

Q1 Q2 Q3 Q4

ANOTHER SUCCESSFUL YEAR FOR NOBINA

The fourth quarter

- Net sales amounted to SEK 2,560 million (2,251), an increase of 13.7 per cent.
- EBITA amounted to SEK 91 million (97).
- EBIT amounted to SEK 69 million (97).
- EBT amounted to SEK 23 million (66).
- Profit after tax amounted to SEK 18 million (55), and earnings per share totalled SEK 0.21 (0.38) before dilution.
- Cash flow from operations excluding changes in working capital was SEK 279 million (241).

The fiscal year 1 March 2018–28 February 2019

- Net sales amounted to SEK 9,734 million (8,760), an increase of 11.1 per cent.
- EBITA amounted to SEK 578 million (530).
- EBIT amounted to SEK 533 million (526).
- EBT amounted to SEK 395 million (391).
- Profit after tax amounted to SEK 303 million (306), and earnings per share totalled SEK 3.44 (3.46) before dilution.
- Cash flow from operations excluding changes in working capital was SEK 1,285 million (1,155).

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 current and 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

- On 18 December, Nobina AB received an investment grade credit rating of BBB- with a stable outlook from the international credit rating agency Fitch Ratings.
- In January, Petri Auno was appointed new Managing Director of Nobina Finland and member of Nobina's group management. He joins from VR Group and a position as Senior Vice President. Petri will take up his new position not later than 18 June 2019.
- Nobina has been awarded a new ten-year contract by Östgötatrafiken to operate and work jointly to develop bus services in Linköping, both city and regional transport services. The agreement is worth approximately SEK 2.6 billion and involves 87 scheduled buses. The contract includes an initiative using electric-powered articulated buses, new routes and more frequent services.
- In February, Nobina AB issued its first green bond of SEK 500 million with a coupon rate of 1.55 per cent. The proceeds from the bond will be used to finance green investments including electric buses, buses run on biofuel as well as charging infrastructure.

Significant events after the end of the quarter

- In March, Nobina was awarded two new contracts for Västtrafik in Sjuhärads län with a total contract value of SEK 1.4 billion over the contract period, spanning over 10.5 years. Traffic is scheduled to start in June 2020 and involves a total of 70 scheduled buses.
- On 12 March, Nobina's first green bond was listed in the market for sustainable bonds on Nasdaq Stockholm and thereby became available for trade on the same day.
- The Board of Directors has proposed a dividend of SEK 3.80 (3.35) per share for payment in June 2019, which is a 13 per cent increase compared with the preceding year.

KEY METRICS FOR CONTINUING OPERATIONS ^{1),2)}

	Quarter		Full year	
	Dec 2018 –Feb 2019	Dec 2017 –Feb 2018	Mar 2018 –Feb 2019	Mar 2017 –Feb 2018
(SEK million, except as otherwise indicated)				
Net sales	2,560	2,251	9,734	8,760
EBITA	91	97	578	530
EBIT	69	97	533	526
EBT	23	66	395	391
EBT, adjusted ³⁾	45	66	440	392
Cash flow for the period	732	177	288	–61
			28 Feb 2019	28 Feb 2018
Cash and cash equivalents			1,058	720
Shareholders' equity			1,454	1,436
Net debt/EBITDA			3.1x	3.0x
Equity/assets ratio, %			16.1	18.4

A complete table of key metrics can be found on page 11.

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

2) Information on and definitions of key metrics can be found on page 11 and page 27 respectively.

3) Adjusted for cost and amortisations related to acquisitions.

Statement from the CEO

We can summarise another successful year for Nobina. Sales, adjusted for currency effects, grew by over 9 per cent, or by 4 per cent organically¹⁾, and we further strengthened profitability. As previously communicated, we achieved the financial targets set in conjunction with the IPO in June 2015, and are now striving towards new, ambitious targets for continued, long-term, profitable growth. During the 2018/2019 fiscal year, we defended our positions in a market with large tender volumes. During the fourth quarter, we were awarded Östgötatrafiken's large contract for city and regional transport services in Linköping and after the quarter we won new contracts with Västtrafik to operate in Bollebygd and Kinna. Tender volumes will remain high in 2019, but as fewer of the contracts we currently hold are due to be tendered, we could grow our market shares.

In the 2018/2019 fiscal year, we refined and focused our operations. We divested our interregional traffic Swebus and completed acquisitions that strengthened the contract business including De Blaa Omnibusser (DBO) in Denmark. With Samtrans as part of the Group, we have established important expertise within special needs transportation and can benefit from this in other regions. The acquisition in February of Danish Örslev is a first step in Denmark in this area. Integration of all three acquisitions has now been initiated and proceeds according to plan.

During the fiscal year, electric buses have comprised a natural component of tender documentation for city transport. Development in this area is progressing rapidly, and in the near future we will probably also see electric buses operating in rural areas. At the end of the year, we had 50 electric buses in operation, and we expect that this figure will triple over the next year, and continue to grow rapidly. Public transport, unlike passenger car and truck transportation, has made a great deal of progress in the transition to a fossil-free solution. Our bus fleet is currently operated on 81 per cent renewable fuel and within the next few years we will have more electric buses than diesel buses. A growing number of players are aware that buses, and other public transport, have an important role to play in the sustainable development of our cities and communities. We could see this in the substantial interest in the green bond we issued in February, to finance, for example, new electric

buses and charging infrastructure. During the fourth quarter, we took the next step in the development of the world's most modern public transport, in Barkarbystaden near Stockholm, through a decision to collaborate with Scania in test driving autonomous full-length buses. Our autonomous minibuses already transport an average of 100 people every day on existing regular services in the district. During the quarter, we also announced the extension of our collaboration with the Swedish Arbetsförmedlingen job centre in the recruitment of bus drivers and mechanics. Increasing the attractiveness of the profession is an important issue for us. We want more people to understand that public transport is an industry of the future, where we are leading developments as the largest player in the Nordic region.

We are now facing several major traffic start-ups and terminations, which will reduce profitability in the short-term. At the end of the 2018/2019 fiscal year, the average contract age was 56 per cent of the average contract term. The average age will gradually decrease as new contracts are secured. As we place stringent demands on the contracts we wish to secure, once achieved it is positive for long-term profitability that we can continue to grow. Nobina's underlying earnings capacity is robust.

Magnus Rosén,
President and CEO



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**"THE FISCAL YEAR 2018/2019
ENTAILED A STREAMLINING AND
FOCUSING OF THE BUSINESS"**

1) Adjusted for growth from acquisitions and currency effects

Nobina's financial performance

fourth quarter (1 December 2018–28 February 2019) and full year (1 March 2018–28 February 2019)

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 current and 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

The fourth quarter

Nobina's fourth quarter net sales amounted to SEK 2,560 million (2,251), up 13.7 per cent compared with the corresponding period of the preceding year. The increase was attributable to a positive contribution in connection with acquisitions and an increase in revenue from existing contracts, index revenue and currency effects¹⁾. The growth, adjusted for currency effects¹⁾, was 12.9 per cent.

The full year

Nobina's net sales for the full year amounted to SEK 9,734 million (8,760), an increase of 11.1 per cent compared with the preceding year. The increase was attributable to acquisitions, a rise in revenue from existing contracts, index revenue, extra traffic and currency effects¹⁾. The growth, adjusted for currency effects¹⁾, was 9.4 per cent.

RESULTS

The fourth quarter

Operating profit (EBIT) for the fourth quarter amounted to SEK 69 million (97), a decrease by 28.9 per cent. Profit was adversely impacted by acquisition-related expenses and amortisation of intangible assets related to the acquisitions of DBO and Samtrans, amounting to SEK 22 million. Profit before tax (EBT) amounted to SEK 23 million (66). Profit before tax (EBT), adjusted for acquisition-related costs and amortisation of acquired intangibles, amounted to SEK 45 million (66). Adjusted EBT was negatively impacted by reduced traffic due to more holidays compared to last year as well as by the discontinuation of metro replacement services in Helsinki in January 2018. Adjusted EBT in the prior year period was also strengthened by some one-offs.

The full year

The operating profit (EBIT) for the full year amounted to SEK 533 million (526), up 1.3 per cent. The profit shows performance improvements in existing contracts, while profitable business outside of the contracts continued to have a positive impact on profitability for the full year. Results compared with the preceding year were negatively impacted by the discontinuation of metro replacement services in Helsinki in January 2018 and by acquisition-related expenses and amortisation of intangible assets related to the acquisitions of DBO and Samtrans. Profit before tax (EBT) amounted to SEK 395 million (391). Profit before tax (EBT), adjusted for acquisition-related costs and amortisation of acquired intangibles, amounted to SEK 440 million (392).

INCOME TAX

As a result of historically deductible losses from previous years in Norway, Sweden and Denmark, Nobina is not subject to any tax payment that affects cash flow. Nobina's income tax in the income statement for the fourth quarter comprised current tax of SEK -5 million (-6) and the change in estimated deferred tax of SEK 0 million (-5). The effective rate of tax was -21.7 per cent (-16.7). Nobina's income tax in the income statement for the full year comprised current tax of SEK -9 million (-6) and the change in estimated deferred tax of SEK -83 million (-79). The effective rate of tax was -23.3 per cent (-21.7).

FINANCIAL POSITION

Cash and cash equivalents amounted to SEK 1,058 million (720) at the end of the period, which was temporarily significantly impacted by the proceeds from the green bond of SEK 500 million issued in the fourth quarter and that will be used for future bus investments. Nobina has an available bank credit facility of SEK 300 million (150) as of 28 February 2019, of which SEK 0 million (0) was utilised.

