

# Strong earnings, two acquisitions and a new climate target

Despite the challenging market, Nobina has continued to improve earnings through efficiency improvements, retroactive revenue from negotiations and the comprehensive adaptation carried out by the subsidiary Samtrans to its business model during the pandemic. In November, a new climate target was launched that demonstrates the company's high ambitions in its endeavour to reduce GHG-emissions and to help tackle climate challenges. In December, two acquisitions were announced that strengthen our operations and capabilities in key strategic areas.

**175**  
MOBILE COVID-19  
TESTING STATIONS SET  
UP BY SAMTRANS

**80%**  
REDUCTION TARGET  
IN GHG-EMISSIONS  
BY 2030

## The third quarter

- Net sales amounted to **SEK 2,854 million** (2,763), an increase of **3.3 percent** compared to the prior-year quarter, of which +5.1 percent was organic growth offset by –1.8 percent of currency effects.
- EBITA amounted to **SEK 307 million** (243).
- EBIT amounted to **SEK 288 million** (225).
- Profit before tax amounted to **SEK 251 million** (191).
- Profit after tax amounted to **SEK 199 million** (148), and earnings per share totalled **SEK 2.25** (1.66) before dilution.
- Cash flow from operations was **SEK 485 million** (318).

## The nine-month period

- Net sales amounted to **SEK 7,927 million** (8,040), a decrease of **1.4 percent**, of which 0.0 percent was organic growth and –1.4 percent derived from currency effects.
- EBITA amounted to **SEK 586 million** (573).
- EBIT amounted to **SEK 533 million** (533).
- Profit before tax amounted to **SEK 420 million** (389).
- Profit after tax amounted to **SEK 334 million** (305), and earnings per share totalled **SEK 3.78** (3.45) before dilution.
- Cash flow from operations was **SEK 1,536 million** (1,121).

## Significant events during the third quarter

- The City of Turku awarded a new contract to Nobina to operate and develop city transport services in the Turku region. The contract is worth more than EUR 71 million over eight years, with an option for two additional years, and will include 42 fully electric buses. Traffic is scheduled to start in July 2021.
- As part of a new agreement for bus-for-rail services covering unscheduled disruption of Öresundståg services, Nobina is collaborating with SJ Öresund and Bergkvarabuss to create the conditions required to find quick solutions focusing on the needs of passengers. The contract will start in December 2020.

## Significant events after the end of the quarter

- Nobina's buses in Norrtälje, together with SL, will become the first in Sweden to reopen their front entrance doors thanks to the new glass shield around the driving compartment. The use of the front entrance doors will improve the flow through the bus, and reduce the risk of crowding.
- Skånetrafiken has awarded Nobina a renewed agreement to operate and develop regional and rural traffic services in Lund. The total value of the contract is almost SEK 1.6 billion over an eight-year term, with an option to extend for two additional years. The new contract will start in two stages during 2021 and 2022 with a total of 99 buses.
- In December, Nobina entered into an agreement to acquire the bus company Karl Erik Elofsson Buss AB based in Kungsbacka. Through the acquisition, Nobina strengthens its position in western Sweden and expects to generate new synergies between existing contracts, upcoming tenders and investments in replacement traffic. The acquisition comprises an operation of approximately 100 buses and 100 employees in the markets for tendered scheduled traffic, school traffic and replacement traffic and has an annual turnover of appr. SEK 90 million. The acquisition is a continued part of Nobina's strategy to both broaden and grow in the Nordic market, while at the same time building a platform for increased competitiveness in smaller contracts.
- In December, Nobina also entered into an agreement regarding a strategic acquisition of Göteborgs Buss AB based in Gothenburg and thereby, through the wholly owned subsidiary Samtrans, strengthened its position in special needs transportation and at the same time achieved market access in western Sweden. The acquisition comprises an operation of approximately 170 vehicles and 220 employees in tendered special needs transportation and has an annual turnover of appr. SEK 130 million. The acquisition is part of Nobina's strategy to strengthen and develop its position in special needs transportation.

## Key metrics

(SEK million, except as otherwise indicated)	Quarter		Period		Full year	Rolling 12 months	
	Sep–Nov 2020	Sep–Nov 2019	Mar–Nov 2020	Mar–Nov 2019	Mar 2019–Feb 2020	Dec 2019–Nov 2020	
Net sales	2,854	2,763	7,927	8,040	10,645	10,532	
EBITDA	603	538	1,450	1,407	1,764	1,807	
EBITA	307	243	586	573	662	675	
EBIT	288	225	533	533	597	597	
EBT	251	191	420	389	399	430	
Adjusted EBT <sup>1)</sup>	270	209	473	429	464	508	
Adjusted EBT margin	9.5%	7.5%	5.9%	5.3%	4.4%	4.8%	
Profit after tax	199	148	334	305	305	334	
Cash flow for the period <sup>2)</sup>	97	–261	588	–867	–753	702	
					30 Nov 2020	30 Nov 2019	29 Feb 2020
Net debt/EBITDA					2.9x	3.2x	3.1x
Net debt/EBITDA, excluding bus financing					0.2x	0.4x	0.5x
Equity/assets ratio, %					16.7	14.9	14.7

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

1) Adjusted for income, costs and amortisations related to acquisition accounting effects.

2) Cash flow for the period was positively impacted by the non-payment of a dividend and less cash-financed bus investments compared with the corresponding period in the previous year.

# Statement from the CEO



We have continued to deliver strong earnings, driven by increased efficiency, the effects of the renegotiation of incentive contracts, and, above all, from the adjustment of operations carried out by Samtrans during this challenging year. During the quarter, organic growth was 5.1 percent and adjusted EBT SEK 270 million (209). For the first nine months of the fiscal year, total Group earnings were 10 percent higher year-on-year. Our tendering work has been successful and we secured a renewed agreement to operate regional and rural traffic services in Lund for a period of eight years, which will include new electric buses, and we recently completed two acquisitions.

The acquisitions are part of our strategy to both broaden and grow the business in the Nordic region. The acquisition of KE Buss AB strengthens our position in western Sweden and broadens our contract portfolio, with new synergies between existing contracts, forthcoming tenders and bus-for-rail services. Above all, we can see an opportunity to create a platform for increased competitiveness in small-scale contracts. Also our second acquisition Göteborgs Buss AB has operations in western Sweden with a strong position in service transport and special needs transportation. This means we have expanded our special needs transportation business into a new geography to add to the expansion in prior years with Samtrans in the Stockholm Region and Orslev in the Faxe municipality in Denmark. Both acquisitions together comprise 320 employees and 270 vehicles.

## Safe travel

The pandemic is continuing to affect society and people's willingness to travel. The steady recovery in travel volume we saw in the summer turned into a rapid decrease in the late autumn, and we are now back to the same low levels of travel we witnessed in April and May. However, even in the midst of a pandemic, public transport has a central role in keeping society functioning. Our special task force, with experts from different parts of the company, has continued to draw up clear guidelines for operations. We carry out real-time analysis of passenger journey and numbers, add extra traffic as required and modify timetables. The safety of our drivers has naturally been in focus since the outbreak of the pandemic. Allowing passengers to board the bus through the rear doors was one measure to guarantee safety, though this also meant fewer available seats, the risk of crowding and lower ticket revenue for our clients. A few weeks ago, we launched a solution in Sweden to address these different challenges,

a protective glass shield around the driving compartment. In collaboration with the PTA, SL, these screens have been installed in buses in Norrtälje and Tyresö and we are now reviewing a similar solution for our buses in other traffic areas of Sweden. Drivers regain contact with passengers, more space is created and there is a better passenger flow through the bus. The focus on a good work environment is an integral part of our operations. I am pleased to see the strong level of engagement for their duties among Nobina's employees, and this has enabled us to continue to deliver 99,97 percent of our traffic services.

