

ANOTHER STABLE YEAR FOR NOBINA

The fourth quarter

- Net sales amounted to SEK 2,605 million (2,560), an increase of 1.7 percent compared to the prior-year quarter, of which 0.5 percent related to acquisitions, 0.9 percent was organic growth and 0.3 percent derived from currency effects.
- EBITA amounted to SEK 89 million (102).
- EBIT amounted to SEK 64 million (80).
- Profit before tax amounted to SEK 10 million (23).
- Profit after tax amounted to SEK 0 million (18), and earnings per share totalled SEK 0.02 (0.21) before dilution.
- Cash flow from operations excluding changes in working capital was SEK 346 million (349).

The fiscal year 1 March 2019–29 February 2020

- Net sales amounted to SEK 10,645 million (9,734), an increase of 9.4 percent, of which 6.5 percent related to acquisitions, 2.4 percent was organic growth and 0.5 percent derived from currency effects.
- EBITA amounted to SEK 662 million (620).
- EBIT amounted to SEK 597 million (575).
- Profit before tax amounted to SEK 399 million (389).
- Profit after tax amounted to SEK 305 million (298), and earnings per share totalled SEK 3.47 (3.44) before dilution.
- Cash flow from operations excluding changes in working capital was SEK 1,739 million (1,564).

The financial information presented in the 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 fourth quarter

- Nobina won a tender for bus-for-rail services from Skånetrafiken encompassing the entire Öresund and Pågatåg systems in six counties and for six years, with the option of extending for two years. The contract will include fossil-free buses.
- In December, Nobina repurchased 351,799 shares for a total amount of approximately SEK 23 million within the framework of a share saving programme.
- Nobina has been entrusted once again by MOVIA to operate and develop regional transport services in Zealand and the total contract is valued at more than DKK 320 million across 4.5 years with an option for one additional year. The services will be launched in December 2020 and involve a total of 34 buses.

Significant events after the end of the quarter

- Our firm belief is that Public Transport is a critical part of our society – today and in the long term. A large part of our revenue comes from contracts not directly linked to changes in passenger demands. However, the full extent of the impact on Nobina from Covid-19 is difficult to predict. In order to ensure as strong a financial position as possible the Board of Directors proposes that no dividend should be declared for the fiscal year 2019–2020.
- After 18 years with Nobina, Deputy CEO Jan Bosaeus has decided to retire. All of his work duties will be shared among the existing Group management team and the changes came into effect on 1 April.

KEY METRICS FOR CONTINUING OPERATIONS ¹⁾

(SEK million, except as otherwise indicated)	Quarter		Full year	
	Dec 2019 –Feb 2020	Dec 2018 –Feb 2019	Mar 2019 –Feb 2020	Mar 2018 –Feb 2019
Net sales	2,605	2,560	10,645	9,734
EBITDA	357	362	1,764	1,596
EBITA	89	102	662	620
EBIT	64	80	597	575
EBT	10	23	399	389
EBT, adjusted ²⁾	35	45	464	434
Cash flow for the period	114	732	–753	288
			29 Feb 2020	28 Feb 2019
Net debt/EBITDA			3.1x	3.0x
Equity/assets ratio, %			14.7	14.7

A complete table of key metrics, including definitions, can be found on pages 24–25.

1) The information above refers to continuing operations and, in accordance with IFRS 5, excludes Swebus Express AB which was divested in FY 2018–2019.

2) Adjusted for income, costs and amortisations related to acquisitions.

Statement from the CEO

I can look back on another stable year for Nobina. Sales, adjusted for currency effects, rose 8.9 percent to SEK 10.6 billion and adjusted EBT rose to SEK 464 million (434). I am especially satisfied with the year's performance as we carried out one of the largest contract migrations ever by Nobina, with more than 1,000 buses in contracts either started or terminated. This migration had a particular impact on the last two quarters of the fiscal year. During the fourth quarter, adjusted EBT declined to SEK 35 million (45), and we expect the impact of the migration to continue into the beginning of the current fiscal year.

IMPROVEMENTS IN ALL COUNTRIES

All our markets reported improved profitability in 2019/2020 compared with the previous fiscal year. In Sweden, we consolidated our leading position in a market with substantial tender volumes and secured six new contracts with a total of 321 buses. In the fourth quarter, we expanded our bus-for-rail services through an agreement with Skånetrafiken. We have also continued to plan for an electrification of bus services in Malmö, an initiative enabled by our complete solutions concept, Nobina Electrical Solutions, which encompasses everything from charging infrastructure to operations and maintenance. In Norway, the termination of underperforming contracts and an increase in extra traffic had a positive impact on profitability during the year. Profitability was also strengthened by underlying efficiency improvements in our expanded services in the Oslo region. In Denmark, we were entrusted with the renewal of a minor contract in Zealand in the fourth quarter, while previous acquisitions produced strong key metrics for the full year.

All three acquisitions conducted in the 2018/2019 fiscal year – Örslev and De Blaa Omnibusser (DBO) in Denmark and Samtrans in Sweden – are now fully integrated into Nobina and are providing a significant contribution to both sales and earnings. In the special needs transportation segment, where we are active through Samtrans and Örslev, favourable opportunities for continued growth exist – both organically and through new acquisitions.

CONTINUED ELECTRIFICATION

The electrification of the bus fleet is continuing. Out of the 462 buses started during the year 100 run on electricity, though electric buses still account for only a small portion of our total bus fleet. Electric buses are part of the solution in all new contracts starting in 2020, and we expect electric buses to play an increasingly important role in future tenders. Public transport services by bus address challenges such as congestion, accessibility and air quality and electrification makes these services even more attractive to society. At the end of the fiscal year, 82 percent (81) of our bus fleet was running on electricity or renewable fuels. The highly successful launch of our first green bond of SEK 500 million took place a little over one year ago. These funds have been invested in new electric buses and buses that run solely on renewable fuels.

The favourable long-term outlook for public transport means that we have an urgent need to recruit new bus drivers and mechanics. Through our own initiatives and together with job centres in the Nordic countries, we are helping people who are long-term unemployed to find work with us. In Sweden alone we recruited some 750 people during the year who were new to the bus driver profession.

CHALLENGING SITUATION

Public transport in the Nordic region is facing challenges in the short term. I am, of course, referring to the impact that the coronavirus (COVID-19) has had on our communities. Travelling and meeting in groups are two things that authorities are now advising against in order to limit the spread of the virus. The situation is changing rapidly from day to day and varies between countries. It is difficult to assess the possible economic impact on Nobina. In our current view we consider the first half of the fiscal year to be more challenging than the second half where we expect a recovery back to a more normal situation. We are in a proactive dialogue with our clients about how to solve various aspects of the situation, such as distancing on board, the need for extra buses and other flexible solutions to maintain efficient public transport services for society and all parties in this new situation. Our actions are first and foremost designed to protect the health of our employees and passengers. Such measures include limiting the number of passengers to the number of seats, blocking off the seats at the front of buses and airing all buses at end terminals. In addition to this, in consultation with certain clients, we have made the decision to keep the front entrance doors closed. We are following the developments carefully and are continuously evaluating different scenarios and action plans.