Nobina's interest-bearing liabilities amounted to SEK 5,089 million (4,349), mainly divided between financial leasing liabilities of SEK 2,995 million (4,060) and other external liabilities of SEK 2,094 million (286). Leasing liabilities are recognised as financial leasing and are thus visible in the balance sheet. 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 308 million, see Note 3. Net debt totalled SEK 4,031 million (3,629) at the end of the period, and net debt/EBITDA was 3.1x (3.0x). Shareholders' equity amounted to SEK 1,454 million (1,436). The equity/assets ratio at the end of the period was 16.1 per cent (18.4).

INVESTMENTS AND DIVESTMENTS

The fourth quarter

Bus investments in the fourth quarter amounted to SEK -961 million (-159) and other investments were SEK -150 million (-14). Nobina signed financial leasing agreements of SEK 166 million (135). Nobina's cash investments for procurement of buses, accessories and other PPE amounted to SEK -37 million (-38). Nobina sold buses and other PPE for a value of SEK 20 million (5). The sale generated a capital loss of SEK -14 million (4).

The full year

Bus investments in the full year amounted to SEK -1,193 million (-655) and other investments were SEK -203 million (-61). Nobina signed financial leasing agreements of SEK 289 million (540). During the full year, new loans were taken totalling SEK 943 million (4). Nobina's cash investments for procurement of buses, accessories and other PPE amounted to SEK -164 million (-172). Nobina sold buses and other PPE for a value of SEK 40 million (62). The sale generated a capital loss of SEK -32 million (-7).

¹⁾ Currency effects calculated as prior year revenue converted to this year's exchange rate

CASH FLOW the fourth quarter

Cash flow from operations before changes in working capital amounted to SEK 279 million (241). Change in working capital amounted to SEK 207 million (182).

Cash flow from investing activities amounted to SEK –925 million (–33) and was substantially related to the change in financing method of the existing bus fleet.

Cash flow from financing activities amounted to SEK 1,175 million (–208), which was significantly impacted by the proceeds from the green bond of SEK 500 million issued in the fourth quarter. Total cash flow for the quarter was SEK 732 million (177).

The full year

Cash flow from operations before changes in working capital amounted to SEK 1,285 million (1,155). Working capital amounted to SEK 78 million (5).

Cash flow from investing activities amounted to SEK –1,588 million (–114), which includes SEK –521 million for the acquisitions of Samtrans and DBO, of which SEK 205 million was cash financed. The full year was impacted by the refinancing of the bus fleet of SEK –959 million (0) and investments in buses and equipment of SEK –188 million (–172), which was financed using loans of SEK 943 million (4) excluding current financing for acquired units and bond loans.

Cash flow from financing activities amounted to SEK 518 million (–1,100) which was significantly impacted by the proceeds from the green bond of SEK 500 million issued in the fourth quarter. Total cash flow for the full year was SEK 288 million (–61).

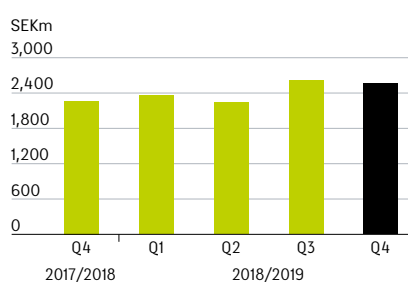
Goodwill

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 2018/2019 fiscal year in connection with preparation of the business plans for 2019/2020. 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 support for the valuation of Nobina. Management assesses through established sensitivity analysis 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.

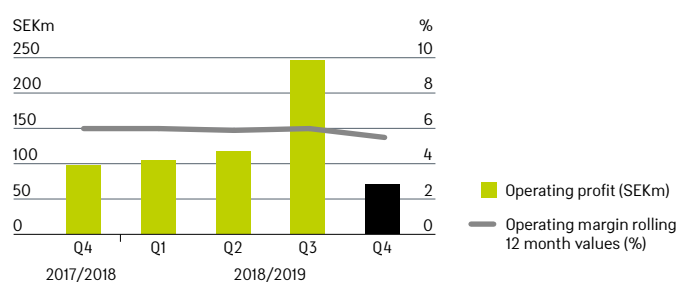
SHARES IN SUBSIDIARIES, AND DISCONTINUED AND ACQUIRED OPERATIONS

During the year, Nobina AB made a capital contribution to Nobina Norge AS of SEK –32 million. The capital contribution has not been valued in Nobina AB. Nobina AB has received a dividend of SEK 120 million from Nobina Sverige 3 AB, after which impairment of SEK –92 million was recognised. In the year end, Nobina AB both paid and received Group contributions from subsidiaries, where paid Group contributions have not been valued in Nobina AB. These items have had no impact on the Group. Moreover, Nobina AB sold Swebus Express AB, see Note 4, which entailed a capital gain of SEK 64 million in Nobina AB. The consolidated capital gain from the sale of Swebus Express AB amounted to SEK 56 million. During the third quarter, Samtrans and De Blaa Omnibusser were acquired for SEK 680 million, see Note 5.

NET SALES



OPERATING PROFIT (EBIT) AND MARGIN



INVESTMENTS IN CONTINUING OPERATIONS EXCLUDING CURRENT FINANCING FOR ACQUIRED UNITS AND BOND LOANS, NOTE 5

(SEK million)	Quarter		Full year	
	Dec 2018 –Feb 2019	Dec 2017 –Feb 2018	Mar 2018 –Feb 2019	Mar 2017 –Feb 2018
Investments in new buses	–961	–159	–1,193	–655
Other investments	–150	–14	–203	–61
Total investments	–1,111	–173	–1,396	–716
Lease-financed investments	166	135	289	540
Non-lease-financed investments	–945	–38	–1,107	–176
Of which loan-financed investments	908	–	943	4
Total cash investments	–37	–38	–164	–172

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 2017–Feb 2018	8,760	391	
Price and Volume	688	115	The estimated effects of price and volume were positive in terms of net sales and EBT, and contain positive effects of extra traffic, incentive revenue and acquisitions. This item was negatively impacted by the discontinuation of bus-for-rail services in Helsinki.
Contract migration	14	31	This year's contract migrations were relatively limited and are assessed as having a slightly positive impact on net sales and a positive effect on EBT, which stemmed from operations in Sweden and Norway where the new contracts contribute to the profitability.
Indexation and Operational efficiency (net)	272	-52	Positive indexation effects on net sales, which mainly originate from Sweden. Higher costs for bus maintenance and damage have a negative impact on EBT and mainly originate from Sweden.
Other	-	-43	This category includes cost related to residual value losses, M&A activities and LTIP.
Net financial items	-	-2	Profit for the year was adversely impacted by unrealised currency effects.
Period Mar 2018–Feb 2019	9,734	440	

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. 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 the effect on earnings of sales of buses, property expenses, M&A advisory costs, amortisation of intangible assets, marketing and sales costs, as well as other administrative expenses.

Items affecting comparability includes items of an extraordinary nature which are not related to the period or which are non-recurring.

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

8.1 (8.0)

The duration of contracts varies between countries, and was on average (weighted by the number of buses) 8.1 years.

AVERAGE AGE OF BUS FLEET, YEARS

6.6 (6.1)

Nobina's bus fleet had an average age of 6.6 years.

WEIGHTED AGE OF THE CONTRACT PORTFOLIO, YEARS

4.5 (4.3)

The average contract length (weighted by the number of buses) was 4.5 years.

Segments

NET SALES BY SEGMENT FOR CONTINUING OPERATIONS

(SEK million)	Quarter		Full year	
	Dec 2018 –Feb 2019	Dec 2017 –Feb 2018	Mar 2018 –Feb 2019	Mar 2017 –Feb 2018
Nobina Sweden	1,825	1,601	6,863	6,146
Production contracts	1,245	1,053	4,642	4,152
Incentive contracts	560	471	2,069	1,781
Other revenue	20	77	152	213
Nobina Denmark	205	141	648	544
Production contracts	139	134	563	519
Incentive contracts	1	2	3	7
Other revenue	65	5	82	18
Nobina Norway	236	254	1,047	1,024
Production contracts	228	195	1,009	946
Incentive contracts	2	2	8	5
Other revenue	6	57	30	73
Nobina Finland	295	268	1,178	1,070
Production contracts	289	266	1,154	1,050
Incentive contracts	5	4	19	18
Other revenue	1	–2	5	2
Total for the Group	2,561	2,264	9,736	8,784
Production contracts	1,901	1,648	7,368	6,667
Incentive contracts	568	479	2,099	1,811
Other revenue	92	137	269	306
Central functions and other items	–10	1	2	6
Elimination of sales within the Group	9	–14	–4	–30
Total net sales	2,560	2,251	9,734	8,760

RESULTS

(SEK million)	Quarter		Full year	
	Dec 2018 –Feb 2019	Dec 2017 –Feb 2018	Mar 2018 –Feb 2019	Mar 2017 –Feb 2018
Operating profit by segment				
Nobina Sweden	92	115	529	466
Nobina Denmark	7	4	14	16
Nobina Norway	–1	–3	15	1
Nobina Finland	4	13	42	91
Central functions and other items	–33	–32	–67	–48
Total operating profit (EBIT)	69	97	533	526
Net financial items	–46	–31	–138	–135
Profit before tax (EBT)	23	66	395	391
Income tax	–5	–11	–92	–85
Profit for the period	18	55	303	306
Profit/loss for the period from discontinued operations	–	–11	56	–28
Profit for the period	18	44	359	278

EBT, ADJUSTED¹⁾

(SEK million)	Quarter		Full year	
	Dec 2018 –Feb 2019	Dec 2017 –Feb 2018	Mar 2018 –Feb 2019	Mar 2017 –Feb 2018
Operating profit per segment				
Nobina Sweden	99	115	547	466
Nobina Denmark	17	4	26	16
Nobina Norway	–1	–3	15	1
Nobina Finland	4	13	42	91
Central functions & other items	–28	–32	–52	–48
Total operating profit (EBIT), adjusted	91	97	578	526
Finance, net	–46	–31	–138	–135
Profit before tax (EBT), adjusted	45	66	440	392

1) COSTS AND AMORTISATION ON ACQUIRED INTANGIBLES RELATED TO ACQUISITIONS

(SEK million)	Dec 2018 –Feb 2019	Mar 2018 –Feb 2019
Acquisition-related costs	–8	–25
Amortisation on acquired intangibles	–14	–20
Total costs and amortisation on acquired intangibles related to acquisitions in the operating profit for the period	–22	–45

SUMMARY

Nobina's fourth quarter posted strong growth compared with the prior year period in terms of net sales and lower operating profit that includes costs for amortisation of intangible assets related to acquisitions. The increase in net sales derived from existing contracts in which both production-based remuneration and incentive remuneration are increasing in addition to the contribution from Samtrans. The increase in net sales adjusted for currency effects is 12.9 per cent. New and existing contracts reported a positive performance, while profitable business outside of the contracts impacted operating profit positively in the quarter. Operating profit (EBIT) compared with the preceding year was negatively impacted by reduced traffic due to more holidays compared to last year.