## Successful transition

One good example of engagement can be found in our subsidiary for special needs transportation, Samtrans. Its rapid adjustment during the spring to provide even more support to society during the pandemic in the form of various emergency logistics services has been very important. By the end of the quarter, Samtrans operated 175 mobile testing stations across Sweden and thereby helped society to improve its goal for increased testing and tracing. These services are still needed and we expect as a Group that we can continue to offer solutions for mobile infrastructure in many different situations in the future. This in parallel to our primary role, to provide a public transport solution that is vital to the development of society in the form of flexible and safe buses using fossil-free fuels.

## Ambitious climate target

We naturally take this assignment very seriously, particularly in relation to our opportunity to contribute to tackling climate challenges. Today, we are launching a new, ambitious target for the reduction of our climate-affecting emissions. By 2030 we aim to reduce climate impact from fuel per driven kilometre by 80 percent with 2015 as base year. To achieve this target, we must convert the entire bus fleet to 100-percent renewable fuels or electricity from only renewable sources. We continue to see a rapid shift to electric buses in our markets, and we are driving this development through our complete solutions concept for electrification, Nobina Electrical Solutions. Buses have the potential to be one of the most flexible and green modes of transport for everyone who needs to travel. In addition to initiatives linked to the new climate target, our endeavours moving forward will include making our depots "green" and developing new digital services and other technology that facilitate door-to-door travel with minimal climate impact.

This was a reflection on an exciting future. 2020, however, is an unusual year. As I look back on last spring, and our precarious situation, I can only feel enormous pride in what this organisation has since achieved. I'm not only talking about the financial performance, which will offer us the strength to continue investing in the public transport of the future and create value for all of our stakeholders, but also the flexibility and adaptability that has characterised the business. We are still in the midst of a pandemic with many challenges, but Nobina's role as a critical resource has become even more important and our latest acquisitions demonstrate our strong confidence in our industry/business. We will carry these insights with us, together with all of our passengers and partners, as we now move into 2021, a year of new challenges and many opportunities.

Magnus Rosén,  
President and CEO

"The acquisitions are part of our strategy to both broaden and grow the business in the Nordic region"

# Nobina's financial performance

Third quarter (1 September–30 November 2020) and nine-month period (1 March–30 November 2020)

## Net sales

### The third quarter

Nobina's third-quarter net sales amounted to SEK 2,854 million<sup>1)</sup> (2,763), up 3.3 percent compared with the prior year period. Organic growth increased 5.1 percent. Development in net sales was largely due to the positive performance of Samtrans with Covid-19 testing stations, positive contract migration through contracts started in the Swedish segment during the year and increased extra traffic in Norway.

### The nine-month period

Nobina's net sales for the nine-month period amounted to SEK 7,927 million (8,040), a decrease of 1.4 percent compared with the prior year period. Adjusted for currency effects, sales were in line with the prior year period (0.0%). Lower revenue resulting from the decline in travel due to Covid-19 was offset by new activities in Samtrans linked to Covid-19 testing stations and positive contract migration in Norway.

## Results

### The third quarter

EBITA for the third quarter amounted to SEK 307 million (243), an increase of 26.1 percent, largely attributable to the performance of Samtrans, improved efficiency and retroactive revenue. Contract migration

was on par with the year-earlier period. EBIT for the third quarter amounted to SEK 288 million (225), an increase of 28.1 percent. Profit before tax amounted to SEK 251 million (191). Adjusted profit before tax totalled SEK 270 million (209).

### The nine-month period

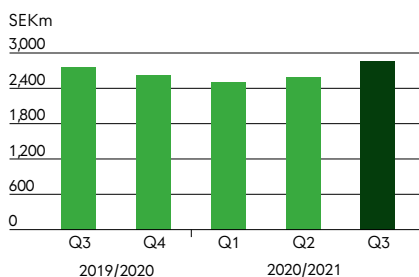
EBITA for the nine-month period amounted to SEK 586 million (573), an increase of 2.3 percent. The increase was a result of new activities in Samtrans pertaining to Covid-19 testing stations and increased efficiency. EBIT for the nine-month period amounted to SEK 533 million (533). Profit before tax amounted to SEK 420 million (389). Adjusted profit before tax totalled SEK 473 million (429).

## Income tax

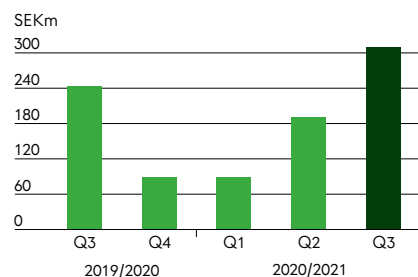
Nobina's income tax in the income statement for the third quarter comprised current tax of SEK –2 million (0) and the change in deferred tax of SEK –50 million (–43). The effective rate of tax was 20.7 percent (23.0). Tax paid in the third quarter amounted to SEK 1 million (9). Nobina's income tax for the nine-month period comprised current tax of SEK –6 million (–2) and a change in estimated deferred tax of SEK –80 million (–82). Tax paid in the nine-month period amounted to SEK 5 million (11). The effective rate of tax was 20.5 percent (22.0).

1) Sales for the quarter include SEK 17 million in retroactive negotiated revenue. Nobina normally reports incentive contracts according to the provisions of the agreement in force at the time based on passengers registered as travelling, and this has also been the case during the pandemic. Agreements with clients on alternative measures for the contracts are normally implemented retroactively and Nobina identifies any retroactive effects on revenue.

## Net sales



## EBITA



## Contributing to a better climate

Despite the many short-term challenges we must handle in the current pandemic, we must not forget to address the long-term and very important challenge to limit global warming. As a leading player, Nobina has a particular responsibility and opportunity to exert an influence, and we already provide a service that allows more people to travel together and with a limited climate impact. But everyone can do more, even us.

Nobina is aiming by 2030 to operate our bus fleet on 100-percent renewable fuels. As a complement to this target, we are launching another target whereby we aim to reduce our climate affecting emissions from fuel per driven kilometre by 80 percent until 2030, compared with the level in 2015.

We aim to achieve this by gradually transitioning a larger share of the fleet to electric buses and replacing the remaining diesel buses with buses powered by renewable fuels. With this initiative, we want to demonstrate a serious effort to earnestly tackle the shared challenge to minimise our climate impact in society, in close dialogue and cooperation with our clients and partners in the vehicle industry.

**Facts about the target:** The climate target refers to greenhouse gas intensity measured in carbon dioxide equivalents per driven kilometre. The intensity target is set so as to be independent of the number of kilometres driven. The benchmark year is the 2015/2016 fiscal year and the target is to be achieved in the 2030/2031 fiscal year. On 30 November 2020, the reduction was 61 percent. We intend to report on the target every quarter in the future.



**Financial position**

Cash and cash equivalents amounted to SEK 876 million (192) at the end of the period. Nobina has an available bank credit facility of SEK 300 million (300) as of 30 November 2020. Nobina's interest-bearing liabilities amounted to SEK 6,132 million (5,893), mainly divided between right-of-use liabilities of SEK 2,930 million (3,271) and other external liabilities, mainly loans for bus financing, of SEK 3,138 million (2,512). The bus financing includes also Nobina's green bond of SEK 500 million (500), which was 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 two loans related to acquisition financing amounting to SEK 385 million (259), which replaced a previous bridge loan, see Note 1. Net debt totalled SEK 5,256 million (5,701) at the end of the period, and net debt/EBITDA was 2.9x (3.2x). Shareholders' equity totalled SEK 1,682 million (1,388). The equity/assets ratio at the end of the period was 16.7 percent (14.9).

**Investments and divestments****The third quarter**

Bus investments in the third quarter amounted to SEK 27 million (460) and other investments were SEK 59 million (25). Nobina signed right-of-use agreements of SEK 0 million (–293) and new loans of SEK –21 million (–8). The previous year's third quarter was impacted by the refinancing of buses, which were previously lease-financed, to a value of SEK 311 million. Nobina's cash investments for procurement of buses, accessories and other PPE amounted to SEK 65 million (184).