The current uncertainty about the financial impact of the prevailing situation has led to the Board of Directors' recommendation to the AGM to refrain from paying a dividend for the 2019/2020 fiscal year. While Nobina as a supplier of critical public services stands strong in the longer term, this recommendation reflects the near-term need to take responsibility for the company and all of its stakeholders in these uncertain times.

Despite short-term concerns and uncertainty, we are continuing our focused and dedicated efforts – through efficiency improvements in our day-to-day operations and through new innovations – to create competitive and sustainable public transport services by bus. We reaped the benefits of these efforts in the 2019/2020 fiscal year, and I am convinced that in the longer term we will continue to deliver and achieve the financial targets and sustainability goals we have set ourselves – in the best interests of our shareholders, customers, employees and society. I would also like to express my gratitude to all Nobina employees for your extraordinary efforts that take us through these challenging times that we are currently in.

Magnus Rosén,
President and CEO



● ● ● ●

**"ALL OF OUR MARKETS REPORTED
EARNINGS IMPROVEMENTS
COMPARED WITH THE PREVIOUS YEAR"**

Nobina's financial performance

Fourth quarter (1 December 2019–29 February 2020) and full year (1 March 2019–29 February 2020)

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

Fourth quarter

Nobina's fourth quarter net sales amounted to SEK 2,605 million (2,560), an increase of 1.7 percent compared with the prior year period. Growth, adjusted for currency effects, was 1.4 percent. The acquired company Örslev contributed 0.5 percent to growth, or SEK 13.5 million, and the impact of currency effects was 0.3 percent. Organic growth of 0.9 percent was positively impacted by newly started contracts and the development of existing contracts in Denmark, Finland and Norway but was adversely impacted by contract migration in Sweden.

Full year

Nobina's net sales for the full year amounted to SEK 10,645 million (9,734), an increase of 9.4 percent compared with the prior year period. Growth, adjusted for currency effects, was 8.9 percent. The acquired companies Samtrans, DBO and Örslev contributed 6.5 percent to growth, or SEK 628 million, and the impact of currency effects was 0.5 percent. Organic growth was 2.4 percent with positive effects from price and volume and indexation partly offset by negative effects from contract migration.

RESULTS

Fourth quarter

EBITA for the fourth quarter amounted to SEK 89 million (102), a decline of –12.7 percent attributable to contract migration, which was in line with expectations but was in part offset by the positive development of existing contracts. EBIT for the fourth quarter amounted to SEK 64 million (80), a decline of –20.0 percent. Profit before tax was SEK 10 million (23). Adjusted profit before tax totalled SEK 35 million (45).

Full year

EBITA for the full year amounted to SEK 662 million (620), an increase of 6.8 percent driven by strong earnings from the acquired companies Samtrans and DBO as well as the positive development of existing contracts. Profit for the year was adversely impacted by extensive contract migration. EBIT for the full year amounted to SEK 597 million (575), an increase of 3.8 percent. Profit before tax amounted to SEK 399 million (389). Adjusted profit before tax totalled SEK 464 million (434).

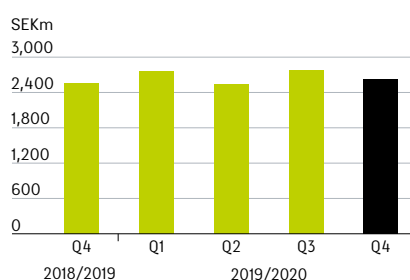
INCOME TAX

Nobina's income tax in the income statement for the fourth quarter comprised current tax of SEK 5 million (–5) and a change in estimated deferred tax of SEK –15 million (–). The effective rate of tax was 100 percent (22). Tax paid for the fourth quarter was 11 (–4). Nobina's income tax for the full year comprised current tax of SEK 2 million (–9) and a change in estimated deferred tax of SEK –96 million (–82). The effective rate of tax was 23 percent (23). Tax paid for the full year amounted to 0 (–5).

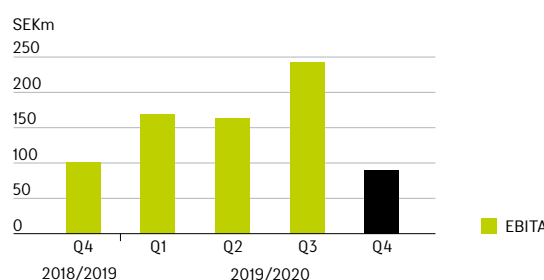
FINANCIAL POSITION

Cash and cash equivalents amounted to SEK 307 million (1,058) at the end of the period. Nobina has an available bank credit facility of SEK 300 million (300) as of 29 February 2020. Nobina's interest-bearing liabilities amounted to SEK 5,841 million (5,886), mainly divided between operating and finance lease liabilities of SEK 3,287 million (3,792) and other external liabilities, mainly loans for bus financing, of SEK 2,199 million (1,639) 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 246 million (308), see Note 2. Net debt totalled SEK 5,534 million (4,828) at the end of the period, and net debt/EBITDA was 3.1x (3.0x). Shareholders' equity totalled SEK 1,380 million (1,451). The equity/assets ratio at the end of the period was 14.7 percent (14.7).

NET SALES



EBITA



GOODWILL

The annual test for impairment of goodwill in Nobina's cash-generating entities, as required in accordance with IFRS, took place during the fourth quarter of the 2019/2020 fiscal year in connection with preparation of the business plans for 2020/2021. None of the cash-generating entities whose need for impairment was tested had a book value which exceeded the recovery value. The management's assessment is that the value in use based on internal business plans for four years supports the valuation of Nobina. By establishing a sensitivity analysis, management assesses that the impact of possible changes in the three variables – forecast profit margins, sales growth and discount rate – would not impact the recoverable amount such that it is reduced to a value that is lower than the carrying amount of shares in subsidiaries and/or goodwill.

INVESTMENTS AND DIVESTMENTS**Fourth quarter**

Bus investments in the fourth quarter amounted to SEK 78 million (961) and other investments were SEK 45 million (150). Nobina signed finance leases of SEK –84 million (–166) and new loans of SEK –39 million (–1,415) were raised. Nobina's cash investments for procurement of buses, accessories and other PPE amounted to SEK 0 million (470). In the fourth quarter of the preceding year, Nobina issued a green bond for SEK 500 million. Nobina sold buses and other PPE for a value of SEK 34 million (20). The earnings effect from the sale of buses was recognised in the preceding year as capital gains/losses from the disposal of non-current assets. For the current year, Nobina has adapted the depreciation period to better reflect the actual market value, which caused an increase in accelerated depreciation costs in the quarter of SEK –16 million (0).