Net sales for the full year were higher than the prior year period, adjusted for currency effects the net sales increase was 9.4 per cent, and operating profit (EBIT) was higher due to the healthy performance in existing contracts and effects from acquisitions. Operating profit compared with the preceding year was negatively impacted by the discontinuation of metro replacement services in Helsinki.

SWEDEN

Nobina Sweden's net sales for the fourth quarter of the year increased compared with the prior year period. The acquisition of Samtrans, higher volumes in existing contracts and indexation of revenue had a positive effect on net sales. Operating profit (EBIT) was lower in the quarter and was adversely impacted by amortisation of intangible assets related to the acquisition of Samtrans. The underlying performance of the contract portfolio remained favourable, which has a positive impact, though a lower level of supplemental business offerings compared with the year-earlier period had an adverse impact.

Net sales for the full year increased compared with the prior year period and operating profit (EBIT) was significantly higher and was positively impacted by higher profitability in existing contracts and extra traffic.

DENMARK

Nobina Denmark's net sales for the fourth quarter were significantly higher than the prior year period. The increase in net sales adjusted for currency effects was 37.8 per cent. The addition of the acquired company DBO is behind this increase. Operating profit (EBIT) was higher than the prior year period and was positively affected by the addition of DBO.

Net sales for the full year increased compared with prior year period with the addition of DBO, with the remainder of the contract portfolio on a par with the preceding year. The increase in net sales adjusted for currency effects was 11.9 per cent. Operating profit (EBIT) was slightly lower than in the prior year period.

NORWAY

Nobina Norway's net sales for the fourth quarter were lower than in prior year period due to the expiry of the contract in Nordhordland. The decline in net sales adjusted for currency effects was –9.7 per cent. Operating profit (EBIT) in the fourth quarter was better than in the preceding year, positively impacted by contract migration and index remuneration that have now had an impact.

Net sales for the full year increased somewhat compared with the prior year period, driven by currency effects. The decline in net sales adjusted for currency effects was –3.0 per cent, driven by the completion of the contract in Nordhordland. Operating profit (EBIT) was significantly higher, driven by contract migration and operational improvements.

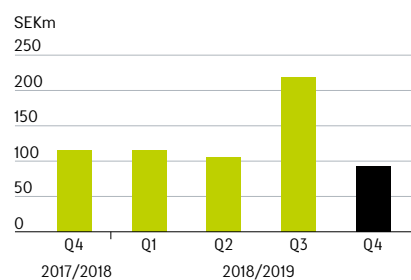
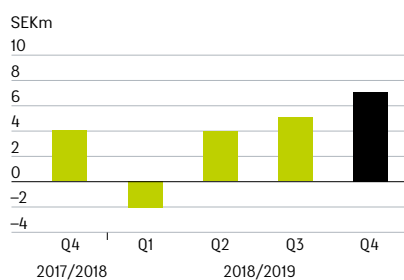
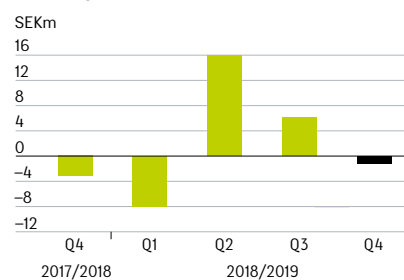
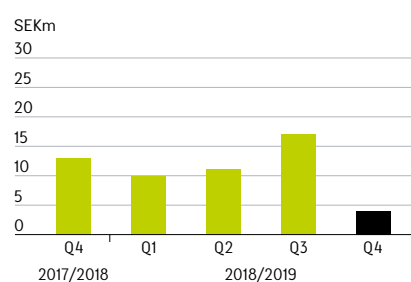
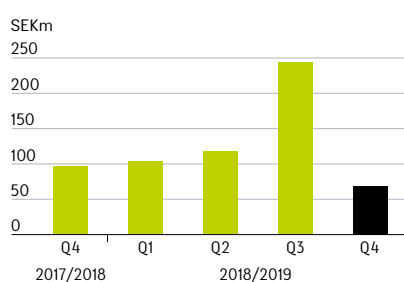
FINLAND

Nobina Finland's net sales for the fourth quarter were higher than in the prior year period, and were positively impacted by contract start-ups. The increase in net sales adjusted for currency effects was 5.1 per cent. Operating profit (EBIT) for the quarter was significantly lower, which was primarily linked to the extra traffic for the extension of the Helsinki metro being conducted up until and including December 2017.

Net sales for the full year increased compared with the prior year period, adjusted for currency effects the increase in net sales was 3.2 per cent, and operating profit (EBIT) declined due to extra traffic for the expansion of Helsinki metro being conducted up until and including December 2017.

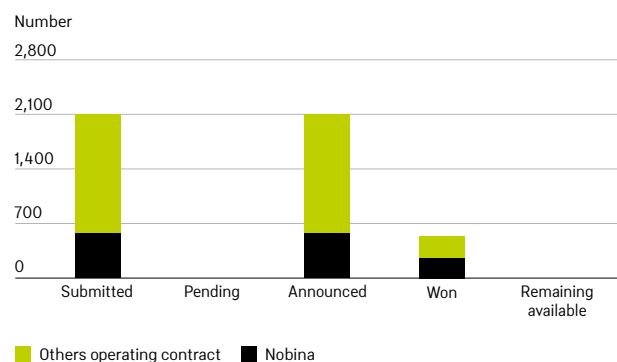
CENTRAL FUNCTIONS AND OTHER ITEMS

Central functions and other items for the fourth quarter were in line with the prior year period. Operating profit for central functions and other items for the full year was lower than in the prior year period and was adversely affected by costs related to M&A advisory and residual value losses attributable to the sale of buses.

EBIT 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 – Submitted less announced

Announced – Submitted tenders, results are announced

Won – Nobina's wins out of announced tenders

Available – Remaining buses available in tenders this year

TENDER OUTCOME COMMENT

During the year contracts run by Nobina containing 565 buses have been tendered. Out of the total market volume of 2090 buses tendered during the year, Nobina has won 521 buses. This represents a renewal rate of 92% where the deficit in replacing the expiring contracts of 44 buses was covered by a subsequent contract win of 70 buses just after year end. Nobina will in the following year go through a significant contract migration by leaving expiring contracts of 608 buses while starting up 428 buses in new contracts. As contracts have a low profitability at the beginning and high profitability at the end, the migration will put a temporary pressure on Nobina's profit margin during the coming year before the new contracts start to gear up their profitability during the following years.

TRAFFIC STARTS AND TERMINATIONS DURING THE COMING 12 MONTHS, MARCH 2019–FEBRUARY 2020

During the coming 12-month period, Nobina will start traffic involving 428 buses, based on tender results to date. Of these, 281 buses are expected to be newly acquired. During this period, the company will put a total of 96 electric buses into service, of which 45 will be deployed in existing contracts and the remainder in new contracts. During the same period, Nobina will terminate traffic involving 608 buses.

TRAFFIC START-UPS

Clients	No. of years	Start of service	Number of buses	Whereof new buses
Västtrafik	10	March 2019	13	13
Movia, Denmark	6	April 2019	20	20
Västtrafik	10	June 2019	23	15
Ruter, Norway	8	June 2019	127	127
HSL, Finland	1	August 2019	59	–
HSL, Finland	7	August 2019	56	48
LT Sörmland	10	August 2019	130	58
Total traffic			428	281¹⁾

1) Of which, 51 are electric buses.

TENDER VOLUME DURING THE COMING 12 MONTHS, MARCH 2019–FEBRUARY 2020

Nobina estimates the tender volumes for the coming 12 months to be 3,139 buses where of Nobinas exposure amounts to 216 buses.

CONTRACT CHANGES, TO DATE THIS YEAR

The table shows the change of the number of buses in service as a result of started and expired contracts. During the period, Nobina started contracts with 61 buses and contracts with 98 buses expired.

March 2018–February 2019	Traffic changes during the period (Number of buses)	
	Started	Expired
Sweden	2	0
Norway	0	72
Finland	59	26
Denmark	0	0
Total	61	98

TENDER VOLUME, TO DATE THIS YEAR

The table shows the results of the tendering processes in which Nobina has participated. Nobina submitted tenders that have been announced for 2,090 buses and won tenders for 521 buses.