**The nine-month period**

Bus investments in the nine-month period amounted to SEK 983 million (2,275) and other investments were SEK 97 million (34). Nobina signed right-of-use agreements of SEK –27 million (–821) and new loans of SEK –846 million (–821). The previous year's nine-month period was impacted by the refinancing of buses, which were previously lease-financed, to a value of SEK 813 million. Nobina's cash investments for procurement of buses, accessories and other PPE amounted to SEK 207 million (667) and consisted primarily of investments in loan-financed buses.

**Cash flow****The third quarter**

Cash flow from operations before changes in working capital amounted to SEK 603 million (538). The change in working capital amounted to SEK –119 million (–211) and was primarily related to various timing effects regarding bus purchases and VAT-payments in the fleet organization.

Cash flow from investing activities amounted to SEK –82 million (–194) and included investments in buses and equipment, which were financed by loans amounting to SEK 21 million (8). The previous year's cash flow from investing activities for the third quarter was burdened by bus investments of SEK –118 million financed by the green bond, which had been issued in the fourth quarter of 2018–2019.

Cash flow from financing activities amounted to SEK –306 million (–385) and was positively impacted by reduced purchase of treasury shares and lower leasing amortizations. Total cash flow for the quarter was SEK 97 million (–261).

**The nine-month period**

Cash flow from operations before changes in working capital amounted to SEK 1,451 million (1,393). The change in working capital amounted to SEK 88 million (–261) and reflected the impact of delayed liquidity settlements pertaining to incentive contracts due to Covid-19 and timing-effects related to bus purchases and VAT-payments in the fleet organization.

Cash flow from investing activities amounted to SEK –1,089 million (–1,476) and was impacted by a payment of an additional consideration of SEK –47 million related to the acquisition of Samtrans as well as investments in buses and equipment of SEK –1,053 million (–1,488), which were financed by loans amounting to SEK 1,046 million (821) which also included proceeds of SEK 200 million from the financing of previous acquisitions. Cash flow during the year-earlier nine-month period was also impacted by the refinancing of buses, which were previously lease-financed, with loans corresponded to SEK 813 million in both investments and new loans. No such refinancing took place in the nine-month period of 2020. Cash flow during the year-earlier nine-month period was also impacted by bus investments of SEK –456 million financed by the green bond, which had been issued in the fourth quarter of 2018–2019.

Cash flow from financing activities amounted to SEK 141 million (–512), which was impacted by the decision not to pay a dividend, which amounted to SEK –331 million in the preceding year as well as reduced purchase of treasury shares of SEK 37 million. Cash flow for the nine-month period totalled SEK 588 million (–867).

**Cash flow effect relating to Investments**

	Quarter		Period		Full year
	Sep–Nov 2020	Sep–Nov 2019	Mar–Nov 2020	Mar–Nov 2019	Mar 2019–Feb 2020
Investments in new buses	–27	–460	–983	–2,275	–2,353
Other investments	–59	–25	–97	–34	–79
<b>Total investments</b>	<b>–86</b>	<b>–485</b>	<b>–1,080</b>	<b>–2,309</b>	<b>–2,432</b>
Lease-financed investments	–	293	27	821	905
<b>Non-lease-financed investments</b>	<b>–86</b>	<b>–192</b>	<b>–1,053</b>	<b>–1,488</b>	<b>–1,527</b>
Of which loan-financed investments	21	8	846	821	860
<b>Total cash investments<sup>1)</sup></b>	<b>–65</b>	<b>–184</b>	<b>–207</b>	<b>–667</b>	<b>–667</b>

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

## 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 2019</b>	<b>8,040</b>	<b>429</b>	
Price and Volume	–99	1	The estimated effects of price and volume were negative in terms of net sales. The decrease in travel volume resulting from the Covid-19 pandemic had a negative impact on revenue. Samtrans had a positive impact on both revenue and adjusted EBT.
Contract migration	–7	–29	The negative contract migration effect on sales from previous quarters is offset in Q3 by contracts started during Q2. Contract migrations were extensive and impacted the results negatively, primarily in Sweden. Positive impact of migration in Norway and Finland.
Indexation and operational efficiency	–7	50	Operational efficiency improved year-on-year, partly due to lower fuel and damage costs as well as less overtime.
Other		–9	This item includes other cost deviations, primarily within central functions, and includes results from the fleet operations.
Net financial items		31	Profit for the year was positively affected by currency effects.
<b>Period March–November 2020</b>	<b>7,927</b>	<b>473</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 active traffic contracts carried out by Nobina during both the preceding and current period.

**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.

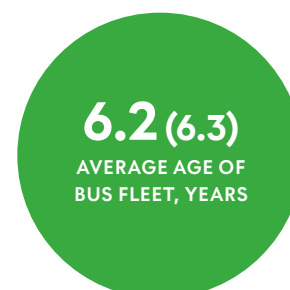
## Age structure third quarter



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



The average contract age (weighted by the number of buses) was 5.0 years.



Nobina's bus fleet had an average age of 6.2 years.

1) In the quarterly report last Q3 we incorrectly presented 4.3

# Segments

Net sales by segment (SEK million)	Quarter		Period		Full year	Rolling 12 months
	Sep–Nov 2020	Sep–Nov 2019	Mar–Nov 2020	Mar–Nov 2019	Mar 2019–Feb 2020	Dec 2019–Nov 2020
Nobina Sweden	2,070	1,907	5,484	5,498	7,275	7,261
Production contracts	1,391	1,240	3,675	3,664	4,821	
Incentive contracts	609	641	1,597	1,748	2,343	
Other revenue	70	26	212	86	111	
Nobina Denmark	229	257	694	731	974	937
Production contracts	216	186	662	645	876	
Incentive contracts	2	2	6	3	3	
Other revenue	11	69	26	83	95	
Nobina Norway	257	289	840	891	1,178	1,127
Production contracts	211	281	709	839	1,120	
Incentive contracts	–	–	1	2	2	
Other revenue	46	8	130	50	56	
Nobina Finland	299	312	918	933	1,249	1,234
Production contracts	290	310	898	915	1,219	
Incentive contracts	4	5	12	15	19	
Other revenue	5	–3	8	3	11	
Group	2,855	2,765	7,936	8,053	10,676	10,559
Production contracts	2,108	2,017	5,944	6,063	8,036	
Incentive contracts	615	648	1,616	1,768	2,367	
Other revenue	132	100	376	222	273	
Central functions and other items	–	–9	–	–7	–16	–9
Elimination of sales within the Group	–1	7	–9	–6	–15	–18
<b>Total net sales</b>	<b>2,854</b>	<b>2,763</b>	<b>7,927</b>	<b>8,040</b>	<b>10,645</b>	<b>10,532</b>

EBITA per segment (SEK million)	Quarter		Period		Full year	Rolling 12 months
	Sep–Nov 2020	Sep–Nov 2019	Mar–Nov 2020	Mar–Nov 2019	Mar 2019–Feb 2020	Dec 2019–Nov 2020
Nobina Sweden	309	234	533	534	635	634
Nobina Denmark	10	16	16	46	54	24
Nobina Norway	21	14	74	28	43	89
Nobina Finland	12	15	57	42	48	63
Central functions and other items	–45	–36	–94	–77	–118	–135
<b>Total EBITA</b>	<b>307</b>	<b>243</b>	<b>586</b>	<b>573</b>	<b>662</b>	<b>675</b>

**Summary**

Nobina’s third quarter reported higher sales and higher operating profit compared with the prior year period. Sales were positively impacted by the increased number of Samtrans’ Covid-19 testing stations, and by contracts started in Sweden. The negative impact of Covid-19 led to a decrease in incentive revenue in the quarter. Excluding adjustment for currency effects, sales increased 5.1 percent.

EBITA increased year-on-year due to the performance of Samtrans, greater efficiency and increased extra traffic, above all in Norway and Denmark. In contrast to previous quarters, contract migration was on par with the year-earlier period. There was a slightly adverse impact on earnings from a decline in travel and the resulting lower incentive revenue, due to Covid-19. Negotiations with a limited number of clients concerning ways to adapt the incentive contracts in light of the drop in travel are proceeding in this quarter.

