

NOBINA CELEBRATES ONE YEAR ON THE EXCHANGE WITH NEW RECORD PROFIT

THE FIRST QUARTER

- Net sales amounted to SEK 2,224 million (1,995), an increase of 11.5 per cent.
- Operating profit was SEK 121 million (14). The adjusted operating profit for the first quarter of last year was SEK 106 million before listing expenses.
- Profit for the period after tax amounted to SEK 69 million (–33) and profit per share amounted to SEK 0.78 (–0.52). The adjusted profit after tax for the first quarter of last year was SEK 59 million before IPO expenses.
- Cash flow from the operations was SEK 268 million (156).
- The cash flow was SEK 32 million (–38). The cash flow last year was SEK –19 million before items related to the IPO.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Nobina was upgraded by Standard & Poor's from BB– to BB.
- The annual general meeting for 2015/2016 was held on 31 May in Stockholm.

SIGNIFICANT EVENTS SINCE THE END OF THE QUARTER

- Nobina held a Capital Markets Day on 1 June 2016. It was confirmed at this time that the financial targets adopted prior to the IPO in 2015 remain in place.
- Payment of Nobina's first dividend in the amount of SEK 2.60 per share was made on 8 June 2016.
- Nobina has won a traffic contract in Oslo comprising 21 buses, valued at SEK 150 million over three years.
- Nobina won a tender in southern Sweden, Lund Väster, comprising 45 buses, valued at SEK 400 million over four years.

CEO'S COMMENTS

The year began with a strong first quarter for Nobina. Net sales increased by 11.5 per cent and the underlying profit before tax was SEK 86 million (61) for the period. Profit-drivers included good performance in our newly started contracts, generally good price negotiations with our suppliers, and the fact that we are no longer paying interest expenses on earlier bonds. Nobina is therefore celebrating one year as a listed company by living up to what we believe is important: providing good and profitable public transport.

A resolution was adopted at Nobina's annual general meeting held on 31 May 2016 to pay a dividend of SEK 2.60 per share and the company's financial targets were also confirmed. We have met our commitment on dividend policy and made our first dividend payment in June.

Nobina is currently in a period of major traffic starts and contract terminations, among other things in the Stockholm area where we are currently preparing the operations for increased volumes in Södertälje and Kallhäll. In addition, work is underway on the new Helsinki contract, under which traffic will commence under new contract conditions on the same day as the old contract expires. Preparations are proceeding according to plan and we look forward to a continued incremental increase in efficiency and volumes in Nobina's young contract portfolio.

At the beginning of June it was announced that Nobina had won two new contracts – one in Oslo and one in Lund. It is pleasing to note that both contracts were won based on quality rather than price, and that the buses will run on renewable fuel, a factor which benefits sustainable development.

Ragnar Norbäck,
President and CEO

KEY RATIOS

(SEK million, unless otherwise stated)	Quarter		Full year	Rolling 12 months
	Mar–May 2016	Mar–May 2015	Mar 15–Feb 16	Jun 2015–May 2016
Net sales	2,224	1,995	8,317	8,546
Operating profit (EBIT)	121	14	258	365
Profit/Loss before tax (EBT)	86	–31	2	119
Cash flow for the period	32	–38	234	304
Operating profit (EBIT), adjusted ¹⁾	121	106	462	477
Profit/Loss before tax (EBT), adjusted ¹⁾	86	61	299	324
Cash flow, adjusted ¹⁾	32	–19	266	317
	31 May 2016	31 May 2015	29 Feb 16	28 Feb 15
Cash and cash equivalents	715	413	683	453
Equity	1,180	274	1,110	310
Net debt/EBITDA, (adjusted ¹⁾)	3.8x (3.4x)	4.3x (3.9x)	4.6x (3.7x)	4.2x
Equity ratio, %	15.7	4.3	14.5	4.7

1) Last year adjusted for the IPO expenses (see page 6).

2) Last year adjusted for cash flow related to the IPO (see page 4).

A complete key ratios table is presented on page 9.

NOBINA IN BRIEF

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

Every day, Nobina ensures that more than one million people get to work, school or other activities by delivering contracted public transport in Sweden, Norway, Finland and Denmark. In

addition, Nobina offers express bus services under the Swebus brand on the Swedish market.

Nobina makes travel simpler and friendlier for more than one million people every day. Our success creates a better society in the form of increased mobility, reduced environmental impact and lower costs for society.

More information is available at www.nobina.com.

MARKET LEADER

In the Nordic region, public transport is crucial to the sustainable development of society and there is stable, long-term growth in the demand for public transport. The various Nordic markets operate under similar conditions. One factor common to all of the countries is the fact that customers in the form of regional public transport authorities are obligated to arrange public transport solutions for their immediate area. The costs of the contracted public transport are partially financed by municipalities and

county councils and partially by ticket revenues, while there is open competition and open pricing on the market for express bus transport, without public subsidies.

Nobina is the only public transport company operating in all four of the Nordic countries, giving us a unique position with access to tender volumes in all countries and economies of scale in both the operations as well as the bus fleet. The other operators only operate in one or two countries.

THE PUBLIC TRANSPORT CONTRACT OPERATIONS

Nobina’s operations consist of some 100 public transport contracts with publicly owned customers. The contracts are awarded after a tender process. There is full competition in the tender processes. Nobina identifies the right contracts, influences the conditions prior to the tender processes, and makes tenders selectively.

Once the contract has been signed, the terms of the contract apply and it is crucial to monitor developments for each individual contract. Each contract is continuously appraised based upon several criteria. Contracts are assessed, comparing the most recent calculations with the results. Where deviations are identified, we act quickly with pinpoint measures or, where necessary, with more extensive changes in the operations.

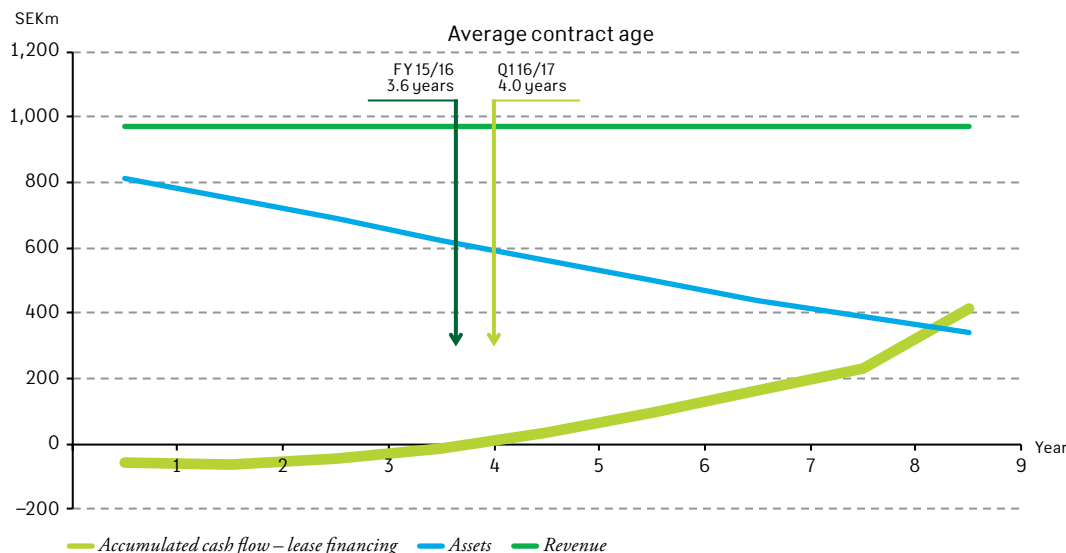
The weighted average age of the contracts is an important parameter in assessing profitability potential going forward.

