an average of half of the cost of regional travel is financed through the budgets of regional public administrations.

Regional tendered public transport has shown favourable growth in recent years and is expected to continue to grow moving forward, in line with a political will to increase the use of public transport and as more people choose to travel by bus. There is also a trend in all countries to include more quality criteria as part of the tender process, and towards better compensation models where incentives are based on the number of passengers and the quality experienced by the customers. Models using compensation to operators for kilometres driven and which index compensation on a few occasions each year are thus becoming less common. We have seen this from clients operating in densely populated and rapidly growing areas, where there is a move towards contracts with balanced terms for operators that enable the delivery of high-quality public transport.

Society is increasingly interested in investing in public transport, particularly in areas with a high population density, such as metropolitan areas where well-developed public transport is important for mobility in society. In addition, public transport is high on the agenda for local politicians as it becomes a more important requirement for building a sustainable society.

## Nobina's position in the market

With a 17 per cent market share (company assessment 2018–2019), Nobina is the largest public transport company in the Nordic region and the only company with operations in all of the Nordic countries. In Sweden, our leading market position is a result of high efficiency and successful work in the management and refinement of the contract portfolio. In Finland, in the role as market leader in the Helsinki region, Nobina is well positioned to increase its market share in a growing market. In the Norwegian and Danish markets, Nobina is in a challenger position, while these markets are also growing in terms of volume and the number of contracts.

As the Nordic region's largest and most experienced public transport company, the conditions remain good for profitable growth.

## OUR VISION

# EVERYONE WANTS TO TRAVEL WITH US

**THIS IS NOBINA.** Our transport solutions increase mobility in society. Every day about one million people in the Nordic region travel with us, and our role is to make the journey a positive experience. We offer our passengers service and security at the same time as ensuring the journey is efficient and easy. It is through bus travel that we can combine all of the components into a well-functioning whole.



### WE ACHIEVE OUR VISION BY BEING:

#### TRANSPARENT

Our business is based on transparency and diversity. We share knowledge with our stakeholders through dialogue. We welcome cooperation.

#### INNOVATIVE

We are innovative and strive for new and smart solutions for passengers and society.

#### RELIABLE

Reliability and credibility form the basis of everything we do. We get things done and provide quality services.



### BUSINESS CONCEPT

## WE SIMPLIFY EVERYDAY TRAVELLING FOR OUR CUSTOMERS



### WE SUCCEED BY LIVING ACCORDING TO OUR VALUES:

#### WE RESPECT EACH OTHER

We safeguard the equal value of all human beings and treat each other with courtesy and consideration. Together, we create a secure and creative working climate. We take action in the case of lack of respect toward customers, each other and the company.

#### WE CARE

We are committed, attentive and care about each other. We take active responsibility for the environment, society, safety and security. We promote health and personal development.

#### WE ARE GOOD LEADERS

Our leadership is based on trust, transparency and courage. We motivate through inclusion and draw attention to achievements. As a leader, we are a good role model in all of our communication.



**THROUGH SMART TRANSPORT SOLUTIONS, WE HELP TO REALISE THE SUSTAINABLE SOCIETY OF THE FUTURE.**



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