Full year

Bus investments for the full year amounted to SEK 2,353 million (1,193) and other investments were SEK 79 million (203). Nobina signed finance leases of SEK –905 million (–289) and new loans of SEK –860 million (–1,450) were raised. Nobina's cash investments for procurement of buses, accessories and other PPE amounted to SEK –667 million (343) and consisted primarily of investments in loan-financed buses. In the fourth quarter of the preceding year, Nobina issued a green bond for SEK 500 million. Nobina sold buses and other PPE for a value of SEK 53 million (40). The earnings effect from the sale of buses was recognised in the preceding year as capital gains/losses from the disposal of non-current assets. For the current year, Nobina has adapted the depreciation period to

better reflect the actual market value, which caused an increase in accelerated depreciation costs in the full year of SEK –79 million (–17).

CASH FLOW**Fourth quarter**

Cash flow from operations before changes in working capital amounted to SEK 346 million (349). The change in working capital amounted to SEK 65 million (207) and was primarily related to a timing impact of VAT payments linked to bus investments.

Cash flow from investing activities amounted to SEK –5 million (–925) and included investments in buses and equipment of SEK –39 million (–945), which were financed by loans amounting to SEK 39 million (1,416). Refinancing of buses, which were previously lease-financed, with loans corresponded to SEK 46 million in both investments and new loans during the quarter. In the fourth quarter of the preceding year, buses which were previously lease-financed were refinanced with loans in the amount of SEK 679 million.

Cash flow from financing activities amounted to SEK –303 million (1,105), which was impacted by the proceeds from the green bond of SEK 500 million received in the fourth quarter of the preceding year. Total cash flow for the quarter was SEK 114 million (732).

Full year

Cash flow from operations before changes in working capital amounted to SEK 1,739 million (1,564). The change in working capital amounted to SEK –196 million (78) and was primarily related to a timing impact of VAT payments linked to bus investments.

Cash flow from investing activities amounted to SEK –1,481 million (–1,588) and was impacted by investments in buses and equipment of SEK –1,527 million (–1,107), which were financed by loans amounting to SEK 860 million (1,450). Refinancing of buses, which were previously lease-financed, with loans corresponded to SEK 799 million in both investments and new loans during the full year period. Cash flow from financing activities was SEK –815 million (239), which included a payment during the third quarter of an additional consideration of SEK –40 million related to the Samtrans acquisition and the repurchase of shares for SEK –60 million.

Total cash flow for the full year was SEK –753 million (288), which was impacted by extensive bus investments paid in cash and financed with the green bond issued in the fourth quarter of the preceding year.

CASH FLOW EFFECT RELATING TO INVESTMENTS IN CONTINUING OPERATIONS

(SEK million) ¹⁾	Quarter		Full year	
	Dec 2019 –Feb 2020	Dec 2018 –Feb 2019	Mar 2019 –Feb 2020	Mar 2018 –Feb 2019
Investments in new buses	–78	–961	–2,353	–1,193
Other investments	–45	–150	–79	–203
Total investments	–123	–1,111	–2,432	–1,396
Lease-financed investments	84	166	905	289
Non-lease-financed investments	–39	–945	–1,527	–1,107
Of which loan-financed investments	39	1,415	860	1,450
Total cash investments	0	470	–667	343

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
Period Mar 2018–Feb 2019	9,734	434	
Price and Volume	938	212	The estimated effects of price and volume were positive in terms of net sales and adjusted EBT, and are driven by existing contracts. This item contains positive effects of acquisitions and volume increases.
Contract migration	-193	-75	Contract migrations this year have been extensive and impacted the results negatively in Sweden and Norway primarily.
Indexation and Operational efficiency (net)	166	-14	Positive index effects on net sales, which mainly originate from Sweden. Adjusted EBT was slightly adversely impacted by maintenance costs.
Other		-81	This item includes other cost deviations, primarily within central functions, and includes results from the fleet operations.
Net financial items		-12	Profit for the year was negatively impacted by higher interest expenses.
Period Mar 2019–Feb 2020	10,645	464	

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 fourth quarter

WEIGHTED AVERAGE CONTRACT TERM, YEARS

7.8 (8.1)

The duration of contracts varies between countries, and was on average (weighted by the number of buses) 7.8 years.

AVERAGE AGE OF BUS FLEET, YEARS

6.3 (6.6)

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

WEIGHTED AGE OF THE CONTRACT PORTFOLIO, YEARS

4.6 (5.1)

The average age of contracts (weighted by the number of buses) was 4.6 years.

Segments

NET SALES BY SEGMENT FOR CONTINUING OPERATIONS

(SEK million)	Quarter		Full year	
	Dec 2019 –Feb 2020	Dec 2018 –Feb 2019	Mar 2019 –Feb 2020	Mar 2018 –Feb 2019
Nobina Sweden	1,777	1,824	7,275	6,863
Production contracts	1,157	1,245	4,821	4,642
Incentive contracts	595	560	2,343	2,069
Other revenue	25	19	111	152
Nobina Denmark	243	205	974	648
Production contracts	231	139	876	563
Incentive contracts	–	1	3	3
Other revenue	12	65	95	82
Nobina Norway	287	236	1,178	1,047
Production contracts	281	228	1,120	1,009
Incentive contracts	–	2	2	8
Other revenue	6	6	56	30
Nobina Finland	316	295	1,249	1,178
Production contracts	304	289	1,219	1,154
Incentive contracts	4	5	19	19
Other revenue	8	1	11	5
Group	2,623	2,560	10,676	9,736
Production contracts	1,973	1,901	8,036	7,368
Incentive contracts	599	568	2,366	2,099
Other revenue	51	91	274	269
Central functions and other items	–9	–2	–16	2
Elimination of sales within the Group	–9	2	–15	–4
Total net sales	2,605	2,560	10,645	9,734

EBITA PER SEGMENT FOR CONTINUING OPERATIONS

(SEK million)	Quarter		Full year	
	Dec 2019 –Feb 2020	Dec 2018 –Feb 2019	Mar 2019 –Feb 2020	Mar 2018 –Feb 2019
Nobina Sweden	101	109	635	586
Nobina Denmark	8	10	54	18
Nobina Norway	15	–	43	13
Nobina Finland	6	6	48	44
Central functions and other items	–41	–23	–118	–41
Total EBITA	89	102	662	620

SUMMARY

Nobina's fourth quarter posted a growth in net sales of 1.7 percent compared with the prior year period, and lower EBITA. Net sales improved in total since Denmark, Norway and Finland noted positive organic growth and acquisition-related growth was 0.5 percent for the quarter. The net sales were negatively effected from contract migration, predominantly in Sweden. The increase in net sales adjusted for currency effects totalled 1.4 percent. Contract migration in previous quarters had an adverse impact on earnings for the fourth 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 fourth quarter. EBITA was positively affected from development of existing contracts.