A young contract portfolio normally generates a lower margin, while a mature portfolio delivers higher profit margins.

The length of the contracts varies between the countries, and averaged 8.1 years during the quarter. The average contract age (weighted by the number of buses) was 4.0 years, i.e. a somewhat young contract portfolio which reflects the large number of traffic starts during the year.

Nobina’s fleet of buses is younger than ever, with an average age of 5.7 years on 31 May 2016 (6.0) due to the large number of traffic start-ups during the year. For new contracts, the customer normally requires a relatively large share of new buses which lowers the average age of the bus fleet and impacts the balance sheet.

THE DEGREE OF MATURITY OF THE CONTRACT PORTFOLIO AFFECTS CASH FLOW AND PROFITABILITY



NOBINA'S FINANCIAL DEVELOPMENT

The first quarter (1 March–31 May 2016)

Net sales

The first quarter

Nobina's net sales amounted to SEK 2,224 million (1,995), an increase of 11.5 per cent compared with the corresponding period of last year. The increase was primarily attributable to Sweden and Finland. Sales were positively affected by start-ups of new contracts and revenue indexation.

Profit

The first quarter

Operating profit amounted to SEK 121 million (14). Last year's operating profit contained items related to the IPO totalling SEK –92 million, which led to an adjusted operating profit of SEK 106 million. The underlying operating profit thereby increased by SEK 15 million (14.2 per cent), primarily as a result of positive developments in Denmark and Finland and strong development of new contracts, despite that the younger contract portfolio, which is a result of the large number of traffic starts last year, in general would have a certain negative impact on profit.

Profit before tax increased to SEK 86 million (–31), an increase of 41 per cent on the underlying profit before tax which was SEK 61 million last year. Net financial items amounted to SEK –35 million (–45). The positive development in net financial items is a result of lower interest expenses following the redemption of the outstanding bond in August 2015 and lower leasing and loan interest rates.

Income tax

Due to historical loss carryforwards, Nobina is not subject to any tax payment which affects cash flow. Nobina's income tax reported in the income statement consists of changes in calculated deferred taxes and was SEK –17 million (–2) in the first quarter. The effective tax rate was 19.8 per cent (6.5).

Financial position

Cash and cash equivalents at the end of the period amounted to SEK 715 million (SEK 413). In addition, Nobina had restricted bank accounts of SEK 1 million (106). Nobina had an unutilized bank credit facility on 31 May 2016 of SEK 150 million (132).

Nobina's interest-bearing liabilities amounted to SEK 4,581 million (4,310), primarily broken down into financial leasing liabilities in the amount of SEK 4,261 million (3,563) and other external liabilities totalling SEK 285 million (713). The leasing liabilities are booked as financial leasing and are thus shown in the balance sheet. Nobina's entire indebtedness relates to the financing of investments in buses and equipment used in the operations.

Net debt amounted to SEK 3,865 million (3,791) at the end of the quarter and net debt/EBITDA was 3.8x (4.3x). Net debt/EBITDA adjusted for IPO costs was 3.4x (3.9x).

Shareholders' equity was SEK 1,180 million (274). The equity ratio at the end of the period was 15.7 per cent (4.3).

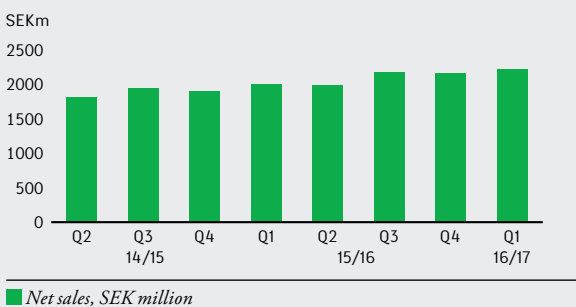
Nobina's capital structure has been strengthened following the IPO and repayment of the outstanding bond. Nobina's credit rating from Standard & Poor's was raised one notch during the quarter to BB with stable outlook.

Financing of buses

Access to supplier-independent financing for investments in buses has improved significantly. The advantages include lower financing margins and also opportunities for improved negotiating possibilities in the purchasing of buses.

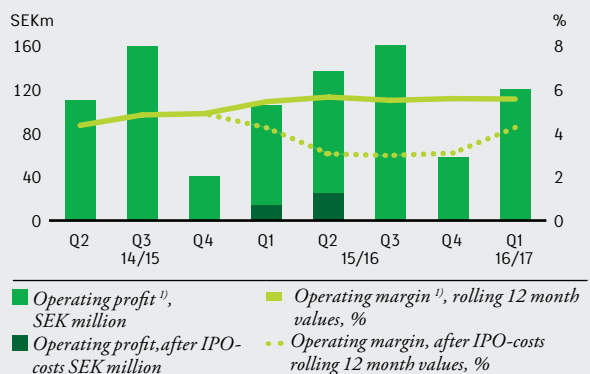
Nobina had available supplier-independent financing of SEK 600 million, and supplier financing of SEK 1.6 billion, which exceeds the orders for the year of approximately SEK 600 million.

NET SALES



■ Net sales, SEK million

OPERATING PROFIT AND MARGIN



■ Operating profit¹⁾, SEK million
 ■ Operating profit, after IPO-costs SEK million
 ■ Operating margin¹⁾, rolling 12 month values, %
 ■ Operating margin, after IPO-costs rolling 12 month values, %

¹⁾ Adjusted for non-recurring items of SEK 204 million in the operating profit for the first and second quarters 2015 (see page 6).

Investments and divestments

The first quarter

Investments in buses during the first quarter totalled SEK –105 million (–39) and other investments were SEK –7 million (–8). Nobina entered into financial leasing agreements totalling SEK 16 million (31). Loan financing of investments amounted to SEK 50 million (18). Nobina's cash investments for the purchase of buses, accessories and other non-current assets amounted to SEK –46 million (2). Nobina sold buses and other non-current assets at a value of SEK 6 million (3). The sale resulted in a capital loss of SEK –9 million (0).

Investments (SEK millions)	Mar–May 16	Mar–May 15	Mar 15–Feb 16
Investments in new buses	–105	–39	–1,617
Other investments	–7	–8	–54
Total investments	–112	–47	–1,671
Leasing-financed investments	16	31	1,478
Non lease-financed investments	–96	–16	–193
Of which loan-financed investments	50	18	109
Total cash investments	–46	2	–84

Goodwill and shares in subsidiaries

The annual test of the need for impairment of goodwill in Nobina's cash-generating units, which is required according to IFRS, took place during the fourth quarter of the 2015/2016 financial year in conjunction with the drafting of the business plans for 2016/2017. None of the cash-generating units for which an impairment test was carried out had a book value which exceeded the recovery value. During the first quarter of 2016/2017, no known significant events occurred which affected previous business plans for 2016/2017, and therefore management concludes that the previously calculated recovery values exceed the book values. Consequently, no write-down has been reported for the first quarter of 2016/2017, as was also the case in the 2015/2016 financial year.