**Sweden**

Nobina Sweden’s net sales for the third quarter of the year increased compared with the prior year period as a result of a positive contract migration, and an extension of Samtrans’ testing activities for Covid-19. The decrease in incentive revenue in core operations resulting from the decline in travel due to Covid-19 had a negative impact on the quarter. This was partly offset by retroactive negotiated revenue. EBITA increased for the quarter, mainly driven by the positive performance of Samtrans and greater efficiency and cost control. The negative earnings impact linked to the decline in travel due to Covid-19 was offset for the quarter by retroactive negotiated revenue. Negotiations are still ongoing with a few of the PTAs concerning how incentive contracts can be modified in view of the lower passenger volumes.

**Denmark**

Nobina Denmark’s net sales for the third quarter decreased year-on-year driven by the adverse impact of contract migration. EBITA was lower than the prior year period, driven primarily by negative contract migration.

**Norway**

Nobina Norway’s sales for the third quarter were lower than in the prior year period, which was attributable to the approximately two-week strike in September and currency effects. EBITA was higher year-on-year and was primarily attributable to increased extra traffic and positive contract migration.

**Finland**

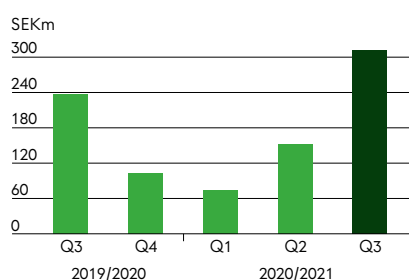
Nobina Finland’s net sales for the third quarter decreased year-on-year and were adversely impacted by the decline in traffic due to Covid-19 and negative currency effects. EBITA for the quarter was marginally lower year-on-year.

**Central functions and other items**

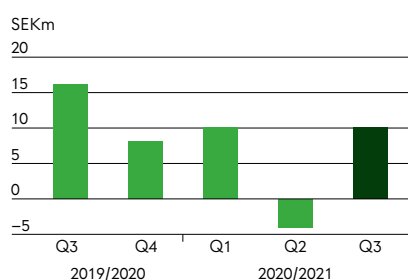
Central functions had a negative impact on the Group’s earnings and were slightly below year-on-year. The figures reported under this heading relate primarily to central head office functions and include results from the fleet operations.

**EBITA per segment**

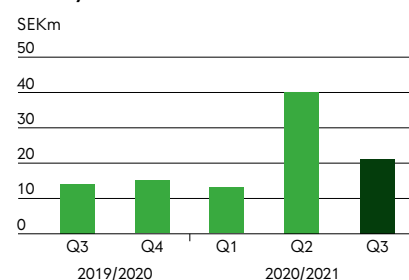
**Sweden**



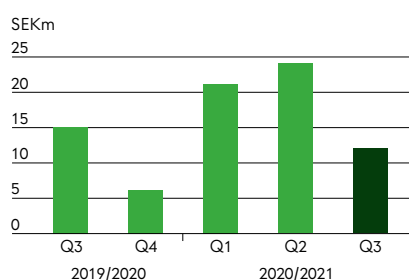
**Denmark**



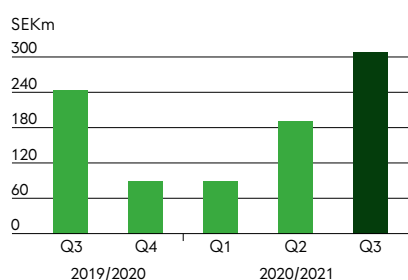
**Norway**



**Finland**

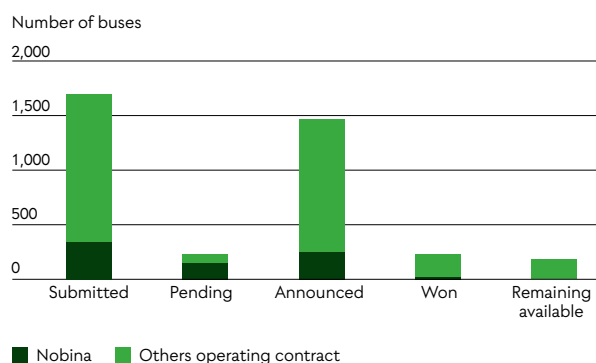


**Nobina**



# Tender and contract changes

## Tender volume, current year, March–November 2020



### 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 third quarter, contracts operated by Nobina for 52 buses were tendered, of which five buses were secured. Out of the total market volume of 1,465 buses tendered during the year, Nobina has won 220 buses. This represents a renewal rate of 91 percent for the first three quarters.

## 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 year, Nobina initiated contracts for 274 buses and terminated contracts for 101 buses.

Mar 2020–Nov 2020	Traffic changes during the period (No. of buses)	
	Started	Expired
Sweden	252	58
Norway	0	0
Finland	0	20
Denmark	22	23
<b>Total</b>	<b>274</b>	<b>101</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 year to date have been announced for 1,465 buses and Nobina won tenders for 220 buses. Contracts for 337 buses are under appeal and pending decision.

Mar 2020–Nov 2020	Tenders during the period (No. of buses)	
	Announced	Won
Sweden	392	63 <sup>3)</sup>
Norway	528	0
Finland	362	110
Denmark	183	47
<b>Total</b>	<b>1,465</b>	<b>220</b>

## Traffic starts and terminations during the coming 12 months, December 2020–November 2021

During the coming 12-month period, Nobina will start traffic involving 317 buses. Of these, 232 buses are expected to be newly acquired.

During the same period, Nobina will terminate traffic involving 369 buses.

### Traffic start-ups

Clients	No. of years	Start of service	No. of buses	New buses
Skånetrafiken, Sweden	6	June 2021	101	72
HSL, Finland	7	August 2021	68	58
Turku, Finland	8	July 2021	42	42
Västtrafik, Sweden	10.5	December 2020	35	35
Movia, Denmark	4.5	December 2020	34	0
Norrbottnen, Sweden	10	December 2020	13	13
Piteå Municipality, Sweden	10	July 2021	12	12
Norrbottnen, Sweden	10	June 2021	12	0
<b>Total buses</b>			<b>317</b>	<b>232<sup>1)</sup></b>

### Expired traffic

Clients	End of service	No. of buses
HSL, Finland	August 2021	101
SL, Sweden	June 2021	91 <sup>3)</sup>
Skånetrafiken, Sweden	June 2021	82
Movia, Denmark	December 2020	34
Västtrafik, Sweden	June 2021	33
Skånetrafiken, Sweden	June 2021	13
Västtrafik, Sweden	June 2021	8
HSL, Finland	December 2020	7
<b>Total buses</b>		<b>369</b>

1) Of which, 197 are new, electric buses.

2) Of which, contracts awarded for 49 buses are under appeal and pending decision.

3) The contract is under appeal and pending decision.



## 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 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 29,424. Nobina has 2,208,321 treasury shares on the balance-sheet date.

### Share saving scheme

Nobina AB currently has four share saving schemes encompassing a total of not more than 2,153,897 shares, as of 30 November 2020, directed to senior executives and key employees of the Nobina Group. All share saving schemes are based on own investments. For more information regarding LTIP 2017, LTIP 2018 and LTIP 2019, refer to the corresponding section in Nobina AB's Annual Report 2019/2020 and regarding LTIP 2020, refer to the minutes of the 2020 Annual General Meeting at [www.nobina.com](http://www.nobina.com).

## Nobina's financial targets

	Target	2019/20	Rolling 12 months	Definition
Percentage YoY growth in net sales	5%	9.4%	-1.1%	Nobina's target is 5 percent accumulated annual average net sales growth with 18/19 as the base year.
Adjusted EBT margin <sup>1)</sup>	5%	4.4%	4.8%	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 <sup>2)</sup>	3.0x-4.0x	3.1x	2.9x	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 percent of earnings after tax paid	n/a <sup>4)</sup>	n/a	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 acquisition accounting effects.