March 2018–February 2019	Tenders during the period (Number of buses)	
	Completed	Won
Sweden	885	249
Norway	868	127
Finland	296	145
Denmark	41	0
Total	2,090	521

EXPIRED TRAFFIC

Clients	End of service	Number of buses
Västtrafik	June 2019	23
Skånetrafiken	June 2019	79
Ruter, Norway	June 2019	27
LT Sörmland	August 2019	119
HSL, Finland	August 2019	122
TFT, Norway	August 2019	127
LT Örebro	September 2019	100
Movia	December 2019	11
Total traffic		608

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 28 February 2019, there was a total of 88,355,682 shares in Nobina, carrying one vote each. The number of shareholders at the close of the period was 18,729. Nobina has 1,246,654 treasury shares.

LTIP 2017

The Annual General Meeting of Nobina AB resolved in May 2017 to introduce a Share Saving Scheme (LTIP 2017), encompassing a total of not more than 342,087 shares directed to 22 senior executives and other key employees of the Nobina Group. The Share Saving Scheme is based on personal investments and savings shares that could be purchased up until Wednesday, 28 February 2018.

LTIP 2018

The Annual General Meeting of Nobina AB resolved in May 2018 to introduce a Share Saving Scheme (LTIP 2018), encompassing a total of not more than 656,435 shares directed to 60 senior executives and other key employees of the Nobina Group. The Share Saving Scheme is based on personal investments and savings shares that could be purchased up until Friday, 31 August 2018.

KEY METRICS

Nobina	Quarter		Full year	
	Dec 2018 –Feb 2019	Dec 2017 –Feb 2018	Mar 2018 –Feb 2019	Mar 2017 –Feb 2018
Earnings per share (SEK) before dilution attributable to continuing operations	0.21	0.38	3.44	3.46
Earnings per share (SEK) before dilution attributable to discontinued operations	-	-0.12	0.62	-0.31
Earnings per share (SEK) before dilution attributable to Parent Company shareholders	0.21	0.50	4.03	3.15
Earnings per share (SEK) after dilution attributable to Parent Company shareholders	0.21	0.50	4.03	3.15
Equity per share (SEK) before dilution	16.45	16.20	16.45	16.20
Number of shares outstanding at end of period	88,355,682	88,355,682	88,355,682	88,355,682
Number of treasury shares	-1,246,654	-	-1,246,654	-
Total number of shares	87,109,028	88,355,682	87,109,028	88,355,682
Number of shares after dilution	89,099,506	88,355,682	89,053,769	88,355,682

Nobina's financial targets

	Target	2018/2019	2017/2018 ⁵⁾	2017/2018 Adjusted	2017/2018 Continuing ⁶⁾	Definition
Net sales	5%	9,734	9,094	9,094	8,760	Nobina's target is 5 per cent accumulated annual average net sales growth with 18/19 as base year.
EBT margin ¹⁾	5%	4.5%	3.9%	4.3% ⁷⁾	4.4%	Nobina's target is to achieve an EBT margin of 5 per cent at average contract age being 50 per cent of average contract length.
Net debt/EBITDA ²⁾	3.0x–4.0x	3.1x	3.0x	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% of earnings after tax paid	76% ⁴⁾	76%	76%	76%	Under normal circumstances, Nobina expects to pay a dividend of at least 75 per cent of earnings after tax paid.

1) EBT is defined as profit before tax.

2) Profit/loss for the period before net financial items, taxes, amortisation/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's dividend proposal is based on the Group's dividend policy.

5) According to the published Annual Report.

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

7) Based on EBT adjusted for items affecting comparability.

Information on performance measures

Performance measures for the past four quarters (definitions of performance measures and verification of alternative performance measures (APM) are presented on pages 27–28).

KEY METRICS FOR CONTINUING OPERATIONS

SEK million, except as otherwise indicated	2018/2019				Full year
	Q1	Q2	Q3	Q4	
Net sales for the period (adjusted net sales, see note 1)	2,351	2,224	2,599	2,560	9,734
Operating profit for the period (EBIT)	104	117	243	69	533
Earnings before tax (EBT) for the period	72	86	214	23	395
Earnings before tax adjusted (EBT-adjusted) for the period	72	96	227	45	440
Profit for the period	54	65	166	18	303
Cash flow for the period	-74	-300	-70	732	288
Cash and cash equivalents	692	402	320	1,058	1,058
Equity/assets ratio, %	20.3	18.6	18.0	16.1	16.1
EBITA	104	127	256	91	578
EBITA margin, %	4.4	5.7	9.8	3.6	5.9
EBITDA	278	318	429	290	1,315
EBITDA margin, %	11.8	14.3	16.5	11.3	13.5
EBITDAR	282	325	436	296	1,339
EBITDAR margin, %	11.9	14.6	16.8	11.6	13.7
Shareholders' equity	1,559	1,344	1,422	1,454	1,454
Shareholders' equity/ordinary share, SEK	17.6	15.2	16.1	16.1	16.1
Number of buses (on balance-sheet date)	3,575	3,518	3,552	3,644	3,644
Estimated FTEs	9,935	9,926	10,414	10,547	10,547
Production hours	2,966	2,648	2,899	2,783	11,296
Production kilometres	75,381	65,412	74,795	70,151	285,739

Other information

PERSONNEL

Nobina had 10,547 (9,468) employees (FTEs) in its continuing operations. During the year, Nobina acquired Samtrans (FTE 105) and De Blaa Omnibusser (FTE 206). Other changes in the number of employees are 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 had 14 (11) 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 11 million (11) during the fourth quarter. The pre-tax profit for the fourth quarter was SEK 276 million (143). The Parent Company's net sales for the full year amounted to SEK 43 million (46) and profit before tax to SEK 311 million (86). During the second quarter, the Parent Company was impacted by dividends of SEK 120 million received from Nobina Sverige 3 AB, impairment of shares in Nobina Sverige 3 AB of SEK -92 million, impairment of capital contributions in Nobina Norge AS of SEK -32 million and a capital gain of SEK 64 million from the sale of the shareholding of Swebus Express AB, refer to Note 4. Cash and cash equivalents amounted to SEK 1,043 million (686) at the end of the period. On 28 February 2019, the Parent Company's shareholders' equity was SEK 2,547 million (2,676). The equity/assets ratio was 37 per cent (55).

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 ratio table on page 11.

RISK AND UNCERTAINTY FACTORS

Nobina is exposed to interest rate risks since the Company's financial and operational leasing agreements 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. Nobina also has indirect exposure to USD/SEK since diesel is purchased in USD on 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. An imbalance may 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 and most contracts now have an index which matches the type of fuel. 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. 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 year, Nobina carried out 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 position and historical results, but above all on assessments and assumptions about the future development of the markets, Nobina's ability to develop the companies, the companies' ability to win new traffic agreements 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 the corresponding section in Nobina AB's Annual Report 2017/2018.

DISPUTES

Nobina has an ongoing dispute against Länstrafiken Örebro for faulty gas quality. In addition, Nobina has appealed HSL's award decision and the use of limitation criteria when allocating a contract.

FINANCING

Nobina has as its primary strategy the financing of the purchase of vehicles with financial leasing or loans with a term of ten years at a residual value of 10 per cent. Leasing liabilities are recognised as financial leasing and are, like loans, visible in the balance sheet. In addition, some financing is raised on the green bond market for which Nobina AB has pledged assets. 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 (150) as of 28 February 2019.

FINANCIAL TARGETS AND DIVIDEND POLICY

In connection with the company's Capital Markets Day on 9 October 2018, Nobina's Board of Directors adopted new financial targets and a new dividend policy, which replaced the targets and policy adopted ahead of the IPO in 2015 (see page 10).

DIVIDEND PROPOSED BY THE BOARD

The Board of Directors has proposed to the Annual General Meeting a dividend for 2018/2019 of SEK 3.80 (3.35) per share, which is in line with the dividend policy. The proposed dividend corresponds to a dividend yield of 5.9 per cent (6.1) based on the share price on the balance-sheet date of 28 February 2019.

NOBINA'S NOMINATION COMMITTEE

In accordance with a resolution adopted at the AGM, Nobina will have a Nomination Committee comprising one representative for each of the three largest shareholders in terms of votes who wish to participate in the Nomination Committee, in addition to the Chairman of the Board. The members of the Committee were appointed based on the ownership structure as of 30 September 2018, and comprise: Nuno Caetano, Invesco, Johan Strandberg, SEB Fonder, Mattias Cullin, Danske Capital and Chairman of the Board Jan Sjöqvist. The Nomination Committee is tasked with the preparation and submission of proposals to the 2019 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. In addition, the Committee prepares and submits 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 29 May 2019. The 2018/2019 Annual Report will be available on www.nobina.com from 8 May 2019.

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- On 18 December, Nobina AB received an investment grade credit rating of BBB- with a stable outlook from the international credit rating agency Fitch Ratings.
- In January, Petri Auno was appointed new Managing Director of Nobina Finland and member of Nobina's group management. He joins from VR Group and a position as Senior Vice President. Petri will take up his new position not later than 18 June 2019.
- Nobina has been awarded a new ten-year contract by Östgötatrafiken to operate and work jointly to develop bus services in Linköping, both city and regional transport services. The agreement is worth approximately SEK 2.6 billion and involves 87 scheduled buses. The contract includes an initiative using electric-powered articulated buses, new routes and more frequent services.
- In February, Nobina AB issued its first green bond of SEK 500 million with a coupon rate of 1.55 per cent. The proceeds from the bond will be used to finance green investments including electric buses, buses run on biofuel as well as charging infrastructure.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

- In March, Nobina was awarded two new contracts for Västtrafik in Sjuhärad with a total contract value of SEK 1.4 billion over the contract period, spanning over 10.5 years. Traffic is scheduled to start in June 2020 and involves a total of 70 scheduled buses.