Cash flow

The first quarter

Cash flow from the operations amounted to SEK 286 million (152) before changes in working capital. Working capital decreased by SEK –19 million (4), which led to cash flow from the operations of SEK 268 million (156).

Cash flow from investing activities amounted to SEK –67 million (–4) and was affected by the release of funds on restricted bank accounts in the amount of SEK 23 million (9) and investments in buses and equipment of SEK –96 million (–16) which were financed by loans amounting to SEK 50 million (18).

Cash flow from the financing activities was SEK –169 million (–190).

The total cash flow for the quarter improved to SEK 32 million (–38 for the preceding year, of which –19 was attributable to the IPO).

Non-recurring items in cash flow for the period (SEK millions)	Mar–May 16	Mar–May 15	Mar 15–Feb 16
IPO-related transaction costs	–	–14	–32
Incentive programmes	–	–	–172
Total non-recurring items in cash flow from operations	–	–14	–204
New issue	–	–	850
Capital acquisition costs	–	–5	–49
Bond redemption	–	–	–550
Early bond redemption premium	–	–	–79
Total non-recurring items from financing activities	–	–5	172
Total non-recurring items in cash flow for the period	–	–19	–32

Bridge for net sales and profit

The table set forth below illustrates the significant explanatory items for accumulated results from the preceding year to the current year, which relate to net sales and EBT.

Price and volume illustrates the effects of changes in existing public transport contracts which relate to prices for public transport carried out and changes in public transport volumes. This explanatory item includes all public transport contracts operated by Nobina during both last year and the current period.

Contract migration illustrates the effects of changes in the contract portfolio. A started transport contract means increased sales, but often an initial negative impact on profit as a consequence of start-up costs and lower initial efficiency. A terminated public transport contract generates lower sales and the loss of the contract's contribution to profit.

Indexing illustrates the impact of indexing on net sales in relation to underlying cost inflation with respect to salaries, fuel, consumables, etc. under existing contracts. This item may also contain effects of the fact that the index revenue is adjusted afterwards and with various time lags depending on the structure of the public transport contract.

Operating efficiency illustrates the effects on profit of changes in operating efficiency in the form of personnel costs, maintenance, damage, etc.

Miscellaneous includes the effects on profit of the sale of buses, property costs, costs for marketing and sales and other administrative expenses.

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

Net financial items includes effects on profit of interest, currency rates, and other financial items.

Bridge for the operating year

Explanatory items for net sales and earnings before tax (EBT)

(MSEK)	Net sales	EBT	Comments on the results
Period			
March–May 2015	1,995	–31	
Price and volume	–2	3	The effects of price and volume were almost neutral during the period, both regarding net sales and EBT.
Contract migration	219	18	Last year's traffic starts, including resulting volume increase, affected net sales positively. EBT was also positively affected by last year's traffic starts, which develop well.
Indexation	12	19	Positive indexation effects on net sales which impact EBT. This effect is strengthened by the positive development regarding costs. The effects are primarily attributable to Sweden.
Operating efficiency		–15	Negative effect on EBT from lower efficiency in bus maintenance in Sweden.
Miscellaneous		–10	This item includes, among other things, costs for the sale of buses.
Items affecting comparability		92	The first quarter of last year included costs in conjunction with the IPO in the amount of SEK 92 million.
Net financial items		10	The profit for the year was positively affected by the absence of bond interest which affected last year's profit, as well as lower bus financing interest.
Period	2,224	86	
March–May 2016			

Age structure, first quarter

WEIGHTED AVERAGE CONTRACT TERM, YEARS:

8.1 (8.6)

WEIGHTED AGE OF THE CONTRACT PORTFOLIO, YEARS:

4.0 (4.8)

AVERAGE AGE OF THE BUS FLEET, YEARS:

5.7 (6.0)

The age of the contracts and the bus fleet are important parameters in assessing the Group's profitability now and in the future.

The terms of the contracts vary between the countries and averaged 8.1 years. The average contract age (weighted by the number of buses) was 4.0 years, i.e. a somewhat young contract portfolio which reflects the large number of traffic starts last year.

Nobina's fleet of buses is young and had an average age of 5.7 years on 31 May 2016 (6.0) due to the large number of traffic starts last year. For new contracts, the customer normally requires a relatively large percentage of new buses which lowers the average age of the bus fleet and affects the balance sheet.

SEGMENTS

Net Sales (SEK million)	Quarter		Full year	Rolling 12 months
	Mar–May 2016	Mar–May 2015	Mar 15–Feb 16	Jun 15–May 16
Net sales per segment				
Nobina Sweden	1,546	1,358	5,675	5,863
Nobina Denmark	126	126	511	511
Nobina Norway	233	229	925	929
Nobina Finland	263	221	952	994
Swebus	63	68	283	278
Central functions & other items	3	0	10	13
Elimination of intra-group sales	-10	-7	-39	-42
Total net sales	2,224	1,995	8,317	8,546

Profit, adjusted for non-recurring items ¹⁾ (SEK million)	Quarter		Full year	Rolling 12 months
	Mar–May 2016	Mar–May 2015	Mar 15–Feb 16	Jun 15–May 16
Operating profit per segment				
Nobina Sweden	117	120	392	389
Nobina Denmark	2	-5	8	15
Nobina Norway	-1	-2	20	21
Nobina Finland	17	14	69	72
Swebus	-2	1	7	4
Central functions and other items	-12	-22	-34	-24
Total operating profit (adjusted)	121	106	462	477
Net financial items	-35	-45	-163	-153
Profit before tax (adjusted)	86	61	299	304

1) Non-recurring items (SEK million)	Mar–May 2016	Mar–May 2015	Mar 15–Feb 16	Mar 15–Feb 16
Transaction costs in connection with IPO	-	-37	-32	-32
Incentive programme	-	-55	-172	-172
Total non-recurring items in operating profit for the period	-	-92	-204	-204
Net financial items	-	-	-93	-93
Non-recurring items for the period in profit before tax for the period	-	-92	-297	-297

Transaction costs in conjunction with the IPO were adjusted during the first quarter of last year per segment so that these are reported under 'Central functions and other items' in the amount of SEK -37 million. During the first quarter of last year, the costs for the incentive program were adjusted per segment so that these are reported under 'Central functions and other items' in the amount of SEK -55 million.

Profit (SEK million)	Quarter		Full year	Rolling 12 months
	Mar–May 2016	Mar–May 2015	Mar 15–Feb 16	Jun 15–May 16
Operating profit per segment				
Nobina Sweden	117	120	392	389
Nobina Denmark	2	-5	8	15
Nobina Norway	-1	-2	20	21
Nobina Finland	17	14	69	72
Swebus	-2	1	7	4
Central functions and other items	-12	-114	-238	-136
Total operating profit	121	14	258	365
Net financial items	-35	-45	-256	-246
Profit before tax	86	-31	2	119
Tax	-17	-2	2	-13
PROFIT FOR THE PERIOD	69	-33	4	106

Nobina’s first quarter was strong with both record net sales and record profit for a first quarter. Profit was affected, among other things, by strong development in new contracts, positive indexation effects and lower financial costs as a consequence of a bond redeemed in August 2015.