Net sales for the full year were 9.4 percent higher than the prior year period, 8.9 percent adjusted for currency effects. EBITA was higher, primarily due to the favourable performance of the acquired companies Samtrans and DBO as well as positive development of existing contracts. EBITA for the full year was adversely impacted by contract migration, predominantly from Sweden.

SWEDEN

Nobina Sweden's net sales for the fourth quarter of the year decreased compared with the prior year quarter. Net sales were negatively impacted by contract migration, which was partly compensated for by the positive contribution from existing contracts and the acquisition of Samtrans. EBITA declined slightly in the fourth quarter compared with the prior year period, which was attributable to the effects of contract migration. EBITA was positively impacted by development of existing contracts.

Net sales for the full year increased compared with the prior year period. EBITA for the full year also increased, driven by the performance of existing contracts and a positive contribution from Samtrans.

DENMARK

Nobina Denmark's net sales for the fourth quarter increased compared with the prior year period mainly driven by the launch of the contract in Roskilde earlier in the year and the acquired company Örslev. EBITA

declined slightly during the period, which was the result of contract migration. EBITA was positively impacted by the strong performance of DBO during the quarter.

Net sales for the full year increased compared with the prior year period, driven by the acquired company DBO and the newly launched contract in Roskilde. EBITA for the full year improved compared with the corresponding prior year period and was due to a positive contribution to earnings from DBO.

NORWAY

Nobina Norway's net sales for the fourth quarter were higher than the prior year period, and were positively impacted by contract migration and traffic development in existing contracts. EBITA for the fourth quarter rose compared with the corresponding period last year, driven by the positive impact of contract migration and traffic development in existing contracts.

Net sales for the full year increased compared with the prior year period positively impacted by positive development in existing contracts, contract migration and extra traffic. EBITA for the full year improved compared with the corresponding period last year, due to the positive development of existing contracts and extra traffic.

FINLAND

Nobina Finland's net sales for the fourth quarter were higher than in the prior year period, driven by volume increase in existing contracts and positive contract migration. EBITA was unchanged in the quarter compared with the year-earlier period.

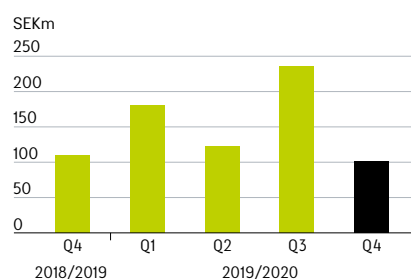
Net sales for the full year increased compared with the prior year positively impacted by higher volumes from new contracts and exchange rate effects. EBITA for the full year increased due to positive development in new contracts.

CENTRAL FUNCTIONS AND OTHER ITEMS

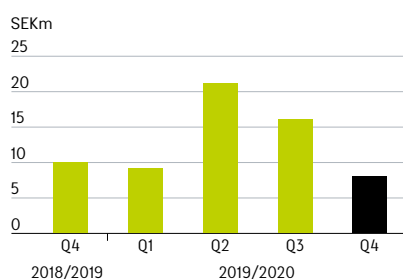
Central functions had an adverse effect on the fourth quarter, and reduced EBITA with SEK –18 million. The figures reported here are primarily central head office functions and include results from the fleet operations where any accelerated depreciation charges are taken.

EBITA PER SEGMENT

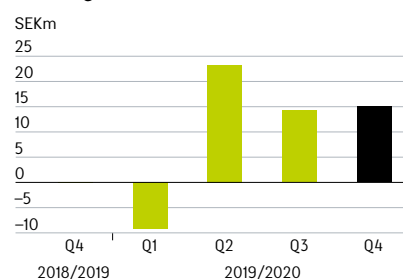
Sweden



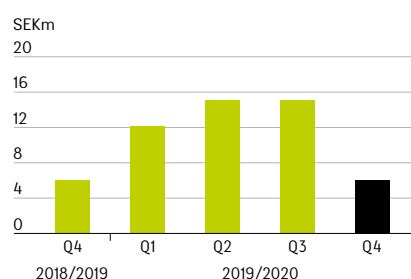
Denmark



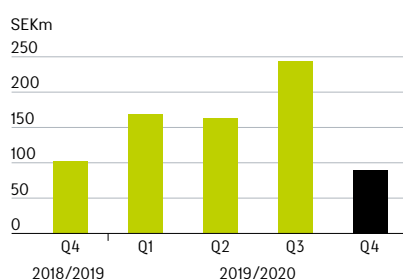
Norway



Finland

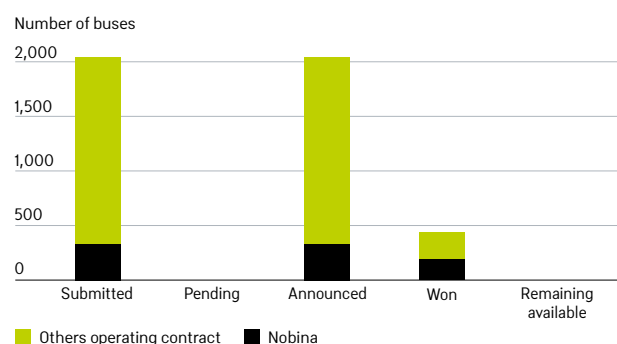


Nobina



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 full year, contracts operated by Nobina for 319 buses were tendered. Out of the total market volume of 2,026 buses tendered in which Nobina participated during the year, Nobina won 432 buses. This represents a renewal rate of 135 percent for the full year. Nobina has initiated significant contract migration whereby contracts with an equivalent of 462 buses have begun operating, while contracts involving 633 buses expired during the year. Over the next 12 months, contracts involving 351 buses are expected to start operating, while contracts involving 142 buses are expected to expire.

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 full year, Nobina started contracts for 462 buses and contracts for 633 buses expired.

March 2019–February 2020	Traffic changes during the period (No. of buses)	
	Started	Expired
Sweden	166	321
Norway	127	154
Finland	149	142 ¹
Denmark	20	16
Total	462	633

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 the full year have been announced for 2,026 buses and Nobina won tenders for 432 buses.

March 2019–February 2020	Tenders during the period (No. of buses)	
	Completed	Won
Sweden	1,187	321
Norway	429	0
Finland	154	59 ²
Denmark	256	52
Total	2,026	432

TRAFFIC START-UPS AND TERMINATIONS DURING THE COMING 12 MONTHS, MARCH 2020 TO FEBRUARY 2021

During the coming 12-month period, Nobina will start traffic involving 351 buses. Of these, 292 buses are expected to be newly acquired. During the same period, Nobina will terminate traffic involving 142 buses.