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 AGM resolved not to pay a dividend for the 2019/2020 fiscal year.

## Other information

### Personnel

Nobina had an average of 10,674 (10,630) employees (FTEs). 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 18 million (13) during the third quarter. Loss before tax for the third quarter amounted to SEK -5 million (-84). The preceding year was impacted by a net dividend of SEK -9 million received from Nobina Europe AB after impairment, a net dividend of SEK -28 million received from Nobina Sverige 3 AB after impairment and impairment of capital contributions of SEK -53 million in Nobina AS. Net sales for the period and profit before tax for the nine-month period totalled SEK 52 million (40) and SEK 104 million (-83) respectively. The Parent Company's profit for the nine-month period was impacted by a dividend of SEK 117 million received from Nobina Oy. The nine-month period of the preceding year was impacted by a net dividend of SEK 20 million from Nobina Europe AB after impairment, a net dividend of SEK -28 million received from Nobina Sverige 3 AB after impairment and impairment of capital contributions of SEK -53 million in Nobina AS. Cash and cash equivalents amounted to SEK 757 million (156) at the end of the period. Investments in PPE and intangible assets amounted to SEK 0 million (0). On 30 November 2020, the Parent Company's shareholders' equity was SEK 2,224 million (2,103). The equity/assets ratio was 35 percent (40).

### Transactions with closely related parties

No transactions with closely related parties have taken place during the nine-month period.

### 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 24.

### Risks and uncertainty factors

Nobina is exposed to risks associated with situations where authorities recommend the public to avoid public transport, such as in connection with terrorist threats or pandemics where, due to the increased risk of infection, passengers may be temporarily recommended to avoid public transport. The need to reconfigure buses and operational practice for safe travel in a pandemic situation may mean that passenger tickets may not be able to be validated and therefore actual passenger numbers may be understated. 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 (PTAs) 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 services, which can then result in no

compensation and fines from the PTAs. All of the above risks are handled through contract management and in dialogue with the relevant PTAs 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 and EUR/SEK since biodiesel (HVO) is purchased in USD and biodiesel (RME) is purchased in EUR 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 fuel. The commodity price accounts for less than one-half of the total biodiesel price, with the remainder comprising taxes, transportation and processing. Within the contract operations, compensation for changes in the fuel 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 biodiesel, 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.

Nobina is exposed to risks associated with acquisitions where 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 2019/2020.

### Pledged assets and contingent liabilities

Nobina has pledged shares in Samtrans Omsorgsresor AB and Nobina Danmark Holding AS as collateral for the two acquisition loans, see Note 2.

The Finnish Transport Workers Union (AKT ry) has requested that the Labour Court in Finland consider a civil case concerning holiday pay for bus drivers. The case involves three other bus companies in addition to Nobina Oy. The Nobina group has included the maximum risk, which is calculated at EUR 1.8 million, under the heading of contingent liabilities, see Note 2.

### 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 hire purchase 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 also include strategic debt financing.

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

**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 2019/2020 Annual Report. 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 1–25, and the interim period information on pages 1–11 thus constitutes an integral part of this financial report. There are no new IFRS standards or IFRIC statements adopted by the EU that are applicable to Nobina, or have a material impact on the Group's profit and financial position in 2020/2021. Reclassification has taken place according to the previous year's full-year figures, where the additional purchase consideration paid, SEK –40 million, was reported under cash flow from financing activities to now be reported under the heading cash flow from investing activities.

**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, 22 December 2020

Magnus Rosén  
*President and CEO*

## Financial calendar

Year-end Report 2020/2021	9 April 2021
Annual General Meeting 2020/2021	31 May 2021
Interim report 1 March–30 June 2021	2 July 2021
Interim report 1 June–31 August 2021	30 September 2021
Interim report 1 September–30 November 2021	22 December 2021

## Telephone conference

Nobina will present the interim report and answer questions during a telephone conference at 10.00 a.m. CET on Tuesday, 22 December 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](http://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](http://www.nobina.com)  
Reg. no. 556576-4569

# Condensed consolidated income statement

SEK million	Quarter		Period		Full year
	Sep–Nov 2020	Sep–Nov 2019	Mar–Nov 2020	Mar–Nov 2019	Mar 2019–Feb 2020
<b>Net sales</b>	<b>2,854</b>	<b>2,763</b>	<b>7,927</b>	<b>8,040</b>	<b>10,645</b>
<b>Operating expenses</b>					
Fuel, tyres and other consumables	-425	-447	-1,232	-1,360	-1,816
Other external expenses	-436	-390	-1,180	-1,155	-1,545
Personnel expenses	-1,390	-1,388	-4,065	-4,118	-5,520
<b>Total EBITDA</b>	<b>603</b>	<b>538</b>	<b>1,450</b>	<b>1,407</b>	<b>1,764</b>
Capital gains/losses from the disposal of non-current assets	-1	-	-2	-	2
Depreciation/impairment of PPE	-295	-295	-862	-834	-1,104
<b>Total EBITA</b>	<b>307</b>	<b>243</b>	<b>586</b>	<b>573</b>	<b>662</b>
Acquisition-related income and costs	-3	-3	-5	3	-2
Amortisation/impairment of intangible assets	-16	-15	-48	-43	-63
<b>Operating profit (EBIT)</b>	<b>288</b>	<b>225</b>	<b>533</b>	<b>533</b>	<b>597</b>
<b>Profit from net financial items</b>					
Financial income	2	-	2	-	-
Financial expenses, Note 1	-39	-34	-115	-144	-198
<b>Net financial items</b>	<b>-37</b>	<b>-34</b>	<b>-113</b>	<b>-144</b>	<b>-198</b>
<b>Profit before tax (EBT)</b>	<b>251</b>	<b>191</b>	<b>420</b>	<b>389</b>	<b>399</b>
Income tax	-52	-43	-86	-84	-94
<b>PROFIT FOR THE PERIOD</b>	<b>199</b>	<b>148</b>	<b>334</b>	<b>305</b>	<b>305</b>
Profit for the period attributable to Parent Company shareholders	199	148	334	305	305
Earnings per share before dilution (SEK), attributable to Parent Company shareholders	2.25	1.66	3.78	3.45	3.47
Earnings per share after dilution (SEK), attributable to Parent Company shareholders	2.23	1.64	3.74	3.42	3.43
Average number of shares before dilution (000s)	88,356	88,356	88,356	88,356	88,356
Average number of shares after dilution (000s)	89,334	89,475	89,328	89,102	89,356
Number of shares outstanding at end of period (000s)	86,147	86,500	86,147	86,500	86,147

# Statement of consolidated comprehensive income

SEK million	Quarter		Period		Full year
	Sep–Nov 2020	Sep–Nov 2019	Mar–Nov 2020	Mar–Nov 2019	Mar 2019–Feb 2020
<b>Profit for the period</b>	<b>199</b>	<b>148</b>	<b>334</b>	<b>305</b>	<b>305</b>
<b>Other comprehensive income</b>	<b>199</b>	<b>148</b>	<b>334</b>	<b>305</b>	<b>305</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	–13	–29	–45	–7	1
<b>Other comprehensive income for the period, net after tax</b>	<b>–13</b>	<b>–29</b>	<b>–45</b>	<b>–7</b>	<b>1</b>
<b>Comprehensive income for the period</b>	<b>186</b>	<b>119</b>	<b>289</b>	<b>298</b>	<b>306</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>	<b>186</b>	<b>119</b>	<b>289</b>	<b>298</b>	<b>306</b>