During the first quarter, Nobina noted a wider spread in the quality provided by our vehicle suppliers. Nobina was therefore forced to deal with a greater number of matters involving defective vehicles, which primarily affected our drivers. The problems have been remedied and will not affect the performance of the contracts.

Sweden

Nobina Sweden’s revenues increased by 13.8 per cent during the first quarter as compared with the corresponding period last year, among other things due to newly started major contracts with incentive revenues as well as increased volumes from existing contracts. Operating profit was on par with the first quarter of last year and was positively affected by strong performance of new contracts and indexation effects, which was partly offset by lost efficiency in bus maintenance.

During the period, Nobina was awarded a smaller contract in the region of Västernorrland, proof that Nobina’s optimization of the fleet and strategic tendering is functioning well.

Nobina’s focus now is to prepare traffic starts in Södertälje and Kallhäll in August with 79 buses in each contract.

Denmark

Nobina Denmark’s net sales remained unchanged as compared with the first quarter of last year. Operating profit was turned around from a loss last year into a profit this year. All of Denmark’s existing contracts are developing well in relation to the targets, while at the same time the operations are being conducted at a high rate of efficiency.

Norway

Nobina Norway’s net sales and operating profit were on par with last year. Operating profit improved thanks to improvements in several contracts. This was counterbalanced by a negative index development. The Norwegian business has taken yet another step in its development, leading to greater stability in deliveries under its contracts.

Finland

Nobina Finland continues to demonstrate sound performance. Net sales and operating profit increased during the quarter thanks to positive developments in existing contracts and well-functioning newly started contracts.

Nobina is currently preparing the operation for the start-up of a new contract in Helsinki, which was rewon in a tender process under new contract terms.

The market in Helsinki is in a state of change, among other things regarding the delayed expansion of the subway system and changes in competition structure, which may create additional opportunities for Nobina.

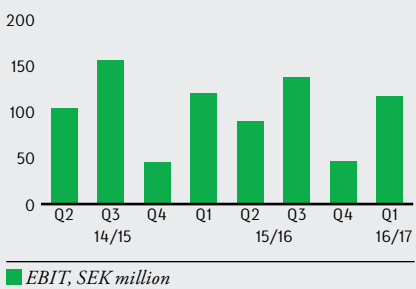
Swebus

Swebus’ net sales and operating profit fell during the quarter. New areas of focus such as partner cooperation and on-demand transport show positive growth. The passenger trend in the express bus segment continues to be weak while competition continues to be tough.

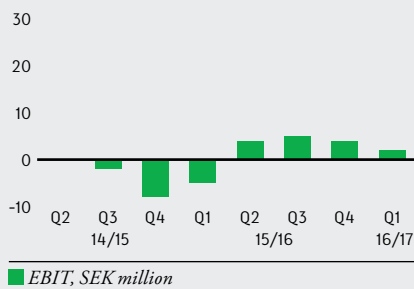
Swebus has been contracted as the official partner of O-Ringen, the world’s largest orienteering competition with approximately 25,000 participants which is being held this year from 23–29 July in Sälenfjällen.

OPERATING PROFIT (EBIT) BY SEGMENT, ADJUSTED FOR NON-RECURRING ITEMS (SEE TABLE ON PAGE 6)

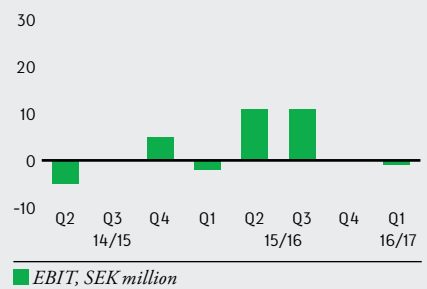
SWEDEN



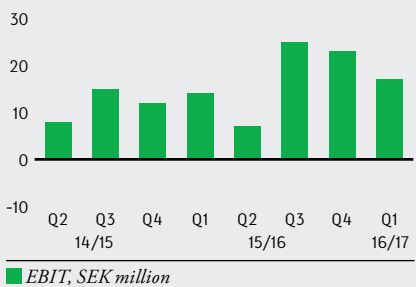
DENMARK



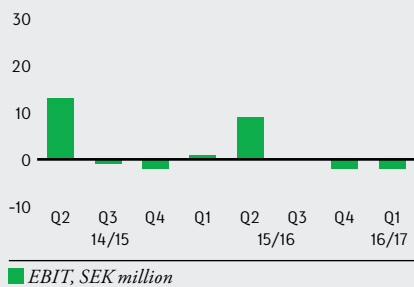
NORWAY



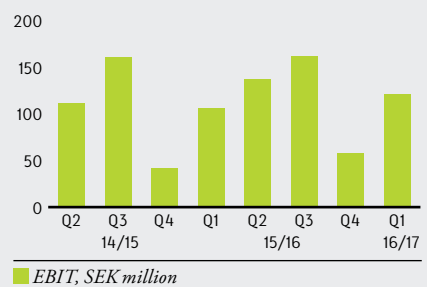
FINLAND



SWEBUS

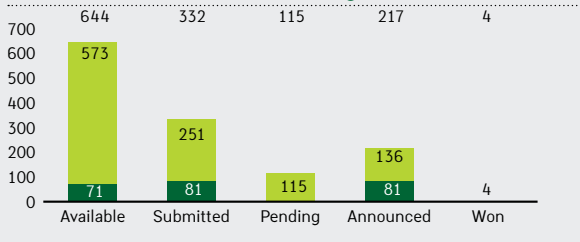


NOBINA



TENDERS AND TRAFFIC CHANGES

Tender volume, thus far this year



■ Other

■ Nobina

Definitions:

Available – Available buses in tenders outstanding this year

Submitted – Number of buses in tenders submitted by Nobina

Pending – Tendered minus decided

Announced – Number of buses in tenders submitted where the results have been announced

Won – The number of Nobina's buses awarded in decided tenders

Tender results, thus far this year

The table shows the results of the tenders in which Nobina has participated. Nobina submitted tenders for 217 buses and was awarded contracts for 4 buses.

Tender results during the period (number of buses)

March–May 2016	Announced	Won
Sweden	154	4
Norway	0	0
Finland	0	0
Denmark	63	0
Total	217	4

Contract changes, thus far this year

The table shows the changes in the number of buses in traffic as a consequence of started and ended contracts. During the period, Nobina started up 8 buses in contracts and wound up no contracts.

Traffic changes during the period (number of buses)

March–May 2016	Started	Ended
Sweden	0	0
Norway	0	0
Finland	0	0
Denmark	8	0
Total	8	0

Traffic starts and terminations during the 12 months June 2016–May 2017

During the coming 12-month period, Nobina will start traffic involving 409 buses. Of these, 228 buses are expected to be newly acquired. During the same period, Nobina will terminate traffic involving 514 buses.