- On 12 March, Nobina's first green bond was listed in the market for sustainable bonds on Nasdaq Stockholm and thereby became available for trade on the same day.
- The Board of Directors has proposed a dividend of SEK 3.80 (3.35) per share for payment in June 2019, which is an 13 per cent increase compared with the preceding year.

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 2017/2018 Annual report, with the additions of the introduction of IFRS 9, IFRS 15 and IAS 20 Accounting for Government Grants and Disclosure of Government Assistance.

Nobina began applying IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers from the 2018/2019 fiscal year, meaning from 1 March 2018. All of the Nobina Group's comparative periods have been restated.

The introduction of *IFRS 9* entails changed principles for reserves and impairment of credit losses. The effects of IFRS 9 did not have any material impact on the Nobina Group's income statement or balance sheet. Opening balances have not been adjusted.

The introduction of *IFRS 15 Revenue from Contracts with Customers* did not entail any material impact on consolidated financial statements. No adjustments took place on the transition date. However, the transition did result in a reclassification between recognised revenue and other expenses (fines), refer to Note 1. The opening balance for 2018/2019 was not adjusted. IFRS 15 will entail expanded disclosure requirements.

The former segment Swebus is classified as discontinued operations pursuant to IFRS 5 and is therefore adjusted in the current and the comparative periods and recognised at an aggregate amount under the line item "profit/loss from discontinued operations" in the consolidated income statement, see Note 4.

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. The Nobina Group is therefore changing 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 accurate accounting. Therefore, classification errors in previous periods have been corrected, refer to Note 1.

The new lease standard, IFRS 16, as adopted by the EU will replace the current 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. Depreciation of leased assets and interest expenses are recognised in profit or loss. Nobina's lease portfolio contains leases for offices and depots and buses on operating leases. Leases relating to premises will have the greatest impact on the financial statements. IFRS 16 states that the implicit rate of interest for each lease is to be applied. Nobina has chosen to use this interest rate when it is available. However, in the majority of cases the implicit rate of interest is not available. The incremental borrowing

rate used by Nobina is based on Nobina's interest margin, actual duration and the level of risk for the respective companies. Nobina's ability to fulfil its obligations under existing loan agreements will be unchanged upon the introduction of IFRS 16. The impact of IFRS 16 is estimated to affect the Nobina Group's total assets by slightly less than SEK 900 million compared with the Group's current total assets. The Nobina Group's equity/assets ratio is expected to be negatively impacted by approximately 2–3 percentage points. The Nobina Group intends to implement IFRS 16 for the fiscal year beginning in March 2019 (2019/2020), with retroactive application of the 2018/2019 fiscal year, subject to adjustments of all periods presented.

The Group applies the acquisition method, *IFRS 3*, to account for business combinations. All considerations transferred for the acquisition of an operation are reported at fair value on the acquisition date. Revaluation of any deferred considerations and contingent considerations over and above the amount assessed at the date of the acquisition are recognized through the income statement. When the final outcome is available, any effect of contingent consideration/repayment of consideration is recycled to the statement of income. Acquisition-related costs recognises costs attributable to transaction costs, revaluation of deferred considerations, final effects of contingent considerations/repayments, in the Group as a separate item in the statement of income. The item includes acquisition-related costs attributable to ongoing, completed and discontinued acquisitions.

The Group has introduced two incentive programmes which are reported under *IFRS 2* in the statement of income in the year during which the bonus is earned. The share-based reserve is classified as a part of equity. At the conclusion of the programmes, any deviations from the original estimates are reported in the statement of income together with corresponding adjustments.

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 1–30, and the interim period information on pages 1–15 thus constitutes an integral part of this financial report.

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, 5 April 2019

Magnus Rosén
President and CEO

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

Financial calendar

Year-end Report 2018/2019	5 April 2019
Annual General Meeting 2018/2019	29 May 2019
Interim report 1 March–30 May 2019	27 June 2019
Interim report 1 June–31 August 2019	27 September 2019
Interim report 1 September–30 November 2019	19 December 2019

Telephone conference

Nobina will present the year-end report and answer questions during a telephone conference at 10.00 a.m. CET on Friday, 5 April 2019. The presentation will be available on the website in connection with the telephone conference. Telephone numbers and web link for participants are available on www.nobina.com.

Contact persons

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Nobina AB

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Reg. no. 556576-4569

Condensed consolidated income statement

SEK million	Quarter		Full year	
	Dec 2018 –Feb 2019	Dec 2017 –Feb 2018	Mar 2018 –Feb 2019	Mar 2017 –Feb 2018
Continuing operations				
Net sales, Note 1	2,560	2,251	9,734	8,760
Operating expenses				
Fuel, tyres and other consumables	–455	–430	–1,769	–1,604
Other external expenses	–438	–310	–1,460	–1,168
Personnel expenses	–1,377	–1,245	–5,190	–4,790
Acquisition-related income and costs, Note 2	–8	–	–25	–
Capital gains/losses from the disposal of non-current assets	–14	4	–32	–7
Amortisation/impairment of intangible assets	–14	–1	–20	–4
Depreciation/impairment of PPE	–185	–172	–705	–661
Operating profit, Note 1	69	97	533	526
Profit from net financial items				
Financial income	–	–	–	–
Financial expenses, Note 3	–46	–31	–138	–135
Net financial items	–46	–31	–138	–135
Profit before tax	23	66	395	391
Income tax	–5	–11	–92	–85
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	18	55	303	306
Discontinued operations				
Profit/loss for the period from discontinued operations, Note 4	–	–11	56	–28
Profit for the period	18	44	359	278
Profit for the period attributable to Parent Company shareholders	18	44	359	278
Earnings per share before dilution (SEK), attributable to continuing operations	0.21	0.38	3.44	3.46
Earnings per share before dilution (SEK), attributable to discontinued operations	–	–0.12	0.62	–0.31
Earnings per share before dilution (SEK), attributable to Parent Company shareholders	0.21	0.50	4.06	3.15
Earnings per share after dilution (SEK), attributable to Parent Company shareholders	0.21	0.50	4.03	3.15
Average number of shares before dilution (000s)	88,356	88,356	88,356	88,356
Average number of shares after dilution (000s)	89,099	88,356	89,054	88,356
Number of shares outstanding at end of period (000s)	87,109	88,356	87,109	88,356

Statement of consolidated comprehensive income

SEK million	Quarter		Full year	
	Dec 2018 –Feb 2019	Dec 2017 –Feb 2018	Mar 2018 –Feb 2019	Mar 2017 –Feb 2018
Profit for the period	18	44	359	278
Other comprehensive income	18	44	359	278
Items not to be reclassified to profit or loss for the period				
Revaluation of defined-benefit pension plan	–	–1	–	–
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	11	12	23	11
Other comprehensive income for the period, net after tax	11	11	23	11
Comprehensive income for the period	29	55	382	289
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	29	55	382	289

Condensed consolidated balance sheet

SEK million	Full year 28 Feb 2019	Full year 28 Feb 2018
ASSETS		
Non-current assets		
Goodwill	785	581
Other intangible assets	495	6
Real estate and costs for leasehold improvements	178	32
Equipment, tools, fixtures and fittings	152	93
Vehicles	4,902	5,093
Deferred tax assets	179	253
Assets for pension commitments	17	18
Other non-current receivables	4	5
Total non-current assets	6,712	6,081
Current assets		
Inventories	51	44
Trade receivables	663	549
Other current receivables	253	48
Deferred expenses and accrued income	316	365
Cash and cash equivalents	1,058	720
Total current assets	2,341	1,726
TOTAL ASSETS	9,053	7,807
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity attributable to Parent Company shareholders	1,454	1,436
Non-current liabilities		
Borrowing, Note 3	4,270	3,582
Deferred tax liabilities	256	143
Provisions for pensions and similar commitments	33	41
Other provisions	63	40
Total non-current liabilities	4,622	3,806
Current liabilities		
Accounts payable	597	543
Borrowing, Note 3	786	726
Other current liabilities	430	192
Accrued expenses and deferred income	1,164	1,104
Total current liabilities	2,977	2,565
Total liabilities	7,599	6,371
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	9,053	7,807

Condensed consolidated statement of changes in equity

SEK million	Share capital	Other contributed capital	Translation differences	Profit/loss brought forward	Total shareholders' equity attributable to Parent Company shareholders
Opening equity, 1 March 2017	318	3,212	28	-2,137	1,421
Profit for the period	-	-	-	278	278
Other comprehensive income	-	-	11	-	11
Transactions with owners					
Dividend	-	-	-	-274	-274
Closing equity, 28 February 2018	318	3,212	39	-2,133	1,436
Opening equity, 1 March 2018	318	3,212	39	-2,133	1,436
Profit for the period	-	-	-	359	359
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	-2,138	1,454

There are no non-controlling interests.