# Condensed consolidated balance sheet

SEK million	30 Nov 2020	30 Nov 2019	Full year 29 Feb 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	767	780	780
Other intangible assets	423	461	456
Real estate and costs for leasehold improvements	826	756	814
Equipment, tools, fixtures and fittings	174	138	113
Vehicles	5,770	5,750	5,628
Deferred tax assets	42	99	93
Assets for pension commitments	15	16	15
Other non-current receivables	5	5	5
<b>Total non-current assets</b>	<b>8,022</b>	<b>8,005</b>	<b>7,904</b>
<b>Current assets</b>			
Inventories	57	59	63
Trade receivables	704	648	705
Other current receivables	57	58	64
Deferred expenses and accrued income	361	334	344
Cash and cash equivalents	876	192	307
<b>Total current assets</b>	<b>2,055</b>	<b>1,291</b>	<b>1,483</b>
<b>TOTAL ASSETS</b>	<b>10,077</b>	<b>9,296</b>	<b>9,387</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity attributable to Parent Company shareholders</b>	<b>1,682</b>	<b>1,388</b>	<b>1,380</b>
<b>Non-current liabilities</b>			
Borrowing, Note 1	5,207	4,736	4,913
Deferred tax liabilities	302	251	275
Provision for pensions and similar commitments	24	30	27
Other provisions	37	53	47
<b>Total non-current liabilities</b>	<b>5,570</b>	<b>5,070</b>	<b>5,262</b>
<b>Current liabilities</b>			
Accounts payable	565	552	561
Borrowing, Note 1	901	1,127	901
Other current liabilities	232	198	206
Accrued expenses and deferred income	1,127	961	1,077
<b>Total current liabilities</b>	<b>2,825</b>	<b>2,838</b>	<b>2,745</b>
<b>Total liabilities</b>	<b>8,395</b>	<b>7,908</b>	<b>8,007</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>10,077</b>	<b>9,296</b>	<b>9,387</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 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	-	-	1	-	1
<b>Transactions with owners</b>					
Repurchase of treasury shares	-	-	-	-60	-60
Share-based remuneration	-	-	-	14	14
Dividend	-	-	-	-331	-331
<b>Closing equity, 29 February 2020</b>	<b>318</b>	<b>3,212</b>	<b>68</b>	<b>-2,218</b>	<b>1,380</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>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>
<b>Opening equity, 1 March 2020</b>	<b>318</b>	<b>3,212</b>	<b>68</b>	<b>-2,218</b>	<b>1,380</b>
Profit for the period	-	-	-	334	334
Other comprehensive income	-	-	-45	-	-45
<b>Transactions with owners</b>					
Share-based remuneration	-	-	-	13	13
<b>Closing equity, 30 November 2020</b>	<b>318</b>	<b>3,212</b>	<b>23</b>	<b>-1,871</b>	<b>1,682</b>

There are no non-controlling interests.



# Condensed consolidated cash-flow statement

SEK million	Quarter		Period		Full year
	Sep–Nov 2020	Sep–Nov 2019	Mar–Nov 2020	Mar–Nov 2019	Mar 2019–Feb 2020
<b>Cash flow from operating activities</b>					
<b>Profit after financial items</b>	<b>251</b>	<b>191</b>	<b>420</b>	<b>389</b>	<b>399</b>
Adjustment for non-cash items	352	347	1,031	1,004	1,340
<b>Cash flow from operations before changes in working capital</b>	<b>603</b>	<b>538</b>	<b>1,451</b>	<b>1,393</b>	<b>1,739</b>
<b>Cash flow from changes in working capital</b>					
Change in inventories	1	–6	5	–8	–12
Changes in operating receivables	–130	45	–30	185	118
Changes in operating liabilities	10	–250	113	–438	–302
<b>Total change in working capital</b>	<b>–119</b>	<b>–211</b>	<b>88</b>	<b>–261</b>	<b>–196</b>
Received interest income	2	–	2	–	–
Tax paid	–1	–9	–5	–11	–
<b>Cash flow from operating activities</b>	<b>485</b>	<b>318</b>	<b>1,536</b>	<b>1,121</b>	<b>1,543</b>
<b>Cash flow from investing activities</b>					
Investments in PPE and intangible assets	–86	–192	–1,053	–1,488	–1,527
Acquisitions	–	–1	–47	–7	–47
Divestment of PPE and intangible assets	4	–1	11	19	53
<b>Cash flow from investing activities</b>	<b>–82</b>	<b>–194</b>	<b>–1,089</b>	<b>–1,476</b>	<b>–1,521</b>
<b>Cash flow from financing activities</b>					
Amortisation of right-of-use liabilities	–143	–171	–446	–499	–666
Amortisation of other external loans	–142	–137	–332	–317	–386
New borrowing, other external loans	21	8	1,046	821	860
Repurchase of shares	–	–37	–	–37	–60
Financing costs	–	–	–1	–	–
Interest paid	–42	–48	–126	–149	–192
Dividend	–	–	–	–331	–331
<b>Cash flow from financing activities</b>	<b>–306</b>	<b>–385</b>	<b>141</b>	<b>–512</b>	<b>–775</b>
<b>Cash flow for the period</b>	<b>97</b>	<b>–261</b>	<b>588</b>	<b>–867</b>	<b>–753</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>786</b>	<b>460</b>	<b>307</b>	<b>1,058</b>	<b>1,058</b>
Cash flow for the period	97	–261	588	–867	–753
Exchange-rate difference	–7	–7	–19	1	2
<b>Cash and cash equivalents at end of period</b>	<b>876</b>	<b>192</b>	<b>876</b>	<b>192</b>	<b>307</b>

## Condensed income statement – Parent Company

SEK million	Quarter		Period		Full year
	Sep–Nov 2020	Sep–Nov 2019	Mar–Nov 2020	Mar–Nov 2019	Mar 2019–Feb 2020
<b>Net sales</b>	<b>18</b>	<b>13</b>	<b>52</b>	<b>40</b>	<b>54</b>
<b>Operating expenses</b>					
Other external expenses	-11	-7	-29	-17	-27
Personnel expenses	-17	-16	-55	-49	-60
<b>Operating profit/loss (EBIT)</b>	<b>-10</b>	<b>-10</b>	<b>-32</b>	<b>-26</b>	<b>-33</b>
Profit/loss from participations in Group companies	-	-90	117	-61	-119
Financial income	15	19	45	28	22
Financial expenses	-10	-3	-26	-24	-22
<b>Net financial items</b>	<b>5</b>	<b>-74</b>	<b>136</b>	<b>-57</b>	<b>-119</b>
<b>Profit/loss before tax (EBT)</b>	<b>-5</b>	<b>-84</b>	<b>104</b>	<b>-83</b>	<b>-152</b>
Income tax	-	-	-	-	89
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-5</b>	<b>-84</b>	<b>104</b>	<b>-83</b>	<b>-63</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 2020	30 Nov 2019	Full year 29 Feb 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Participations in Group companies	4,181	4,181	4,181
Non-current receivables in Group companies	500	500	500
Deferred tax assets	14	–	14
<b>Total non-current assets</b>	<b>4,695</b>	<b>4,681</b>	<b>4,695</b>
<b>Current assets</b>			
Receivables from Group companies	873	441	455
Other current receivables	4	18	6
Deferred expenses and accrued income	–	–	3
Cash and cash equivalents	757	156	292
<b>Total current assets</b>	<b>1,634</b>	<b>615</b>	<b>756</b>
<b>TOTAL ASSETS</b>	<b>6,329</b>	<b>5,296</b>	<b>5,451</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity attributable to Parent Company shareholders</b>	<b>2,224</b>	<b>2,103</b>	<b>2,107</b>
<b>Non-current liabilities</b>			
Borrowing	781	759	692
Provision for pensions and similar commitments	–	3	2
Deferred tax liabilities	–	89	–
<b>Total non-current liabilities</b>	<b>781</b>	<b>851</b>	<b>694</b>
<b>Current liabilities</b>			
Accounts payable	1	3	5
Borrowing	144	79	137
Liabilities to Group companies	3,154	2,241	2,484
Other current liabilities	–	1	5
Accrued expenses and deferred income	25	18	19
<b>Total current liabilities</b>	<b>3,324</b>	<b>2,342</b>	<b>2,650</b>
<b>Total liabilities</b>	<b>4,105</b>	<b>3,193</b>	<b>3,344</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>6,329</b>	<b>5,296</b>	<b>5,451</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 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	–
Loss for the period	–	–	–	–	–63	–63
Repurchase of treasury shares	–	–	–	–60	–	–60
Share-based remuneration	–	–	–	14	–	14
Dividend	–	–	–	–331	–	–331
<b>Closing equity, 29 February 2020</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>515</b>	<b>–63</b>	<b>2,107</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	–
Loss for the period	–	–	–	–	–83	–83
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>
<b>Opening equity, 1 March 2020</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>515</b>	<b>–63</b>	<b>2,107</b>
Transfer of the preceding year's profit/loss	–	–	–	–63	63	–
Profit for the period	–	–	–	–	104	104
Share-based remuneration	–	–	–	13	–	13
<b>Closing equity, 30 November 2020</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>465</b>	<b>104</b>	<b>2,224</b>

There are no non-controlling interests.