Traffic starts

PTA	No. of years	Traffic starts	No. of buses	New buses
Östgötatrafiken	6	June 2016	27	0
SL	10	August 2016	79	45
SL	8	August 2016	79	87
Värmlandstrafik	9	August 2016	7	8
HSL, Finland	7	August 2016	94	41
HSL, Finland	2	August 2016	13	2
Skånetrafiken	6	December 2016	48	7
LT Västernorrland	6	December 2016	4	0
Västtrafik	8	April 2017	58	38
Total			409	228

Expiring contracts

PTA	Traffic ends	No. of buses
LT Västerbotten	June 2016	53
Östgötatrafiken	June 2016	34
Västtrafik	June 2016	9
Värmlandstrafik	July 2016	3
SL	August 2016	158
HSL, Finland	August 2016	140
Skånetrafiken	September 2016	52
Skånetrafiken	December 2016	50
Stockholmståg	December 2016	8
Movia, Denmark	December 2016	7
Total		514

The contract values of the traffic starts were published in press releases at the time of tender announcement of the tender win.

THE NOBINA SHARE

The Nobina share (ticker: NOBINA) is listed on Nasdaq Stockholm in the Mid Cap segment and the industry sector. As of 31 May 2016 there were in total 88,355,682 shares in Nobina, each carrying one vote. Nobina holds no shares in treasury. At the end of the quarter, the number of shareholders was 9,309.

Key ratios

Nobina	Quarter		Full year
	Mar–May 2016	Mar–May 2015	Mar 2015–Feb 2016
Earnings per share (SEK)	0.78	–0.52	0.04
Equity per share (SEK)	13.4	4.3	12.6
Number of outstanding shares at end of reporting period ¹⁾	88,355,682	63,355,682	88,355,682
Average number of shares (thousands)	88,356	63,262	80,608

1) 1:10 reverse split of Nobina's shares in accordance with resolution adopted by the general meeting on 27 May 2015. Earnings per share have been adjusted for comparability.

NOBINA'S FINANCIAL TARGETS

	Target	2014/2015	2015/2016	Rolling 12 months	Definition
Net sales	Outstrip market	7,549	8,317	8,546	Nobina will increase net sales at a faster pace than the market (measured in number of trips in public transport in the Nordics)
EBT Margin ³⁾	4.5%	1.9%	3.6% ¹⁾	3.7% ¹⁾	Nobina will increase profit before tax, and achieve a margin on profit before tax of more than 4.5 per cent over the medium-term
Net debt/EBITDA ⁴⁾	3.0x–4.0x	4.2x	3.7x ²⁾	3.4x ²⁾	Under normal circumstances, Nobina intends to maintain a net debt/equity ratio of between 3.0 to 4.0 x EBITDA
Dividend policy ⁵⁾	75% of EBT	n/a	77%	n/a	Nobina has established a dividend policy and expects to pay a dividend of at least 75 per cent of profit before taxes (EBT)

1) Adjusted for items affecting comparability in a total amount of SEK 297 million

2) EBITDA adjusted for items affecting comparability in the amount of SEK 204 million

3) EBT is defined as profit before taxes.

4) Profit for the period before net financial items, taxes, write-offs and write-downs of tangible and intangible non-current assets and capital gains/losses on the sale of non-current assets. EBITDA the past 12 months. Indebtedness may temporarily exceed this range in conjunction with the start-up of new major contracts.

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

KEY RATIO INFORMATION

Key ratios for the past 5 quarters

Key ratios, Nobina SEK millions, unless otherwise stated	2016/2017	2015/2016					
	Q1	Q1	Q1 adjusted ¹⁾	Q2	Q2 adjusted ¹⁾	Q3	Q4
Net sales for the period	2,224	1,995		1,982		2,179	2,161
Operating profit for the period	121	14	106	25	137	161	58
Profit/loss before tax for the period (EBT)	86	–31	61	–112	137	125	20
Profit/loss for the period	69	–33	59	–71	93	100	8
Cash flow for the period	32	–38	–19	–91	–78	117	246
Cash and cash equivalents	715	413	–	443	–	436	683
Equity ratio, %	15.7	4.3	–	14.1	–	15.1	14.5
EBITDA ²⁾	293	149	241	173	285	330	227
EBITDA-margin, %	13.2	7.5	12.1	8.7	14.4	15.1	10.5
EBITDAR ²⁾	304	165	257	187	299	343	242
EBITDAR-margin, %	13.7	8.3	12.9	9.4	15.1	15.7	11.2
Shareholders' equity	1,180	274	–	998	–	1,091	1,110
Shareholders' equity/ordinary shares, SEK	13.4	4.3	–	11.29	–	12.34	12.50
Number buses (as per the balance sheet date)	3,670	3,323	–	3,623	–	3,686	3,703
Calculated full-time positions	9,208	8,054	–	8,488	–	8,503	8,461
Production hours	2,940	2,584	–	2,551	–	2,841	2,827
Production kilometres	76,435	68,216	–	67,463	–	76,132	73,994

1) Adjusted by items affecting comparability in the operating profit in the amount of SEK 204 million, which relate to the IPO (SEK 32 million) and the incentive program (SEK 172 million), and SEK 93 million in net financial items which relates to the redemption of a bond.

2) The difference between EBITDAR and EBITDA consists of costs for operational leasing, and is reduced in scope over time since Nobina's strategy is to finance buses through financial leasing.

OTHER INFORMATION

Personnel

Nobina had 9,208 (8,054) employees (FTE). The increase in the number of employees was a result of larger production volume. Nobina applies collective agreements and has well-established practices and traditions as to the manner in which work times, compensation conditions, information and cooperation are negotiated.

The parent company

The parent company has 9 (10) employees who participate in the overall management of the Nobina Group, including financial analysis, follow-up and financing.

The parent company's sales, which consist exclusively of internal services, amounted during the first quarter to SEK 10 million (10). The loss before tax for the first quarter was SEK –8 million (–127).

The profit for the first quarter of last year was affected by transaction costs in conjunction with the IPO totalling SEK 37 million and costs for the incentive programme in the amount of SEK 55 million, resulting in a total of SEK 92 million. Cash and cash equivalents and restricted bank accounts at the end of the financial year amounted to SEK 0 million (25). Investments in intangible and tangible non-current assets amounted to SEK 0 million (0) for the quarter. The parent company's shareholders' equity was SEK 2,920 million (2,587) on 31 May 2016. The equity ratio was 77 (64) per cent.

Transactions with closely related parties

No significant transactions with closely related parties took place during the quarter.

Seasonal variations

Sales, profit and cash flow trends differ each quarter. For the contract operations, the third quarter is the strongest due to a higher traffic volume, a larger number of weekdays, and a high level of travelling, while the second and fourth quarters are weaker due to a lower traffic volume during the vacation and holiday periods and higher costs during the winter.

For Swebus, the second quarter is the strongest quarter due to the higher number of travellers during the vacation period.

Risks and uncertainty factors

Nobina is exposed to interest rate risks since the company's financial and operational leasing liabilities are primarily at variable rates of interest. The interest rate risk is largely offset by revenue indexation in the 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 currency risks may be hedged through currency derivatives, where the need exists. Nobina had no currency hedging during the quarter.