TRAFFIC START-UPS

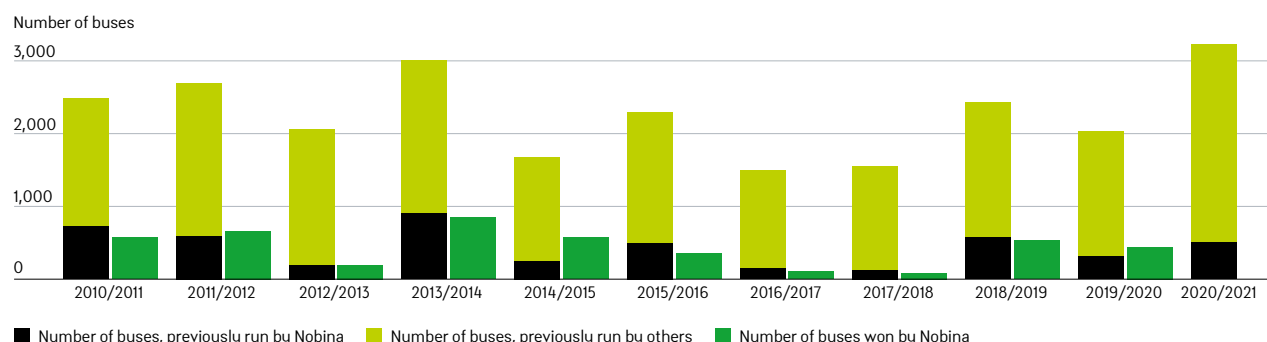
Clients	No. of years	Start of service	No. of buses	New buses
Hallandstrafiken, Sweden	10	June 2020	127	120
Östgötatrafiken, Sweden	10	June 2020	87	87
Västtrafik, Sweden	10	June 2020	72	72
Movia, Denmark	4.5	December 2020	34	0
Sydtrafik, Denmark	3	August 2020	18	0
Norrbottnen, Sweden	10	December 2020	13	13
Total buses			351	292

EXPIRED TRAFFIC

Clients	End of service	No. of buses
Hallandstrafiken, Sweden	June 2020	58
Movia, Denmark	December 2020	34
Midttrafik, Denmark	August 2020	23
HSL, Finland	August 2020	20
HSL, Finland	December 2020	7
Total buses		142

1) Includes HSL contract involving 142 buses that expired in August 2019.

2) Still includes Turku tender which was appealed and just prior to Nobina's year-end report was published a decision was announced that this contract will be re-tendered.

TENDER VOLUME, COMING YEARS

Figures represent number of buses in announced tenders for historical periods and tender outlook for FY20/21

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 29 February 2020, 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 33,892. Nobina has 2,208,321 treasury shares on the balance-sheet date.

SHARE SAVING PROGRAMME

Nobina AB currently has three share saving programmes encompassing a total of not more than 2,081,842 shares directed to senior executives and key employees of the Nobina Group. All share saving programmes are based on own investments. For more information regarding LTIP 2017 and LTIP 2018, refer to the corresponding section in Nobina AB's Annual Report 2018/2019 and regarding LTIP 2019, refer to the minutes of the 2019 Annual General Meeting at www.nobina.com.

Nobina's financial targets

	Target	2019/20 ³⁾	2018/2019 ⁵⁾	Definition
Percentage YoY growth in net sales	5%	9.4%	11.1%	Nobina's target is 5 percent accumulated annual average net sales growth with 18/19 as the base year.
Adjusted EBT margin ¹⁾	5%	4.4%	4.5%	Nobina's target is to achieve an EBT margin of 5 percent at an average contract age of 50 percent of the average contract length.
Net debt/EBITDA ²⁾	3.0x–4.0x	3.1x	3.0x	Under normal circumstances, Nobina aims to maintain a net leverage ratio of 3.0x and 4.0x EBITDA, including strategic debt financing.
Dividend policy ³⁾	75 percent of earnings after tax paid	n/a ⁴⁾	76%	Under normal circumstances, Nobina expects to pay a dividend of at least 75 percent 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 Board proposes to the AGM that no dividend be paid for the fiscal year 2019/2020.

5) The information above refers to continuing operations since the divested Swebus Express AB is recognised in accordance with IFRS 5 and is thus excluded.

Other information

PERSONNEL

Nobina had 10,526 (10,547) 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 15 (15) 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 14 million (12) during the fourth quarter. The loss before tax for the fourth quarter was SEK –69 million (276). The Parent Company's net sales for the full year amounted to SEK 54 million (44) and loss before tax to SEK –152 million (311). In the fourth quarter, the Parent Company was impacted by a net dividend from Samtrans AB of SEK 26 million, impairment of capital contributions to Nobina Fleet AB of SEK –30 million, Nobina Fastigheter AB of SEK –4 million and Nobina Busco AB of SEK –50 million. For the full year, the Parent Company was impacted by a net dividend of SEK 26 million received from Samtrans AB, a net dividend after impairment of SEK –28 million received from Nobina Sverige 3 AB, a net dividend after impairment of SEK –30 million from Nobina Fleet AB, a net dividend after impairment of SEK –4 million from Nobina Fastigheter AB, a net dividend after impairment of SEK –50 million from Nobina Busco AB, a net dividend of SEK 20 million from Nobina Europe AB and impairment of capital contributions of SEK –53 million in Nobina AS. The full year 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. For full year, dividends were also received from Nobina Sverige AB of SEK 404 million, Nobina Europe AB of SEK 12 million, Nobina Finland Oy of net after impairment SEK –30 million and Nobina Fleet AB of net after impairment SEK –84 million. Cash and cash equivalents amounted to SEK 292 million (1,043) at the end of the period. Investments in PPE and intangible assets amounted to SEK 0 million (0). On 29 February 2020, the Parent Company's shareholders' equity was SEK 2,107 million (2,547). The equity/assets ratio was 39 percent (37).

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.

RISKS AND UNCERTAINTY FACTORS

Nobina is exposed to risks associated with pandemics where, due to the increased risk of infection, travelers may be temporarily recommended to avoid public transport. Such a situation mainly affects the incentive contracts where the revenue is variable and based on the number of passengers boarding. The decline in travel and reduced revenues may also mean that the public transport authorities (PTA's) temporarily want to reduce traffic production. This can result in reduced revenue for the operator while the cost base does not decrease to the same extent. A third risk related to pandemics is that Nobina, due to material or driver shortages, is forced to cancel tours, which can then result in no compensation and fines from the PTA's. All of the above risks are managed through contract management and in dialogue with the relevant PTA's in order to ensure a functioning public transport with a stable financial framework even during a pandemic.

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 percent. 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 29 February 2020.

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).

DIVIDEND

Given the situation with covid-19 and the short-term development we are seeing ahead of us, the Board has recommended to the Annual General Meeting that no dividend be paid for the financial year 2019–2020 in order to have good readiness for the future.