Condensed consolidated cash-flow statement

SEK million	Quarter		Full year	
	Dec 2018 –Feb 2019	Dec 2017 –Feb 2018	Mar 2018 –Feb 2019	Mar 2017 –Feb 2018
Cash flow from operating activities				
Profit after financial items	23	53	385	355
(of which, attributable to continuing operations)	23	66	395	391
(of which, attributable to discontinued operations)	–	–13	–10	–36
Adjustments for non-cash items	256	175	890	764
Cash flow from operations before changes in working capital	279	228	1,275	1,119
(of which, attributable to continuing operations)	279	241	1,285	1,155
(of which, attributable to discontinued operations)	–	–13	–10	–36
Cash flow from changes in working capital				
Change in inventories	–	1	–6	4
Changes in operating receivables	–148	–143	–115	–53
Changes in operating liabilities	355	311	199	57
Total change in working capital	207	169	78	8
(of which, attributable to continuing operations)	207	182	78	5
(of which, attributable to discontinued operations)	–	–13	–	3
Received interest income	–	–1	–	–1
Tax paid	–4	–4	–5	–6
Cash flow from operating activities	482	392	1,348	1,120
(of which, attributable to continuing operations)	482	418	1,358	1,153
(of which, attributable to discontinued operations)	–	–26	–10	–33
Cash flow from investing activities				
Investments in PPE and intangible assets, excl. financial leases	–959	–38	–1,121	–176
Acquisitions, Note 5	–	–	–521	–
Divestment of PPE and intangible assets	34	5	54	62
Divestment of subsidiary, Note 4	–	–	46	–
Cash flow from investing activities	–925	–33	–1,542	–114
(of which, attributable to continuing operations)	–925	–33	–1,588	–114
(of which, attributable to discontinued operations)	–	–	46	–
Cash flow from financing activities				
Amortisation of financial liability	–154	–166	–660	–653
Amortisation of other external loans	–44	–10	–79	–44
New borrowing, other external loans	1 416	–	1,766	4
Financing costs for new loans	–7	–	–7	–
Repurchase of shares	–	–	–74	–
Interest paid	–36	–32	–132	–133
Dividend	–	–	–296	–274
Cash flow from financing activities	1,175	–208	518	–1,100
(of which, attributable to continuing operations)	1,175	–208	518	–1,100
(of which, attributable to discontinued operations)	–	–	–	–
Cash flow for the period	732	151	324	–94
(of which, attributable to continuing operations)	732	177	288	–61
(of which, attributable to discontinued operations)	–	–26	36	–33
Cash and cash equivalents at the beginning of the period	320	563	720	804
Cash flow for the period	732	151	324	–94
Exchange-rate difference	6	6	14	10
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,058	720	1,058	720

Consolidated income statement – Parent Company

SEK million	Quarter		Full year	
	Dec 2018 –Feb 2019	Dec 2017 –Feb 2018	Mar 2018 –Feb 2019	Mar 2017 –Feb 2018
Net sales	12	11	44	46
Operating expenses				
Other external expenses	–14	–8	–38	–22
Personnel expenses	–15	–4	–50	–37
Depreciation/amortisation of PPE and intangible assets	–	–	–	–
Operating loss	–17	–1	–44	–13
Profit from participations in Group companies	302	143	362	98
Financial income	1	1	8	5
Financial expenses	–10	–	–15	–4
Net financial items	293	144	355	99
Profit before tax	276	143	311	86
Income tax	–76	–25	–76	–25
PROFIT FOR THE PERIOD	200	118	235	61

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 28 Feb 2019	Full year 28 Feb 2018
ASSETS		
Non-current assets		
Participations in Group companies	4,647	3,678
Non-current loans	500	–
Total non-current assets	5,147	3,678
Current assets		
Receivables from Group companies	676	445
Other current receivables	6	1
Deferred expenses and accrued income	2	7
Cash and cash equivalents	1,043	686
Total current assets	1,727	1,139
TOTAL ASSETS	6,874	4,817
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity attributable to Parent Company shareholders	2,547	2,676
Non-current liabilities		
Borrowing, non-current loans	867	–
Provisions for pensions and similar commitments	6	8
Deferred tax liabilities	76	–
Total non-current liabilities	949	8
Current liabilities		
Accounts payable	5	2
Borrowing, current loans	55	–
Liabilities to Group companies	3,285	2,113
Other current liabilities	2	3
Accrued expenses and deferred income	31	15
Total current liabilities	3,378	2,133
Total liabilities	4,327	2,141
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6,874	4,817

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 shareholders' equity
Opening equity, 1 March 2017	318	1	1,336	1,043	191	2,889
Transfer of the preceding year's profit/loss	–	–	–	191	–191	–
Profit for the period	–	–	–	–	61	61
Transactions with owners						
Dividend	–	–	–	–274	–	–274
Closing equity, 28 February 2018	318	1	1,336	960	61	2,676
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

There are no non-controlling interests.

Notes

NOTE 1 RECLASSIFICATIONS AND ADJUSTMENTS UPON TRANSITION TO IFRS 15, FOR CONTINUING OPERATIONS, COMPREHENSIVE INCOME

The introduction of IFRS 15

Revenue from Contracts with Customers entailed a reclassification between recognised revenue and other expenses (fines).

changing 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.

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. The Nobina Group is therefore

Discontinued operations

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

2018/2019	Q1	IAS 20, government grants	Restated	Q2	IAS 20, government grants	Restated	Q3	IAS 20, government grants	Restated	Acc. Q3	IAS 20, government grants	Restated
Net sales	2,361	-10	2,351	2,235	-11	2,224	2,609	-10	2,599	7,205	-31	7,174
Fuel, tyres and other consumables	-433	-	-433	-424	-	-424	-457	-	-457	-1,314	-	-1,314
External expenses	-335	-	-335	-287	-	-287	-400	-	-400	-1,022	-	-1,022
Personnel expenses	-1,315	10	-1,305	-1,206	11	-1,195	-1,323	10	-1,313	-3,844	31	-3,813
Acquisition-related income and costs	-	-	-	-9	-	-9	-8	-	-8	-17	-	-17
Capital gains/losses from the disposal of non-current assets	1	-	1	-20	-	-20	1	-	1	-18	-	-18
Amortisation/impairment of intangible assets	-	-	-	-1	-	-1	-5	-	-5	-6	-	-6
Depreciation/impairment of PPE	-175	-	-175	-171	-	-171	-174	-	-174	-520	-	-520
Operating profit	104	-	104	117	-	117	243	-	243	464	-	464
Operating profit from net financial items												
Financial income	-	-	-	-	-	-	-	-	-	-	-	-
Financial expenses	-32	-	-32	-31	-	-31	-29	-	-29	-92	-	-92
Net financial items	-32	-	-32	-31	-	-31	-29	-	-29	-92	-	-92
Profit before tax	72	-	72	86	-	86	214	-	214	372	-	372
Income tax	-18	-	-18	-21	-	-21	-48	-	-48	-87	-	-87
Profit for the period	54	-	54	65	-	65	166	-	166	285	-	285

Note 1 cont.

2017/2018 Reclassification upon transition to IFRS 15 and adjustments to the policy for subsidy management in previous periods with respect to IAS 20, for continuing operations, comprehensive income

2017/2018	Q1	IFRS 15 adjustment	IAS 20, government grants	Restated Restated	Q2	IFRS 15 adjustment	IAS 20, government grants	Restated Restated	Q3	IFRS 15 adjustment	IAS 20, government grants	Restated Restated
Net sales	2,218	-13	-9	2,196	2,090	-14	-12	2,064	2,273	-13	-11	2,249
Fuel, tyres and other consumables	-411	-	-	-411	-365	-	-	-365	-398	-	-	-398
External expenses	-312	13	-	-299	-296	14	-	-282	-290	13	-	-277
Personnel expenses	-1,244	-	9	-1,235	-1,132	-	12	-1,120	-1,201	-	11	-1,190
Capital gains/losses from the disposal of non-current assets	-	-	-	-	-10	-	-	-10	-1	-	-	-1
Depreciation/amortisation of PPE and intangible assets	-156	-	-	-156	-173	-	-	-173	-163	-	-	-163
Operating profit	95	-	-	95	114	-	-	114	220	-	-	220
Operating profit from net financial items												
Financial income	-	-	-	-	-	-	-	-	-	-	-	-
Financial expenses	-37	-	-	-37	-32	-	-	-32	-35	-	-	-35
Net financial items	-37	-	-	-37	-32	-	-	-32	-35	-	-	-35
Profit before tax	58	-	-	58	82	-	-	82	185	-	-	185
Income tax	-17	-	-	-17	-17	-	-	-17	-40	-	-	-40
Profit for the period	41	-	-	41	65	-	-	65	145	-	-	145

	Q4	IFRS 15 adjustment	IAS 20, government grants	Restated Restated	Full year	IFRS 15 adjustment	IAS 20, government grants	Restated Restated
Net sales	2,276	-15	-10	2,251	8,857	-55	-42	8,760
Fuel, tyres and other consumables	-430	-	-	-430	-1,604	-	-	-1,604
External expenses	-325	15	-	-310	-1,223	55	-	-1,168
Personnel expenses	-1,255	-	10	-1,245	-4,832	-	42	-4,790
Capital gains/losses from the disposal of non-current assets	4	-	-	4	-7	-	-	-7
Depreciation/amortisation of PPE and intangible assets	-173	-	-	-173	-665	-	-	-665
Operating profit	97	-	-	97	526	-	-	526
Operating profit from net financial items								
Financial income	-	-	-	-	-	-	-	-
Financial expenses	-31	-	-	-31	-135	-	-	-135
Net financial items	-31	-	-	-31	-135	-	-	-135
Profit before tax	66	-	-	66	391	-	-	391
Income tax	-11	-	-	-11	-85	-	-	-85
Profit for the period	55	-	-	55	306	-	-	306

NOTE 2 ACQUISITION-RELATED INCOME AND COSTS

SEK million, except as otherwise indicated	Quarter		Full year	
	Dec 2018 -Feb 2019	Dec 2017 -Feb 2018	Mar 2018 -Feb 2019	Mar 2017 -Feb 2018
Fair value adjustment of contingent considerations not paid	-3	-	-5	-
Acquisition-related costs	-5	-	-20	-
Total	-8	-	-25	-