Nobina is exposed to price changes 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 business, compensation is obtained for changes in the diesel price through revenue indexation in traffic contracts. The index baskets in the traffic contracts are relatively well matched against the cost breakdown, but compensation takes place with a time lag of 1 to 6 months, which results in a negative impact on profit during a period of increasing prices. An imbalance can also arise between costs which have arisen in a contract and compensation via an index, if the index does not reflect the actual cost structure, for example if the index

is based on the price of diesel while the contract in question requires that the buses be operated using biogas. This risk is limited through thorough risk evaluation in the tender procedure. Most contracts now have an index which matches the fuel situation.

There is no indexation of revenues within express bus traffic. Increased fuel prices must be compensated for through increased ticket prices, where market conditions so allow. On 31 May, Nobina had no outstanding diesel derivatives.

Nobina may be affected by the results of appeals of tender awards. However, the impact is limited since no vehicles are ordered, and no other investments made, before the traffic contract is signed.

For more information regarding risks and uncertainty factors, see the corresponding section in Nobina AB's annual report for 2015/2016.

Disputes

During the quarter, Nobina filed a legal action against Länsstrafiken Örebro regarding defective gas quality. A dispute is pending against HSL, the PTA in Helsinki, regarding HSL's limitation on awards of contracts to Nobina.

Financing

It is Nobina's primary strategy to finance the purchases of vehicles with financial leasing or loans with terms of 10 years at a residual value of 10 per cent. Leasing liabilities are booked as financial leasing and, as is the case with loans, are shown in the balance sheet. All of Nobina's debt is related to the financing of investments in buses and equipment used in the operations.

Nobina had an available bank credit facility of SEK 150 million (132) on 31 May 2016.

IPO

Nobina was listed on NASDAQ Stockholm with the first day of trading on 18 June 2015. The listing price was SEK 34 per share.

The costs for the IPO which affected profit for 2015/2016 are reported in the table under "Items affecting comparability" on page 6.

The effect of the IPO on cash flow for 2015/2016 is set forth in the table on page 4.

Bond

As a consequence of the implementation of the IPO, an outstanding bond in the amount of SEK 550 million was redeemed in August 2015. This results in SEK 44 million less in interest expenses per year.

Incentive programmes

In the second quarter of last year, payments were made under Nobina's two incentive programmes, covering ten members of senior management (including the Chief Executive Officer) and five directors (excluding the Chief Executive Officer), after which the incentive programmes were terminated. The aggregate cost for these two programmes amounted to SEK 172 million (including salaries, social security contributions and taxes), of which the senior managers received an aggregate amount of approximately SEK 123 million (excluding social security contributions and taxes) and the directors an aggregate amount of approximately SEK 11 million (excluding social security contributions and taxes).

Payment was made in connection with the IPO to the participants of both programmes, who then reinvested an amount equivalent to 75 per cent of the amount paid (net after tax) into shares by purchasing shares in Nobina at the listing price. The

senior management and directors acquired a total of 1,341,277 shares, which increased their shareholdings in Nobina from 1.1 per cent to 2.4 per cent. The shares acquired were subject to a lockup undertaking which expired on 12 June 2016.

Financial targets and dividend policy

Nobina’s Board of Directors has confirmed that the financial targets and the dividend policy adopted for the 2015 IPO continue to apply (see page 9).

Dividend for the 2015/2016 financial year

The annual general meeting held on 31 May 2016 resolved, in accordance with a proposal by the Board of Directors, to pay a dividend for 2015/2016 in the amount of SEK 2.60 per share, which is in line with the dividend policy. The proposed dividend corresponds to a direct return of 7.3 per cent based on the share price on the balance sheet date, 29 February 2016.

Annual general meeting

Nobina held its annual general meeting on Tuesday, 31 May 2016 at the World Trade Center in Stockholm. At the annual general meeting, the income statements and balance sheets for the Group and the parent company for the 2015/2016 financial year were adopted. The shareholders’ meeting resolved to pay a dividend for the 2015/2016 financial year of SEK 2.60 per share, in accordance with the proposal by the Board of Directors. The Board of Directors and the CEO were granted discharge from liability for the past financial year.

The chairman of the nomination committee reported the committee’s work and presented a proposal for the composition of the board of directors and the shareholders’ meeting resolved in accordance with the proposal by the nomination committee. Jan Sjöqvist, John Allkins, Birgitta Kantola, Ragnar Norbäck and Graham Oldroyd were re-elected as directors. Axel Hjärne was elected as a new director. Jan Sjöqvist was re-elected chairman of the Board of Directors. The accounting firm PricewaterhouseCoopers AB was re-elected as the company’s auditor.

The principles for the appointment of the nomination committee and the guidelines for compensation for senior management were adopted in accordance with the proposals presented.

A resolution was also adopted, in accordance with the proposal presented, to authorize the board of directors, on one or more occasions until the next annual general meeting in 2017, to resolve to carry out new issues of shares, etc. in order to facilitate the raising of capital for corporate acquisitions.

Significant events during the first quarter

- Nobina was upgraded by Standard & Poor’s from BB– to BB.
- The annual general meeting for 2015/2016 was held on 31 May in Stockholm.

Significant events after the first quarter

- Nobina held a Capital Markets Day on 1 June 2016. It was confirmed at this time that the financial targets adopted prior to the IPO in 2015 remain in place.
- Payment of Nobina’s first dividend in the amount of SEK 2.60 per share was made on 8 June 2016.
- Nobina was awarded a traffic contract in Oslo comprising 21 buses, valued at SEK 150 million over the three year contract.
- Nobina won a tender in southern Sweden, Lund Väster, comprising 45 buses, in a contract worth SEK 400 million over the four year contract period.

Accounting principles

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 annual report for 2015/2016. See “Note 1, Company information and accounting policies”, in addition to the information set forth below.

The methods and assumptions employed by Nobina in the calculation of net realisable value and regarding accounting principles for financial instruments are described in notes 30 and 31 of the 2015/2016 annual report. No transfers between any of the value levels were made during the period.

The financial statements of the parent company, Nobina AB, and the Group have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2, Reporting for legal entities, as well as opinions issued by the Swedish Financial Reporting Board. Amendments to the Annual Reports Act after 1 January 2016 have no significant effect on the parent company or the Group.

This interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act and comprises pages 1–21. The interim period information on pages 1–11 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 revenues of the company and the Group and describes the significant risks and uncertainty factors facing the company and companies within the Group.

Stockholm, 29 June 2016

Ragnar Norbäck
President and CEO

Financial calendar

Interim report for 1 Jun–31 Aug 2016	28 September 2016
Interim report for 1 Sep–30 Nov 2016	20 December 2016
Year-end report 2016/2017	6 April 2017
Annual general meeting	31 May 2017

Telephone conference

Nobina will present the interim report and answer questions during a telephone conference at 10.00 CET on Thursday 30 June 2016. The presentation will be available on the website in connection with the telephone conference. The telephone number and web link for participants are available on the website, www.nobina.com.