NOBINA'S NOMINATION COMMITTEE

The previous AGM resolved that during the period until the 2020 AGM, Nobina will have a Nomination Committee comprising one representative for each of the three largest shareholders in terms of votes and the Chairman of the Board. The members of the Committee were appointed based on the ownership structure as shown in shareholding statistics provided by Euroclear Sweden AB as of the final banking day in September 2019, and comprise: Nuno Caetano, Invesco, Peter Lundkvist, AP3, Mattias Cullin, Danske Invest Fonder and Chairman of the Board Jan Sjöqvist. The Nomination Committee is tasked with the preparation and submission of proposals to the AGM regarding a chairman of the meeting, directors, the Chairman of the Board, directors' fees and any compensation for committee work, auditors and auditor's fees. The Committee will also prepare and submit to the AGM proposals regarding principles for the composition of the Nomination Committee.

ANNUAL GENERAL MEETING (AGM)

The AGM will be held in Stockholm, Sweden, at 2 p.m. on 28 May 2019. The 2019/2020 Annual Report will be available on www.nobina.com from 7 May 2020.

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 right-of-use liabilities and right-of-use 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 21. 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 year-end report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act and covers pages 1–28, and the year-end report on pages 1–12 thus constitutes an integral part of this financial report. Growth in the first two quarters has been restated, with organic growth at 4.5 percent, acquisitions contributed 10.3 percent and currency effects 0.5 percent.

ASSURANCE

The CEO hereby provides an assurance that the year-end 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, 8 April 2020

Magnus Rosén
President and CEO

The content in this year-end report has not been subject to review by the Company's auditor.

Financial calendar

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	30 September 2020
Interim report 1 September–30 November 2020	22 December 2020
Year-end Report 2020/2021	9 April 2021

Telephone conference

Nobina will present the year-end report and answer questions during a telephone conference at 10.00 a.m. CEST on Wednesday, 8 April 2020. 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.

Contact persons

For further information, please contact:

Magnus Rosén, President and CEO	+46 8 410 65 000
Pernilla Walfridsson, CFO	+46 8 410 65 180
Mattias Gelinder, Head of Treasury & IR	+46 8 410 65 402

Nobina AB

Armégatan 38, SE-171 71 Solna, Sweden
www.nobina.com
 Reg. no. 556576-4569

Condensed consolidated income statement

SEK million	Quarter		Full year	
	Dec 2019 –Feb 2020	Dec 2018 –Feb 2019	Mar 2019 –Feb 2020	Mar 2018 –Feb 2019
Continuing operations				
Net sales	2,605	2,560	10,645	9,734
Operating expenses				
Fuel, tyres and other consumables	–456	–455	–1,816	–1,769
Other external expenses	–390	–365	–1,545	–1,179
Personnel expenses	–1,402	–1,378	–5,520	–5,190
Total EBITDA	357	362	1,764	1,596
Capital gains/losses from the disposal of non-current assets	2	–14	2	–32
Depreciation/impairment of PPE	–270	–246	–1,104	–944
Total EBITA	89	102	662	620
Acquisition-related income and costs	–5	–8	–2	–25
Amortisation/impairment of intangible assets	–20	–14	–63	–20
Operating profit (EBIT), Note 1	64	80	597	575
Profit from net financial items				
Financial income	–	–	–	–
Financial expenses, Note 2	–54	–57	–198	–186
Net financial items	–54	–57	–198	–186
Profit before tax (EBT), Note 1	10	23	399	389
Income tax	–10	–5	–94	–91
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	0	18	305	298
Discontinued operations				
Profit for the period from discontinued operations	–	–	–	56
Profit for the period	0	18	305	354
Profit for the period attributable to Parent Company shareholders	0	18	305	354
Earnings per share before dilution (SEK), attributable to continuing operations	0.02	0.21	3.47	3.44
Earnings per share before dilution (SEK), attributable to discontinued operations	–	–	–	0.62
Earnings per share before dilution (SEK), attributable to Parent Company shareholders	0.02	0.21	3.47	4.06
Earnings per share after dilution (SEK), attributable to Parent Company shareholders	0.02	0.21	3.43	4.03
Average number of shares before dilution (000s)	88,356	88,356	88,356	88,356
Average number of shares after dilution (000s)	89,504	89,099	89,356	89,054
Number of shares outstanding at end of period (000s)	86,147	87,109	86,147	87,109

Statement of consolidated comprehensive income

SEK million	Quarter		Full year	
	Dec 2019 –Feb 2020	Dec 2018 –Feb 2019	Mar 2019 –Feb 2020	Mar 2018 –Feb 2019
Profit for the period	0	18	305	354
Other comprehensive income	0	18	305	354
Items not to be reclassified to profit or loss for the period				
Revaluation of defined-benefit pension plan	–	–	–	–
Tax on items that will not be reclassified to profit or loss for the period	–	–	–	–
Items that can later be reclassified to profit or loss for the period				
Exchange-rate differences in foreign operations	6	11	1	23
Other comprehensive income for the period, net after tax	6	11	1	23
Comprehensive income for the period	6	29	306	377
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	6	29	306	377

Condensed consolidated balance sheet

SEK million	Full year 29 Feb 2020	Full year 28 Feb 2019
ASSETS		
Non-current assets		
Goodwill	780	785
Other intangible assets	456	495
Real estate and costs for leasehold improvements	814	831
Equipment, tools, fixtures and fittings	113	152
Vehicles	5,628	5,041
Deferred tax assets	93	179
Assets for pension commitments	15	17
Other non-current receivables	5	4
Total non-current assets	7,904	7,504
Current assets		
Inventories	63	51
Trade receivables	705	663
Other current receivables	64	253
Deferred expenses and accrued income	344	316
Cash and cash equivalents	307	1,058
Total current assets	1,483	2,341
TOTAL ASSETS	9,387	9,845
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity attributable to Parent Company shareholders	1,380	1,451
Non-current liabilities		
Borrowing, Note 2	4,913	4,841
Deferred tax liabilities	275	256
Provision for pensions and similar commitments	27	33
Other provisions	47	63
Total non-current liabilities	5,262	5,193
Current liabilities		
Accounts payable	561	597
Borrowing, Note 2	901	1,012
Other current liabilities	206	430
Accrued expenses and deferred income	1,077	1,162
Total current liabilities	2,745	3,201
Total liabilities	8,007	8,394
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	9,387	9,845

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
Opening equity, 1 March 2018	318	3,212	39	-2,133	1,436
Adjusted accounting policies in accordance with IFRS 16	-	-	-	2	2
Profit for the period	-	-	-	354	354
Other comprehensive income	-	-	23	-	23
Transactions with owners					
Repurchase of treasury shares	-	-	-	-74	-74
Share-based remuneration	-	-	-	6	6
Dividend	-	-	-	-296	-296
Closing equity, 28 February 2019	318	3,212	62	-2,141	1,451
Opening equity, 1 March 2019	318	3,212	62	-2,141	1,451
Profit for the period	-	-	-	305	305
Other comprehensive income	-	-	1	-	1
Reclassification of exchange-rate differences	-	-	5	-5	-
Transactions with owners					
Repurchase of treasury shares	-	-	-	-60	-60
Share-based remuneration	-	-	-	14	14
Dividend	-	-	-	-331	-331
Closing equity, 29 February 2020	318	3,212	68	-2,218	1,380

There are no non-controlling interests.