# Notes

## NOTE 1 FINANCING

SEK million, except as otherwise indicated	Quarter		Period		Full year
	Sep–Nov 2020	Sep–Nov 2019	Mar–Nov 2020	Mar–Nov 2019	Mar 2019–Feb 2020
<b>Borrowing</b>					
Loans for acquisition financing	–	–	385	259	246
Bond loans	–	–	500	500	500
Capitalised financing expenses	–	–	–5	–6	–6
Loans for bus financing	–	–	2,253	1,753	1,699
Right-of-use liabilities	–	–	2,930	3,271	3,287
Contingent consideration not paid	–	–	45	86	88
<b>Total</b>	<b>–</b>	<b>–</b>	<b>6,108</b>	<b>5,863</b>	<b>5,814</b>
Of which short-term repayment by instalment of portion of the Group's borrowings	–	–	901	1,127	901
Of which long-term portion of the Group's borrowings	–	–	5,207	4,736	4,913
<b>Total liabilities</b>	<b>–</b>	<b>–</b>	<b>6,108</b>	<b>5,863</b>	<b>5,814</b>
<b>Interest expenses and similar loss items</b>					
Interest expenses for right-of-use liabilities	–24	–32	–77	–95	–129
Interest expense, other loans	–17	–15	–49	–45	–58
Other financial expenses	–1	–1	–4	–5	–6
Realised and unrealised exchange gains/losses, net	3	14	15	1	–5
<b>Total</b>	<b>–39</b>	<b>–34</b>	<b>–115</b>	<b>–144</b>	<b>–198</b>

## NOTE 2 PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK million, except as otherwise indicated	Group		Parent Company	
	30 Nov 2020	30 Nov 2019	30 Nov 2020	30 Nov 2019
<b>Pledged assets</b>				
Pledged assets pertaining to shares/net assets in subsidiaries	1,400	–	906	–
Chattel mortgages	150	150	–	–
Other pledged assets	–	–	274	223
<b>Contingent liabilities</b>				
Guarantee of lease obligations and other obligations	4,436	5,210	4,896	5,189
<b>Total pledged assets and contingent liabilities</b>	<b>5,986</b>	<b>5,360</b>	<b>6,076</b>	<b>5,412</b>

## NOTE 3 ACQUISITIONS

In December, Nobina entered into an agreement to acquire the bus company Karl Erik Elofsson Buss AB based in Kungsbacka, with settlement date in January 2021. Through the acquisition, Nobina strengthens its position in western Sweden and expects to generate new synergies between existing contracts, upcoming tenders and investments in replacement traffic. The acquisition comprises an operation of approximately 100 buses and 100 employees in the markets for tendered scheduled traffic, school traffic and replacement traffic and has an annual turnover of appr. SEK 90 million. The acquisition is a continued part of Nobina's strategy to both broaden and grow in the Nordic market, while at the same time building a platform for increased competitiveness in smaller contracts. Acquisition accounting will be prepared during the fourth quarter.

In December, Nobina also entered into an agreement regarding a strategic acquisition of Göteborgs Buss AB based in Gothenburg and thereby, through the wholly owned subsidiary Samtrans, strengthened its position in special needs transportation and at the same time achieved market access in western Sweden, with settlement date in January 2021. The acquisition comprises an operation of approximately 170 vehicles and 220 employees in tendered special needs transportation and has an annual turnover of appr. SEK 130 million. The acquisition is part of Nobina's strategy to strengthen and develop its position in special needs transportation. Acquisition accounting will be prepared during the fourth quarter.

# Information on performance measures

## Definitions

### Alternative performance measures

Nobina applies the ESMA's guidelines for APMs (alternative performance measures) and the performance measures provide valuable and significant information for investors and company management. 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	Earnings 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 achieved by the acquisition/divestment of companies owned by Nobina only for part of two comparative 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.
Net debt excluding bus financing/EBITDA	Interest-bearing non-current and current liabilities (external loans, pension liabilities, operating and finance lease liabilities) after deducting cash and cash equivalents and bus financing.
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	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, right-of-use agreements (finance and operating leases) and rented on a short-term basis at the end of the period.

## Key metrics

SEK million, except as otherwise indicated	2019/2020		2020/2021			Full year
	Q3	Q4	Q1	Q2	Q3	Mar 2019–Feb 2020
Net sales for the period	2,763	2,605	2,509	2,564	2,854	10,645
EBITDA	538	357	366	481	603	1,764
EBITDA margin	19.5%	13.7%	14.6%	18.8%	21.1%	16.6%
EBITA	243	89	89	190	307	662
EBITA margin	8.8%	3.4%	3.5%	7.4%	10.8%	6.2%
EBIT	225	64	70	175	288	597
EBIT margin	8.1%	2.5%	2.8%	6.8%	10.0%	5.6%
EBT	191	10	31	138	251	399
EBT margin	6.9%	0.4%	1.2%	5.4%	8.8%	3.7%
EBT adjusted	209	35	50	153	270	464
EBT margin – adjusted	7.5%	1.3%	2.0%	6.0%	9.5%	4.4%
Profit for the period	148	0	21	114	199	305
Cash flow for the period	–261	114	405	86	97	–753
Cash and cash equivalents	192	307	704	786	876	307
Equity/assets ratio, %	14.9%	14.7%	13.8%	14.9%	16.7%	14.7%
Shareholders' equity	1,388	1,380	1,384	1,491	1,682	1,380
Shareholders' equity/ordinary share, SEK	15.7	15.6	15.7	16.9	19.4	15.6
Number of buses (on balance-sheet date)	3,822	3,733	3,853	3,954	3,807	3,733
Estimated FTEs	10,630	10,512	10,431	10,601	10,674	10,512
Production hours	2,868	2,766	2,255	2,304	2,499	11,526
Production kilometres	71,337	71,904	67,644	68,921	73,840	295,943

## Calculation of alternative performance measures

SEK million, except as otherwise indicated	2019/2020		2020/2021			Full year
	Q3	Q4	Q1	Q2	Q3	Mar 2019–Feb 2020
<b>Interest-bearing liabilities:</b>						
Non-current borrowing	4,736	4,913	5,375	5,378	5,207	4,913
Pension liability	30	27	26	25	24	27
Current borrowing	1,127	901	920	899	901	901
<b>Total interest-bearing liabilities</b>	<b>5,893</b>	<b>5,841</b>	<b>6,321</b>	<b>6,302</b>	<b>6,132</b>	<b>5,841</b>
Cash	–192	–307	–704	–786	–876	–307
<b>Total net debt</b>	<b>5,701</b>	<b>5,534</b>	<b>5,617</b>	<b>5,516</b>	<b>5,256</b>	<b>5,534</b>
<b>Total net debt excluding bus financing</b>	<b>766</b>	<b>814</b>	<b>617</b>	<b>390</b>	<b>375</b>	<b>814</b>
EBITDA Q1	431	431	366	366	366	431
EBITDA Q2	438	438	438	481	481	438
EBITDA Q3	538	538	538	538	603	538
EBITDA Q4	363	357	357	357	357	357
<b>Total EBITDA full year</b>	<b>1,770</b>	<b>1,764</b>	<b>1,699</b>	<b>1,742</b>	<b>1,807</b>	<b>1,764</b>
<b>Net debt/EBITDA</b>	<b>3.2x</b>	<b>3.1x</b>	<b>3.3x</b>	<b>3.2x</b>	<b>2.9x</b>	<b>3.1x</b>
<b>Net debt excluding bus financing/EBITDA</b>	<b>0.4x</b>	<b>0.5x</b>	<b>0.4x</b>	<b>0.2x</b>	<b>0.2x</b>	<b>0.5x</b>

# Nobina in brief

We are the Nordic region's largest public transport operator, with about 12,000 employees across four countries. Every day, all year round, one million people choose to travel more sustainably with us. From north to south, in urban and in rural areas. To the next bus stop, or all the way home. Together with our passengers and clients, we are big enough to make a real difference. From a welcoming greeting to a safe, comfortable journey on board the bus. From new, smart technology to clear information and more fossil-free travel. A unique opportunity to bring about change. Together, we keep society moving every day.