NOTE 3 FINANCING

SEK million, except as otherwise indicated	Quarter		Full year	
	Dec 2018 –Feb 2019	Dec 2017 –Feb 2018	Mar 2018 –Feb 2019	Mar 2017 –Feb 2018
Operating leases – buses				
Nominal value of future minimum leasing fees, buses	106	155	106	148
Present value of future minimum leasing fees, buses	101	149	101	142
Number of operational leases, buses	239	314	239	262
Fees for operating leases for the period	6	7	24	33
Borrowing				
Other loans for bus financing	1,639	253	1,639	248
Other loans for current financing	308	–	308	–
Purchase consideration not paid	121	–	121	–
Finance lease liability for bus financing	2,995	4,074	2,995	4,060
Capitalised financing expenses	–7	–	–7	–
Total	5,056	4,327	5,056	4,308
Of which short-term repayment by instalment of portion of the Group's borrowings	786	705	786	726
Of which long-term portion of the Group's borrowing	4,270	3,622	4,270	3,582
Total liabilities	5,056	4,327	5,056	4,308
Interest expenses and similar loss items				
Interest expense, finance leases	–26	–28	–108	–118
Interest expense, other loans	–4	–3	–13	–9
Other financial expenses	–5	–1	–8	–5
Realised and unrealised exchange gains/losses, net	–11	1	–9	–3
Total	–46	–31	–138	–135

NOTE 4 DISCONTINUED OPERATIONS

SEK million, except as otherwise indicated	Quarter				Full year	
	Mar–May 2018	Mar–May 2017	Jun–Aug 2017	Sep–Nov 2017	Dec 2017–Feb 2018	Mar 2017–Feb 2018
Net sales	36	58	79	51	49	237
Fuel, tyres and other consumables	–8	–12	–11	–12	–12	–47
Other external expenses	–25	–31	–43	–32	–33	–139
Personnel expenses	–13	–23	–33	–14	–17	–87
Depreciation/amortisation of PPE and intangible assets	–	–	–	–	–	–
Operating profit	–10	–8	–8	–7	–13	–36
Income tax	–	2	2	2	2	8
Profit for the period	–10	–6	–6	–5	–11	–28

Net gain in Nobina AB

SEK million, except as otherwise indicated	Carrying amount
Purchase price	106
Shares in discontinued operations	–23
Selling expenses	–19
Net gain in Nobina AB	64

Note 4 cont.

Sold assets and liabilities in discontinued operations

SEK million, except as otherwise indicated	Carrying amount
Goodwill	-4
Vehicles	-30
Other receivables	-13
Cash and cash equivalents	-37
Total	-84
Borrowing	34
Other liabilities and accrued expenses, deferred income	17
Accrued expenses and deferred income	25
Total	76
Net total in discontinued operations	-8
Net gain in Nobina AB	64
Net gain in the Nobina Group	56

Impact on consolidated cash flow

SEK million, except as otherwise indicated	Carrying amount
Purchase price	106
Sale of leased vehicles	-14
Selling expenses	-19
Cash and cash equivalents in the divested company	-37
Total net effect on consolidated cash flow	36
Selling expenses not paid	10
Total effect on cash flow for the period	46

NOTE 5 ACQUISITIONS

Preliminary acquisition calculation — acquisition of Samtrans

Purchase price SEK 404 million

Acquired assets and liabilities	Fair value
Goodwill	97
Brand	174
Customer relations	114
Property, plant and equipment	41
Other current assets	122
Cash and cash equivalents	42
Deferred tax liabilities	-76
Provisions	-35
Other operating liabilities	-75
	404
Effect of acquisitions on cash flow	
Purchase consideration including contingent consideration	404
Purchase consideration not paid	-117
Cash and cash equivalents in the acquired company	-42
Purchase consideration paid	245

Adjustments took place in the fourth quarter of 2018/2019 pertaining to the preliminary acquisition calculation. The adjustments affect provisions and goodwill.

Preliminary acquisition calculation — acquisition of De Blaa Omnibusser

Purchase price SEK 276 million

Acquired assets and liabilities	Fair value
Goodwill	108
Customer relations	162
Property, plant and equipment	60
Other current assets	26
Cash and cash equivalents	0
Deferred tax liabilities	-48
Other operating liabilities	-32
	276
Effect of acquisitions on cash flow	
Purchase consideration including contingent consideration	276
Purchase consideration not paid	-
Cash and cash equivalents in the acquired company	-
Purchase consideration paid	276

Adjustments took place in the fourth quarter of 2018/2019 pertaining to the preliminary acquisition calculation. The adjustments affect other current assets and goodwill.

Note 5 cont.

	Quarter		Full year	
	Dec 2018– Feb 2019	Dec 2017– Feb 2018	Mar 2018– Feb 2019	Mar 2017– Feb 2018
Effects of acquisitions completed, net sales				
Nobina Sweden				
– Production contracts	108	–	188	–
– Incentive contracts	57	–	104	–
– Other revenue	4	–	7	–
Nobina Denmark				
– Production contracts	42	–	42	–
– Incentive contracts	4	–	4	–
– Other revenue	–	–	–	–
Impact on the Group	215	–	345	–

Samtrans:

On 1 October, Nobina concluded the acquisition of the leading player in special public transport services in the Stockholm market, Samtrans Skol- och Handikapptransporter AB. The acquisition will create growth and is in line with Nobina's strategy to expand its business in public transport and to develop its offering to both society and customers.

The company has approximately 100 employees in administration and order booking and 175 affiliated passenger carriers with about 750 vehicles and drivers. In 2017, the company reported sales of SEK 746 million distributed between 24 contracts, where it performs, administrates and coordinates travel for individuals with special needs and school transport services.

The purchase price is SEK 225 million on a cash and debt-free basis, with a potential additional consideration of up to SEK 225 million, which is based on the outcome of certain predefined financial targets and forecasts and will be paid in instalments during the period 2019–2020. The acquisition will be consolidated into Nobina from 1 October 2018 and be reported in the Sweden segment. The acquisition analyses are preliminary and subject to final adjustment not later than one year after the date of acquisition. Goodwill, the brand and customer relations (traffic contracts) arising in connection with the acquisition are primarily attributable to market, synergies, values linked to the company's personnel, the Samtrans brand and agreed traffic contracts. Any impairment of goodwill is not tax deductible.

De Blaa Omnibusser:

On 30 November, Nobina concluded the acquisition of the public transport company DBO Busser Holding A/S "De Blaa Omnibusser" in Denmark. Nobina's operations in Denmark are currently concentrated to Zealand where the acquisition of De Blaa Omnibusser will strengthen Nobina's market share and improve Nobina's opportunity to provide qualitative and scalable bus solutions to society and customers.

The acquisition encompasses a business with approximately 65 buses and 225 employees in tendered regular services in north Zealand. De Blaa Omnibusser is a privately-owned public transport company with a stable and profitable contract portfolio with an average EBT margin of 16 per cent over the past five years. The company reported sales of DKK 158 million in 2017 and a contract portfolio that extends until 2026.

The purchase price of DKK 210 million on a cash and debt-free basis was paid in cash on the date of the transfer of holdings.

The acquisition will be consolidated into Nobina from 30 November 2018 and be reported in the Denmark segment. The acquisition analyses are preliminary and subject to final adjustment not later than one year after the date of acquisition. Goodwill and customer relations (traffic contracts) arising in connection with the acquisition are primarily attributable to market, synergies, values linked to the company's personnel and agreed traffic contracts (customer relations). Any impairment of goodwill is not tax deductible.

NOTE 6 PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK million, except as otherwise indicated	Group		Parent Company	
	28 Feb 2019	28 Feb 2018	28 Feb 2019	28 Feb 2018
Pledged assets				
Chattel mortgages	150	150	–	–
Other pledged assets	–	–	379	406
Contingent liabilities				
Guarantee of lease obligations and other obligations *)	21	21	5,048	4,033
Total pledged assets and contingent liabilities	171	171	5,427	4,439

*) Nobina AB has provided collateral security for all of the Group's finance and operating lease undertakings, credit agreements for the Group's bus investments and raising current financing

Glossary

Tender — A traffic company's offer in a tendering process.

EURO 1–EURO 6, EEV — various generations of emission classes for diesel engines.

Express route — A longer route on main roads that provides faster transport through several counties without several stops.

Airport transfers — Trips that enable connections to and from airports.

Free volume — The client's (PTA's) right to change the production volume within the framework of the contract.

Change prices — How much compensation changes per bus hour or kilometres within the framework of the contract volume.

Incentive contract — Normally a production contract that contains, to a larger or smaller degree, a compensation component that is variable and depends on the number of passengers.

Indexation — Adjustment of the contract-based remuneration in accordance with a basket of weighted and predetermined indexes intended to represent important cost elements for the traffic companies, such as salaries, fuel and maintenance, and which occurs at predetermined intervals.

Interregional transport — Nobina's segment for transport services conducted completely on own merits without restrictions or subsidies from authorities.

Items affecting comparability includes items of an extraordinary nature which are not related to the period or which are non-recurring.

Public transport — Transport services provided for the public in which people travel together.

Concession — Allocated right to uphold a monopoly in a geographic area and which comprises all rights to provide public transport. In Sweden, since the public transport authority reform in the 1980s, the state allocates concessions to clients (municipalities and county councils), which in turn provide public transport services through contracts with traffic companies. These procurements are carried out in accordance with Swedish public procurement acts.