Condensed consolidated cash-flow statement

SEK million	Quarter		Full year	
	Dec 2019 –Feb 2020	Dec 2018 –Feb 2019	Mar 2019 –Feb 2020	Mar 2018 –Feb 2019
Cash flow from operating activities				
Profit after financial items	10	23	399	379
(of which, attributable to continuing operations)	10	23	399	389
(of which, attributable to discontinued operations)	–	–	–	–10
Adjustment for non-cash items	336	326	1,340	1,175
Cash flow from operations before changes in working capital	346	349	1,739	1,554
(of which, attributable to continuing operations)	346	349	1,739	1,564
(of which, attributable to discontinued operations)	–	–	–	–10
Cash flow from changes in working capital				
Change in inventories	–4	–	–12	–6
Changes in operating receivables	–67	–148	118	–115
Changes in operating liabilities	136	355	–302	199
Total change in working capital	65	207	–196	78
(of which, attributable to continuing operations)	65	207	–196	78
(of which, attributable to discontinued operations)	–	–	–	–
Received interest income	–	–	–	–
Tax paid	11	–4	–	–5
Cash flow from operating activities	422	552	1,543	1,627
(of which, attributable to continuing operations)	422	552	1,543	1,637
(of which, attributable to discontinued operations)	–	–	–	–10
Cash flow from investing activities				
Investments in PPE and intangible assets, excl. financial leases	–39	–945	–1,527	–1,107
Acquisitions	–	–	–7	–521
Divestment of PPE and intangible assets	34	20	53	40
Divestment of subsidiary, Note 1	–	–	–	46
Cash flow from investing activities	–5	–925	–1,481	–1,542
(of which, attributable to continuing operations)	–5	–925	–1,481	–1,588
(of which, attributable to discontinued operations)	–	–	–	46
Cash flow from financing activities				
Amortisation of right-of-use liabilities	–167	–211	–666	–889
Amortisation of other external loans	–109	–44	–426	–79
New borrowing, other external loans	39	1,416	860	1,766
Financing costs	–	–7	–	–7
Repurchase of shares	–23	–	–60	–74
Interest paid	–43	–49	–192	–182
Dividend	–	–	–331	–296
Cash flow from financing activities	–303	1,105	–815	239
(of which, attributable to continuing operations)	–303	1,105	–815	239
(of which, attributable to discontinued operations)	–	–	–	–
Cash flow for the period	114	732	–753	324
(of which, attributable to continuing operations)	114	732	–753	288
(of which, attributable to discontinued operations)	–	–	–	36
Cash and cash equivalents at beginning of period	192	320	1,058	720
Cash flow for the period	114	732	–753	324
Exchange-rate difference	1	6	2	14
Cash and cash equivalents at end of period	307	1,058	307	1,058

Condensed income statement – Parent Company

SEK million	Quarter		Full year	
	Dec 2019 –Feb 2020	Dec 2018 –Feb 2019	Mar 2019 –Feb 2020	Mar 2018 –Feb 2019
Net sales	14	12	54	44
Operating expenses				
Other external expenses	–10	–14	–27	–38
Personnel expenses	–11	–15	–60	–50
Operating loss (EBIT)	–7	–17	–33	–44
Profit/loss from participations in Group companies	–58	302	–119	362
Financial income	–6	1	22	8
Financial expenses	2	–10	–22	–15
Net financial items	–62	293	–119	355
Profit/loss before tax (EBT)	–69	276	–152	311
Income tax	89	–76	89	–76
PROFIT/LOSS FOR THE PERIOD	20	200	–63	235

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

Condensed balance sheet – Parent Company

SEK million	Full year 29 Feb 2020	Full year 28 Feb 2019
ASSETS		
Non-current assets		
Participations in Group companies	4,181	4,647
Non-current receivables in Group companies	500	500
Total non-current assets	4,681	5,147
Current assets		
Receivables from Group companies	455	676
Other current receivables	20	6
Deferred expenses and accrued income	3	2
Cash and cash equivalents	292	1,043
Total current assets	770	1,727
TOTAL ASSETS	5,451	6,874
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity attributable to Parent Company shareholders	2,107	2,547
Non-current liabilities		
Borrowing	692	867
Provision for pensions and similar commitments	2	6
Deferred tax liabilities	–	76
Total non-current liabilities	694	949
Current liabilities		
Accounts payable	5	5
Borrowing	137	55
Liabilities to Group companies	2,484	3,285
Other current liabilities	5	2
Accrued expenses and deferred income	19	31
Total current liabilities	2,650	3,378
Total liabilities	3,344	4,327
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5,451	6,874

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
Opening equity, 1 March 2018	318	1	1,336	960	61	2,676
Transfer of the preceding year's profit/loss	–	–	–	61	–61	–
Profit for the period	–	–	–	–	235	235
Transactions with owners						
Repurchase of treasury shares	–	–	–	–74	–	–74
Share-based remuneration	–	–	–	6	–	6
Dividend	–	–	–	–296	–	–296
Closing equity, 28 February 2019	318	1	1,336	657	235	2,547
Opening equity, 1 March 2019	318	1	1,336	657	235	2,547
Transfer of the preceding year's profit/loss	–	–	–	235	–235	–
Loss for the period	–	–	–	–	–63	–63
Transactions with owners						
Repurchase of treasury shares	–	–	–	–60	–	–60
Share-based remuneration	–	–	–	14	–	14
Dividend	–	–	–	–331	–	–331
Closing equity, 29 February 2020	318	1	1,336	515	–63	2,107

There are no non-controlling interests.

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 right-of-use liabilities and right-of-use 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. In the last fiscal 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 Q4			Full year 2019/2020		
	Continuing operations	Adjusted IFRS 16	Restated	Continuing operations	Adjusted IFRS 16	Restated
Income statement						
Net sales	2,605	–	2,605	10,645	–	10,645
EBITDA	297	60	357	1,504	260	1,764
EBITDA, %	11.4%	–	13.7%	14.1%	–	16.6%
EBITA	78	11	89	615	47	662
EBITA, %	2.9%	–	3.4%	5.8%	–	6.2%
EBIT	53	11	64	550	47	597
EBIT, %	2.0%	–	2.5%	5.2%	–	5.6%
EBT	9	1	10	398	1	399
EBT, %	0.3%	–	0.4%	3.7%	–	3.7%
Profit for the period	–1	1	0	304	1	305
Cash flow for the period	114	–	114	–753	–	–753
Net debt/EBITDA	3.2x	–0.1x	3.1x	3.2x	–0.1x	3.1x
Equity/assets ratio, %	15.9%	–1.2%	14.7%	15.9%	–1.2%	14.7%
Balance sheet						
Real estate and costs for leasehold improvements	169	645	814	169	645	814
Vehicles	5,525	103	5,628	5,525	103	5,628
Total assets	5,694	748	6,442	5,694	748	6,442
Borrowing (current and non-current borrowing)	5,064	750	5,814	5,064	750	5,814
Total liabilities	5,064	750	5,814	5,064	750	5,814