## Our strategic focus areas

To achieve our goals and enable the sustainable development of society, we concentrate on four strategic areas. 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. This is supplemented with further growth through acquisitions.

### Smart transport solutions

We will develop public transport solutions that meet the need for sustainable modes of transportation both today and tomorrow, and that drive our growth and competitiveness.

### Proactive partner

We will be a proactive partner for our customers by taking initiatives that move collaborations forward and that improve our solutions for them.

### Resource efficiency

Technical innovations, efficient operations and optimised use of resources enable us to strengthen our competitiveness and contribute towards a sustainable development of society with more fossil-free travel.

### People in focus

Everything we do is based on people and their needs. This allows us to provide the safest and most welcoming passenger and employee experience in the industry.

## Our sustainability agenda

Sustainability is an integral part of Nobina – from the inside out – from why we exist and what we offer to how we govern our operations. Our sustainability agenda encompasses three areas in particular that we must focus on to make the greatest difference and be successful in everything we do.

### Bus solutions for a sustainable society

We strive to make more people view public transport as a safe and attractive mode of transport, and to choose to travel by bus rather than by car. This reduces traffic and congestion, emissions and stress.

### Long-term resource use

We are economic with resources – in connection with major decisions and in our day-to-day activities. We will make choices wisely when purchasing buses, fuel, other energy and equipment, we place demands on and challenge suppliers and we serve as an active partner to clients.

### Responsible employer and societal stakeholder

We depend on many individuals choosing Nobina as employer. In return, we offer a welcoming, pleasant and stimulating job, for young people and for people who have – for whatever reason – been long-term unemployed from the Nordic labour market.

## Our market

Sales in the Nordic public transport market for buses are estimated at SEK 50 billion, of which Sweden accounts for almost half of this value. In all of the different markets, an average of half of the cost of regional travel is financed through the budgets of regional public administrations and the remainder through ticket revenue. Virtually the entire market is today exposed to competition. 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.

Nobina is market leader in the Nordic region with a market share of approximately 15 percent (company assessment 2019/2020). 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 favourable for profitable growth.

## Contributions to the global goals

The UN Sustainable Development Goals form a key starting point for Nobina's sustainability agenda. In particular, Nobina has the greatest opportunity to make a positive contribution to goals 11, 12 and 8.



### Goal 11: Sustainable cities and communities

The goal is to make cities and human settlements inclusive, safe, resilient, and sustainable. Nobina's greatest contribution is to interim target 11.2 on providing access to safe, affordable, accessible and sustainable transport systems for all.



### Goal 12: Responsible consumption and production

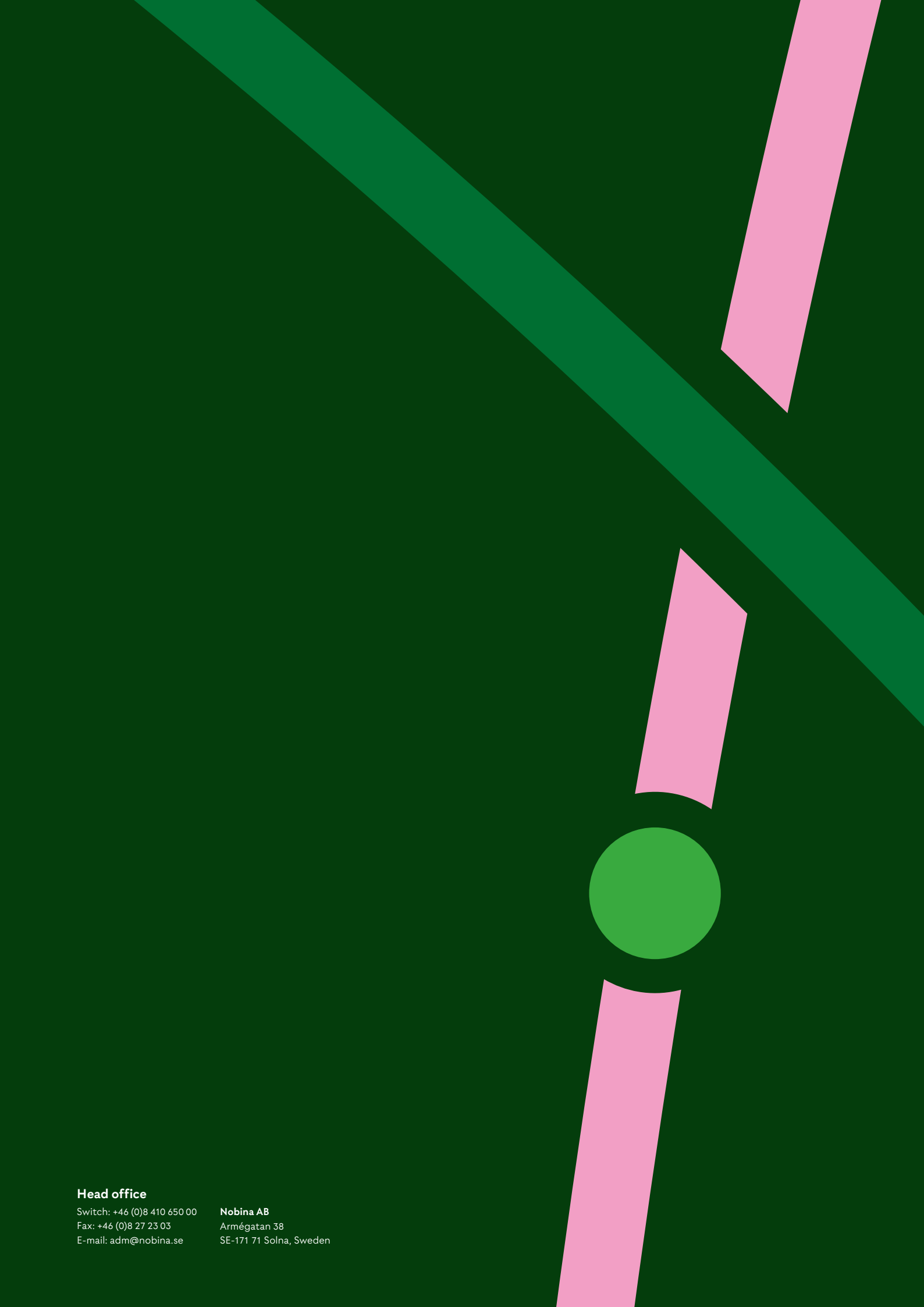
The goal aims to ensure sustainable consumption and production patterns. Nobina is focusing on the interim target 12.2, which concerns achieving sustainable management and efficient use of natural resources.



### Goal 8: Decent work and economic growth

The goal aims to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Nobina contributes to interim target 8.4 to improve resource efficiency in consumption and production as well as interim target 8.8 to protect labour rights and promote safe and secure work environments for all workers.





**Head office**

Switch: +46 (0)8 410 650 00

Fax: +46 (0)8 27 23 03

E-mail: [adm@nobina.se](mailto:adm@nobina.se)

**Nobina AB**

Armégatan 38

SE-171 71 Solna, Sweden.