Concessions contract — A form of contract between a traffic company and a client (municipality/county council) that was typical prior to the public transport authority reform and which, in parts, continues for a transitional period. Under these contracts, the traffic company undertakes all aspects of the transport assignment, including the sale of services to passengers.

Local transport — Transport in connection with densely populated areas.

Seat kilometres — Measure of the service provided. The number of seats in a bus multiplied by the bus's driving distance in kilometres.

Production contract — A contract in which the traffic company's revenues comprise fixed remuneration for production costs in accordance with predetermined production, a route network, timetable and a number of other requirements as the base. Compensation is based on the number of hours, kilometres, buses or a combination of these.

Regional traffic — Nobina's segment for transport services tendered from a public client.

Regional transport — Transport outside and between built-up areas in a county.

City transport — Transport in a densely populated area.

Traffic company — A company that provides transport services in accordance with a given contract with a client.

Public transport authority reform — In conjunction with the public transport authority reform in the 1980s, the government took over the right to allocate concessions from the municipalities and county councils. Previously, municipalities and county councils allocated concessions to traffic companies; today, the state allocates concessions to municipalities and county councils (clients), which in turn sign contracts with traffic companies for the provision of public transport services. These procurements are carried out in accordance with Swedish public procurement acts.

Traffic contract — A publicly tendered contract for the provision of transport services between a traffic company and a client. The duration of the contract is typically five to ten years, with the option of extending for an additional one or two years. It is based on either a production or an incentive contract.

Traffic planning — Planning of use of resources (vehicle and driver) to conduct transport services in the most efficient manner possible in accordance with the traffic assignment.

Subcontractor — A party assigned by the traffic company to assist in the provision of transport services.

Public Transport Authority (PTA) — A municipality or county council allocated concessions by the government to provide public transport through public tendering of services from traffic companies.

Information on performance measures

DEFINITIONS

Alternative performance measures

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

cial 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.
EBT	Earning before taxes
EBT adjusted	Earning before taxes adjusted for amortisation of intangible assets, fair value of conditional acquisition not paid and acquisition-related income and costs
EBIT	Operating profit before net financial items and taxes.
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.
EBITDA	Operating profit before net financial items, tax, depreciation, amortisation, earnings from sale of fixed assets.
EBITDA margin	EBITDA in relation to net sales.
EBITDAR	Operating profit before net financial items, tax, depreciation, amortisation, earnings from sale of fixed assets and operating leasing expenses for buses.
EBITDAR margin	EBITDAR in relation to net sales.
Acquisitions-related income and costs	Adjustments of fair value of contingent considerations and acquisitions-related costs. Acquisitions-related costs includes costs attributable to ongoing, completed and continuing acquisitions.
Items affecting comparability	Items affecting comparability include events and transactions, the effect of which on earnings is important to report when profit for the period is compared with previous periods.
Interest-bearing liabilities	Interest-bearing non-current and current liabilities (external loans, pension liabilities and financial lease liabilities).
Net debt	Interest-bearing non-current and current liabilities (external loans, pension liabilities and financial lease liabilities) after deducting cash and cash equivalents and restricted bank balances.
Net debt/EBITDA	Interest-bearing non-current and current liabilities (external loans, pension liabilities and financial lease liabilities) after deducting cash and cash equivalents and restricted bank accounts 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 sales 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 ten 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.

Verification of alternative performance measures for continuing operations

KEY METRICS SEK million, except as otherwise indicated	2017/2018				2018/2019				Full year	Full year
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Mar 2017 –Feb 2018	Mar 2018 –Feb 2019
Net sales (adjusted net sales, see not 1)	2,196	2,064	2,249	2,251	2,351	2,224	2,599	2,560	8,760	9,734
Operating profit	95	114	220	97	104	117	243	69	526	533
Earnings before tax (EBT) for the period	58	82	185	66	72	86	214	23	391	395
Earnings before tax adjusted (EBT-adjusted) for the period	58	82	185	66	72	86	214	23	391	395
Acquisition-related income and costs	-	-	-	-	-	9	8	8	-	25
Amortisation/impairment of intangible assets	-	-	1	-	-	1	5	14	1	20
Total adjusted EBT	58	82	186	66	72	96	227	45	392	440
Cash flow for the period	-60	-306	118	190	-74	-300	-70	732	-58	288
EBITA, EBITDA and EBITDAR:										
Operating profit	95	114	220	97	104	117	243	69	526	533
Acquisition-related income and costs	-	-	-	-	-	9	8	8	-	25
Amortisation/impairment of intangible assets	-	-	1	-	-	1	5	14	1	20
Total EBITA	95	114	221	97	104	127	256	91	527	578
Capital gains/losses from the disposal of non-current assets	-	10	1	-4	-1	20	-1	14	7	32
Depreciation/impairment of PPE	156	173	162	173	175	171	174	185	664	705
Total EBITDA	251	297	384	266	278	318	429	290	1,198	1,315
Fees for operating leases for the period	10	9	7	7	4	7	7	6	33	24
Total EBITDAR	261	306	391	273	282	325	436	296	1,231	1,339
Interest-bearing liabilities:										
Non-current borrowing	3,762	3,776	3,622	3,582	3,427	3,317	3,542	4,270	3,582	4,270
Pension liability	45	43	43	41	39	38	37	33	41	33
Current borrowing	705	705	705	726	726	726	788	786	726	786
Total interest-bearing liabilities	4,512	4,524	4,370	4,349	4,192	4,081	4,367	5,089	4,349	5,089
Cash	-741	-427	-563	-720	-692	-402	-320	-1,058	-720	-1,058
Total net debt	3,771	4,097	3,807	3,629	3,500	3,679	4,047	4,031	3,629	4,031
EBITDA Q1	251	251	251	251	278	278	278	278		
EBITDA Q2	308	297	297	297	297	318	318	318		
EBITDA Q3	332	332	384	384	384	384	429	429		
EBITDA Q4	223	223	223	266	266	266	266	290		
Total EBITDA full year	1,114	1,103	1,155	1,198	1,225	1,246	1,291	1,315	1,198	1,315
Net debt/EBITDA	3.4	3.7	3.3	3.0	2.9	3.0	3.1	3.1	3.0	3.1

Nobina in brief

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

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

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

NOBINA'S STRATEGIC FOCUS AREAS

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

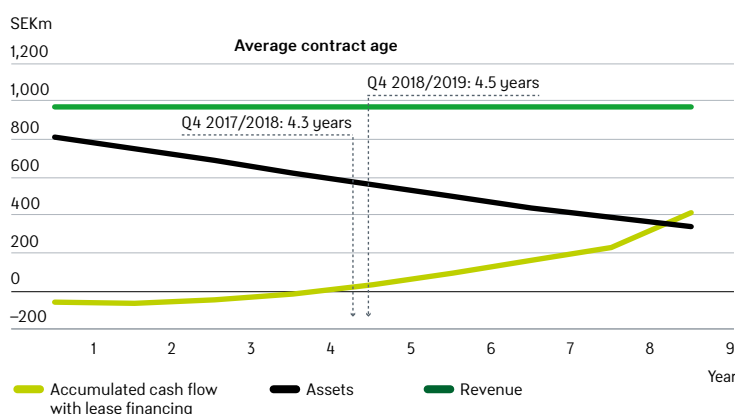
Resource efficiency

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 is to be an attractive employer with a values-driven management style where diversity and equality are self-evident.

THE CONTRACT PORTFOLIO'S DEGREE OF MATURITY IMPACTS CASH FLOW AND PROFITABILITY



MARKET

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

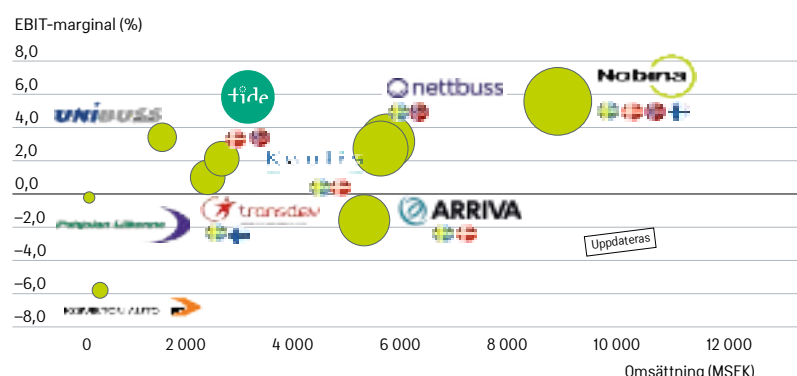
Regional tendered public transport has shown favourable growth in recent years and is expected to continue to grow moving forward, in line with a political will to increase the use of public transport and as more people choose to travel by bus. There is also a trend in all countries to include more quality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

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

Nobina's position in the market

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

THE NORDIC PUBLIC TRANSPORT MARKET FOR BUSES



Nobina is the only public transport company with operations in all four Nordic countries, which gives it a unique position with access to tender volumes in all of the countries, and economies of scale in both the business and the bus fleet. Other operators are only active in one or two markets.

The size of the bubbles in the image on the left show the Nordic market share for public bus transportation; EBIT margin includes other operations in addition to public bus transportation.

Source: Internal market study based on public information from the most recent year-end report.

OUR VISION

EVERYONE WANTS TO TRAVEL WITH US

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

WE ACHIEVE OUR VISION BY BEING:

TRANSPARENT

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

INNOVATIVE

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

RELIABLE

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

BUSINESS CONCEPT:

WE SIMPLIFY EVERYDAY TRAVELLING FOR OUR CUSTOMERS

WE SUCCEED BY LIVING ACCORDING TO OUR VALUES:

WE RESPECT EACH OTHER

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

WE CARE

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

WE ARE GOOD LEADERS

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



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



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