	2018/2019 Q4			Full year 2018/2019		
	Continuing operations	Adjusted IFRS 16	Restated	Continuing operations	Adjusted IFRS 16	Restated
Income statement						
Net sales	2,560	–	2,560	9,734	–	9,734
EBITDA	290	72	362	1,315	281	1,596
EBITDA, %	11.3%	–	14.1%	13.5%	–	16.4%
EBITA	91	11	102	578	42	620
EBITA, %	3.6%	–	3.9%	5.9%	–	6.4%
EBIT	69	11	80	533	42	575
EBIT, %	2.7%	–	3.1%	5.5%	–	5.9%
EBT	23	–	23	395	–6	389
EBT, %	0.8%	–	0.8%	4.1%	–	4.0%
Profit/loss for the period	18	–	18	303	–5	298
Cash flow for the period	288	–	288	288	–	288
Net debt/EBITDA	3.1x	–0.1x	3.0x	3.1x	–0.1x	3.0x
Equity/assets ratio, %	16.0%	–1.3%	14.7%	16.0%	–1.3%	14.7%
Balance sheet						
Real estate and costs for leasehold improvements	178	653	831	178	653	831
Vehicles	4,902	139	5,041	4,902	139	5,041
Total assets	5,080	792	5,872	5,080	792	5,872
Borrowing (current and non-current borrowing)	5,056	797	5,853	5,056	797	5,853
Total liabilities	5,056	797	5,853	5,056	797	5,853

NOTE 2 FINANCING

SEK million, except as otherwise indicated	Quarter		Full year	
	Dec 2019 –Feb 2020	Dec 2018 –Feb 2019	Mar 2019 –Feb 2020	Mar 2018 –Feb 2019
Borrowing				
Other loans for bus financing	2,199	1,639	2,199	1,639
Other loans for current financing	246	308	246	308
Contingent consideration not paid	88	121	88	121
Right-of-use liabilities	3,287	3,792	3,287	3,792
Capitalised financing expenses	–6	–7	–6	–7
Total	5,814	5,853	5,814	5,853
Of which short-term repayment by instalment of portion of the Group's borrowings	901	1,012	901	1,012
Of which long-term portion of the Group's borrowings	4,913	4,841	4,913	4,841
Total liabilities	5,814	5,853	5,814	5,853
Interest expenses and similar loss items				
Interest expenses for right-of-use liabilities	–34	–37	–129	–156
Interest expense, other loans	–13	–4	–58	–13
Other financial expenses	–1	–5	–6	–8
Realised and unrealised exchange gains/losses, net	–6	–11	–5	–9
Total	–54	–57	–198	–186

NOTE 3 PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK million, except as otherwise indicated	Group		Parent Company	
	29 Feb 2020	28 Feb 2019	29 Feb 2020	28 Feb 2019
Pledged assets				
Chattel mortgages	150	150	–	–
Other pledged assets	–	–	299	379
Contingent liabilities				
Guarantee of lease obligations and other obligations	5,606	5,069	5,585	5,048
Total pledged assets and contingent liabilities	5,756	5,219	5,884	5,427

Information on performance measures

DEFINITIONS

Alternative performance measures

In its year-end 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.
Acquisition growth	Growth that consists of contributions from acquired / divested companies which are in Nobina's ownership only during part of two comparison periods.
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	
	Q4	Q1	Q2	Q3	Q4	Mar 2018 –Feb 2019	Mar 2019 –Feb 2020
Net sales for the period	2,560	2,749	2,528	2,763	2,605	9,734	10,645
EBITDA	362	431	438	538	357	1,596	1,764
EBITDA margin	14.2%	15.7%	17.3%	19.5%	13.7%	16.4%	16.6%
EBITA	102	168	162	243	89	620	662
EBITA margin	4.0%	6.1%	6.4%	8.8%	3.4%	6.4%	6.2%
EBIT	80	152	156	225	64	575	597
EBIT margin	3.1%	5.5%	6.2%	8.1%	2.5%	5.9%	5.6%
EBT	23	97	101	191	10	389	399
EBT margin	0.8%	3.5%	4.0%	6.9%	0.4%	4.0%	3.7%
Profit for the period	18	76	81	148	0	298	305
Cash flow for the period	732	–70	–536	–261	114	288	–753
Cash and cash equivalents	1,058	992	460	192	307	1,058	307
Equity/assets ratio, %	14.7%	16.1%	13.6%	14.9%	14.7%	14.7%	14.7%
Shareholders' equity	1,449	1,539	1,303	1,388	1,380	1,451	1,380
Shareholders' equity/ordinary share, SEK	16.4	17.4	14.7	15.7	15.6	16.4	15.6
Number of buses (on balance-sheet date)	3,644	3,711	3,897	3,822	3,733	3,644	3,733
Estimated FTEs	10,547	10,791	10,698	10,630	10,512	10,547	10,512
Production hours	2,783	2,928	2,964	2,868	2,766	11,296	11,526
Production kilometres	70,151	74,346	78,356	71,337	71,904	285,739	295,943

CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES FOR CONTINUING OPERATIONS

SEK million, except as otherwise indicated	2018/2019		2019/2020			Full year	
	Q4	Q1	Q2	Q3	Q4	Mar 2018 –Feb 2019	Mar 2019 –Feb 2020
Interest-bearing liabilities:							
Non-current borrowing	4,841	4,465	4,729	4,736	4,913	4,841	4,913
Pension liability	33	32	41	30	27	33	27
Current borrowing	1,012	1,012	1,065	1,127	901	1,012	901
Total interest-bearing liabilities	5,886	5,509	5,835	5,893	5,841	5,886	5,841
Cash	–1,058	–992	–460	–192	–307	–1,058	–307
Total net debt	4,828	4,517	5,375	5,701	5,534	4,828	5,534
EBITDA Q1	348	431	431	431	431	348	431
EBITDA Q2	378	378	438	438	438	378	438
EBITDA Q3	499	499	499	538	538	507	538
EBITDA Q4	363	363	363	363	357	363	357
Total EBITDA full year	1,588	1,671	1,731	1,770	1,764	1,596	1,764
Net debt/EBITDA	3.0	2.7	3.1	3.2	3.1	3.0	3.1

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 almost SEK 11 billion on an annual basis and has approximately 11,700 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 percent 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.



Head office

Switch: +46 (0)8 410 650 00

Fax: +46 (0)8 27 23 03

E-mail: adm@nobina.se

Nobina AB

Armégatan 38

SE-171 71 Solna, Sweden.