Contact persons

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Please note that this is an inhouse translation of the Swedish report, which is available on www.nobina.com

THE NOBINA GROUP'S CONSOLIDATED INCOME STATEMENT IN BRIEF

<i>SEK million, unless otherwise stated</i>	Quarter		Full year
	<i>Mar–May 2016</i>	<i>Mar–May 2015</i>	<i>Mar 15–Feb 16</i>
Net sales	2,224	1,995	8,317
Operating expenses			
Fuel, tyres and other consumables	–409	–418	–1,704
Other external expenses	–327	–296	–1,173
Personnel costs	–1,195	–1,132	–4,561
Capital losses from disposal on non-current assets	–9	0	–15
Depreciation/amortization and impairment of tangible and intangible non-current assets	–163	–135	–606
Operating profit	121	14	258
Profit from net financial items			
Financial income	1	1	3
Financial expenses, Note 1	–36	–46	–259
Net financial items	–35	–45	–256
Profit/loss before tax	86	–31	2
Income tax	–17	–2	2
PROFIT/LOSS FOR THE PERIOD	69	–33	4
Profit/loss for the period attributable to the Parent Company shareholders	69	–33	4
Earnings per share before dilution (SEK)	0.78	–0.52	0.04
Earnings per share after dilution (SEK)	0.78	–0.52	0.04
Average number of shares before dilution (thousands)	88,356	63,262	80,608
Average number shares after dilution (thousands)	88,356	63,262	80,608
Number of shares outstanding at end of period (thousands)	88,356	63,356	88,356

The NOBINA GROUP'S CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>SEK million</i>	Quarter		Full year
	<i>Mar–May 2016</i>	<i>Mar–May 2015</i>	<i>Mar 15–Feb 16</i>
Profit/loss for the period	69	–33	4
Other comprehensive income			
Items not to be reclassified to profit or loss for the period			
Revaluation of defined-benefit pension plan	0	0	6
Tax on items that will not be reclassified to profit or loss for the period	0	0	0
Items that can later be reclassified to profit or loss for the period			
Exchange-rate differences in foreign operations	1	–4	–23
Other comprehensive income for the period, net after tax	1	–4	–17
Comprehensive income for the period	70	–37	–13
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	70	–37	–13

THE NOBINA GROUP'S CONSOLIDATED BALANCE SHEET IN BRIEF

SEK million	Full year		
	31 May 2016	31 May 2015	29 Feb 2016
ASSETS			
Non-current assets			
Goodwill	575	586	574
Other intangible assets	8	14	10
Cost for leasehold improvements	35	20	36
Equipment, tools, fixtures and fittings	92	64	67
Vehicles	5,118	4,238	5,238
Deferred tax assets	106	92	121
Pension plan assets	11	–	11
Other non-current receivables	4	–	1
Total non-current assets	5,949	5,014	6,058
Current assets			
Inventories	44	47	46
Trade receivables	487	518	535
Other current receivables	49	80	40
Deferred expenses and accrued income	293	286	272
Restricted bank accounts	1	106	24
Cash and cash equivalents	715	413	683
Total current assets	1,589	1,450	1,600
TOTAL ASSETS	7,538	6,464	7,658
EQUITY AND LIABILITIES			
Equity attributable to Parent Company Shareholders	1,180	274	1,110
Non-current liabilities			
Borrowing, Note 1	3,794	3,110	3,941
Deferred tax liabilities	105	88	102
Provision for pensions and similar commitments	35	34	36
Other provisions	37	37	37
Total non-current liabilities	3,971	3,269	4,116
Current liabilities			
Accounts payable	414	422	473
Borrowing, Note 1	752	1,166	752
Other current liabilities	198	164	222
Accrued expenses and deferred income	1,023	1,169	985
Total current liabilities	2,387	2,921	2,432
Total liabilities	6,358	6,190	6,548
TOTAL EQUITY AND LIABILITIES	7,538	6,464	7,658

PLEGGED ASSETS AND CONTINGENT LIABILITIES, NOTE 2

THE NOBINA GROUP'S CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN BRIEF

<i>SEK million</i>	<i>Share capital</i>	<i>Other contributed capital</i>	<i>Translation differences</i>	<i>Losses brought forward</i>	<i>Total equity attributable to Parent Company shareholders</i>
Opening equity per 1 March 2015	228	2,489	28	-2,435	310
Profit/loss of the period	-	-	-	-33	-33
Other comprehensive income	-	-	-4	-	-4
Transactions with owners					
Payment of issued shares to senior executives	-	1	-	-	1
Closing equity per 31 May 2015	228	2,490	24	-2,468	274
Opening equity per 1 March 2016	318	3,212	5	-2,425	1,110
Profit/Loss for the period	-	-	-	69	69
Other comprehensive income	-	-	1	-	1
Closing equity per 31 May 2016	318	3,212	6	-2,356	1,180

There are no non-controlling interests.

THE NOBINA GROUP'S CONSOLIDATED CASH FLOW STATEMENT IN BRIEF

SEK million	Quarter		Full year
	Mar–May 2016	Mar–May 2015	Mar 15–Feb 16
Cash flow from operations			
Profit/loss after financial items	86	–31	2
Adjustment for non-cash items	200	183	864
Cash flow from operations before changes in working capital	286	152	866
Cash flow from changes in working capital			
Change in inventories	1	2	3
Changes in operating receivables	18	–54	–32
Changes in operating liabilities	–38	56	11
Total change in working capital	–19	4	–18
Received interest income	1	–	2
Tax paid	–	–	–
Cash flow from operations	268	156	850
Cash flow from investing activities			
Change in restricted bank accounts	23	9	90
Investments in PPE and intangible assets, excl. financial leases	–96	–16	–193
Sales of PPE and intangible assets	6	3	35
Cash flow from investing activities	–67	–4	–68
Cash flow from financing activities			
Amortization of financial liability	–172	–143	–628
Redemption of bonds and other external loans	–11	–6	–577
Payment of newly issued shares	–	–	850
Issue of new shares to senior executives	–	1	1
New borrowing, other external loans	50	18	109
Capital acquisition costs	–	–5	–49
Interest paid	–36	–55	–254
Cash flow from financing activities	–169	–190	–548
Cash flow for the period	32	–38	234
Cash and cash equivalents at the beginning of period	683	453	453
Cash flow for the period	32	–38	234
Exchange rate difference	–	–2	–4
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	715	413	683

THE PARENT COMPANY'S INCOME STATEMENT IN BRIEF

<i>SEK million</i>	<i>Quarter</i>		<i>Full year</i>
	<i>Mar–May 2016</i>	<i>Mar–May 2015</i>	<i>Mar 15–Feb 16</i>
Net sales	10	10	39
Operating expenses			
Other external expenses	–3	–42	–145
Personnel costs	–10	–75	–120
Depreciation/amortization and impairment of intangible and tangible non-current assets	–	–	–
Operating loss/profit	–3	–107	–226
Profit from participations in Group companies	–	–	–344
Financial income	1	5	12
Financial expenses	–6	–25	–69
Net financial items	–5	–20	–401
Loss/profit before tax	–8	–127	–627
Income tax	–	–	29
LOSS/PROFIT FOR THE PERIOD	–8	–127	–598

Other comprehensive income is not reported since there are no items relating to other comprehensive income.

THE PARENT COMPANY'S BALANCE SHEET IN BRIEF

SEK million	Full year		
	31 May 2016	31 May 2015	29 Feb 2016
ASSETS			
Non-current assets			
Participations in Group companies	3,685	3,695	3,685
Deferred tax assets	80	40	80
Receivables from Group companies	1	114	87
Total non-current assets	3,766	3,849	3,852
Current assets			
Receivables from Group companies	7	101	292
Other current assets	1	2	2
Deferred expenses and accrued income	2	45	1
Restricted bank accounts	–	25	–
Cash and cash equivalents	–	–	–
Total current assets	10	173	295
TOTAL ASSETS	3,776	4,022	4,147
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders			
	2,920	2,587	2,928
Non-current liabilities			
Liabilities to Group companies	621	1,260	621
Provision for pensions and similar commitments	8	9	8
Total non-current liabilities	629	1,269	629
Current liabilities			
Accounts payable	2	12	4
Liabilities to Group companies	213	24	576
Other current liabilities	5	3	1
Accrued expenses and deferred income	7	127	9
Total current liabilities	227	166	590
Total liabilities	856	1,435	1,219
TOTAL EQUITY AND LIABILITIES	3,776	4,022	4,147

PLEGDED ASSETS AND CONTINGENT LIABILITIES, NOTE 2
THE PARENT COMPANY'S CHANGES IN EQUITY IN BRIEF

SEK million	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Loss/profit for the period	Total equity
Opening equity per 1 March 2015	228	1	613	1,763	108	2,713
Transfer of preceding year's profit/loss	–	–	–	108	–108	–
Profit for the period	–	–	–	–	–127	–127
Transactions with owners						
New issue of shares to senior executives	–	1	–	–	–	1
Closing equity per 31 May 2015	228	2	613	1,871	–127	2,587
Opening equity per 1 March 2016	318	1	1,336	1,871	–598	2,928
Transfer of preceding year's profit/loss	–	–	–	–598	598	–
Loss for the period	–	–	–	–	–8	–8
Closing equity per 31 May 2016	318	1	1,336	1,273	–8	2,920

NOTE 1. FINANCING

SEK million, unless otherwise stated	Quarter		Full year
	Mar–May 2016	Mar–May 2015	Mar 15–Feb 16
Operational leasing agreements, buses			
Nominal value of future minimum leasing fees, buses	170	268	184
Present value of future minimum leasing fees, buses	162	256	176
Number of operationally leased buses	390	443	399
Operational leasing fees for the period	11	16	58
Borrowing – bond loan and other liabilities			
Bond loan and other loans	285	728	242
Financial leasing liabilities	4,261	3,563	4,451
Distribution over time of financial costs	–	–15	–
Total	4,546	4,276	4,693
Of which short-term repayment part of the Group's borrowing	752	1,166	752
Of which long-term repayment part of borrowing	3,794	3,110	3,941
Sum, total liabilities	4,546	4,276	4,693
Interest expenses and similar profit/loss items			
Interest expenses, financial leasing	–32	–31	–131
Interest expenses, bond loan and other external loans	–3	–14	–125
Other financial expenses	–1	–2	–4
Realised and non-realised exchange rate gains and losses, net	–	1	1
Total	–36	–46	–259

NOTE 2. PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK millions, unless otherwise stated	Group 31 May 2016	Group 31 May 2015	Parent com- pany 31 May 2016	Parent com- pany 31 May 2015
Pledged assets pertaining to shares/net assets in subsidiaries	–	899	–	–
Other pledged assets	–	–	–	–
Chattel mortgages	–	–	–	–
Other pledged assets	–	–	–	–
Other pledged assets	151	265	267	83
Contingent liabilities	–	–	–	–
Guarantee of lease obligations and other obligations	–	–	4,546	4,451
Total pledged assets and contingent liabilities	151	1,164	4,813	4,534

GLOSSARY

City transport – Transport in a densely populated area.

Client – Nobina's client being the contractual counterpart for tendered traffic contracts, also called a PTA.

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 contracts are tendered in accordance with the Swedish Public Procurement Act.

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.

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.

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 indices intended to represent important cost elements for the traffic company, such as salaries, fuel and maintenance, and which occurs at predetermined intervals.

Local transport – Transport in connection with densely populated areas.

Production contract – A contract in which the traffic company's revenues comprise fixed remuneration for production costs based on a predetermined production, with 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.

DEFINITIONS

Average number of FTEs – The number of hours paid divided by normal working hours for a full-time employee.

Earnings per share – Profit for the year divided by the average weighted number of ordinary shares.

Earnings per share after full dilution – Profit for the year divided by the average number of ordinary shares after dilution.

EBIT – Operating profit before net financial items and taxes.

EBITDA – Operating profit before net financial items, tax, depreciation, amortization, earnings from sale of fixed assets.

EBITDA margin – EBITDA in relation to net sales.

EBITDAR – Operating profit before net financial items, tax, depreciation, amortization, earnings from sale of fixed assets and operating leasing expenses for buses.

EBITDAR margin – EBITDAR in relation to net sales.

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

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.

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 contracts are tendered in accordance with the Public Tendering Act.

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

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

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

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.

EBT – Profit/loss before tax.

Equity/assets ratio – Equity as a percentage of total assets at the end of the fiscal year.

Net debt/EBITDA – Interest-bearing liabilities (external loans, pension liabilities and financial leasing liability) after deducting cash and cash equivalents and restricted bank accounts in relation to the rolling 12-month average EBITDA.

Net investments – Acquisition cost of investments in fixed assets less sales value of divested fixed assets.

Reallocation Rate – Buses allocated to a new contract during the year/Total number of buses.

Renewal Rate – All won tenders/All own announced tenders.

Retention Rate – Defended tenders/Own announced tenders

Yield – Revenue per driven kilometre.



THIS IS NOBINA

Our role is to:

HELP MAKE SOCIETY MORE MOBILE

Our offering to customers:

SIMPLIFY EVERYDAY TRAVEL

We deliver that by:

BEING FRIENDLY, CREATING SIMPLE SOLUTIONS, BEING AFFORDABLE

We succeed, by living up to our values:

OUR CUSTOMERS' NEEDS IS OUR REASON FOR BEING

We treat our customers with kindness and respect and are sensitive to their needs. We keep our promises, develop priceworthy solutions and simplify for our customers.

IN ALL WE DO, WE STRIVE TO DEVELOP

We achieve our goals and deliver results. We are efficient with resources and the quality we promise is always our minimum standard. Being goal-oriented and having systematic follow-up is vital for constantly improving our services as well as our company.

WE RESPECT EACH OTHER

Everyone is of equal importance, and is treated with kindness and respect. Together we create a secure and creative work environment that stimulates initiatives and suggestions for improvements. We take action against any lack of respect towards our customers, towards each other and towards the company.

WE FOSTER SOLID LEADERSHIP

Our demands and expectations on our leaders and co-workers are well defined. We always prioritise the interests of our customers and of the company before our own. Everyone receives feedback on their performance and we show our appreciation for their achievements. We always honour confidentiality.

WE CARE

We take an active responsibility for the environment and for our society. We encourage personal health and development. We act according to laws and regulations. We are engaged and we care for each other, for our customers and for the world around us.

We do all of that because we have a vision:

EVERYBODY WANTS TO TRAVEL WITH US