**CEO’S COMMENTS**

We are continuing to deliver in accordance with our promises and present new record levels in terms of sales and profitability for the full year 2016/2017. Net sales increased by 6.5 per cent, the pre-tax margin was 4.0 per cent and I am able to note that, in each individual quarter during the year, we outperformed the corresponding quarter of last year. This inspires confidence that we will deliver the objectives that were established prior to the IPO. In addition to continued successful, active contract management, a higher share of bus-for-rail traffic and positive indexation effects contributed to growth in 2016/2017. This compensated for costs attributable to traffic starts and higher quality requirements in certain contracts. At the same time, the increasing focus that PTAs are placing on quality in tenders is a factor that benefits us in the long term since our work is highly quality-focused.

Our bus-for-rail services are expanding throughout the Nordic region. During the fourth quarter, we signed contracts for bus-for-rail services with Tågkompaniet in Sweden, and we now have bus-for-rail contracts in all Nordic countries. This offering is capable of continued expansion going forward, although it is difficult to assess the size of the offering since unscheduled bus-for-rail services represent a large element in the contracts.

Nobina remains at the forefront of vehicle development. We were the first company with superbuses and we have operated electric buses in Sweden since 2006. During the fourth quarter, we announced a test programme involving electric-powered articulated buses on behalf of the PTA Ruter in Oslo. Nobina has expanded the bus-for-rail service contract with Tågkompaniet to include their services in six counties in northern and central Sweden and has also signed contracts with Tågkompaniet regarding bus-for-rail services in six counties in northern and central Sweden and has also expanded the bus-for-rail service contract with MTR to include their metro traffic.

Finally, I would like to take the opportunity to thank all employees for their strong involvement in Nobina’s development, which during the business year has resulted in record-high passenger satisfaction in many of Nobina’s traffic areas.

Ragnar Norbäck,
President and CEO
NOBINA IN BRIEF

Nobina is the largest and most experienced public transport company in the Nordic region. Expertise within prospecting of available tenders, tender work and active management of public transport contracts, combined with long-term delivery quality, makes Nobina a market leader in terms of profitability, development and initiatives for a more healthy industry.

Nobina ensures that, each day, more than 1 million people get to work, school or other activities by delivering contracted public transport services in Sweden, Norway, Finland and Denmark. Nobina also offers interregional transport in Sweden through Swebus.

Nobina has sales of almost SEK 9 billion (2016/17) and approximately 9,000 employees, and is headquartered in Solna, Stockholm. Nobina’s success contributes to a better society in the form of increased mobility, reduced environmental impact, and lower societal costs.

NOBINA’S STRATEGY

Nobina enjoys stable revenues from contracts with focus on profitability and high-quality performance. A broad contract portfolio, a growing element of new services and cost-efficient operation are the keys to continued profitable growth. On an overall level, four strategic strengths stand out, which also constitute the Company’s success factors.

1. ENSURING PROFITABLE CONTRACTS

Nobina engages in active contract management to ensure that all contracts are profitable. This includes conducting an inventory of contract status on the entire homogenous Nordic market; engaging in dialogue with PTAs regarding contract conditions prior to publication in the form of tender documents; carefully verifying conditions and risks as a basis for tender calculations and pricing which represents the sought traffic solution; and never entering into any contract based solely on strategic considerations at the cost of profitability.

2. MEETING CONTRACT CONDITIONS

High quality delivery is ensured through a well-functioning management system. An additional dimension of Nobina’s active management of the contract portfolio is the continuous improvement work in individual contracts. Each individual contract is regularly evaluated based on a number of measurement criteria. Contract comparisons between most recent calculation and actual performance are monitored. When deviations are identified, Nobina acts promptly with targeted measures, or with more extensive operational changes if needed.

3. OPTIMISING THE BUS FLEET

Nobina’s buses are acquired and handled by our wholly-owned subsidiary, Nobina Fleet AB. Having a shared fleet of vehicles for the Group provides us with competitive advantages since use of the buses can be optimised through centralisation of fleet expertise. Each year, 10-15 per cent of all buses are re-allocated to new contracts, also between the countries. In this way, the bus fleet is utilised to maximum effect and the assumed useful life of the fleet is ensured. In addition, the structure provides the possibility to mix old and new buses when tenders are submitted, which has a positive impact on the cost structure. The fleet is financed through 10-year financial leasing agreements but depreciated over 14 years.

4. MINIMISING THE RISKS

It is crucial to assume that each contract won represents a temporary business which continues until the contract expires. This means that agreements and fixed terms for all resources needed for the individual contract must always be organised in such a manner as to coincide with the term of the contract. By ensuring this independence, Nobina is able to take a decision as regards the tender and always offer a price based on fully rational grounds.

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

The degree of maturity of the contract portfolio affects cash flow and profitability.
**THE MARKET**

Public transport plays a key role in sustainable societal development in the Nordic region. The market is believed to be worth approximately SEK 45 billion, of which regional transport accounts for almost 90 per cent. A common feature in the Nordic countries is that, on average, one half of the price for regional transport is financed from the budgets of regional public administration authorities.

Contracted regional public transport has demonstrated strong growth in recent years and is expected to continue to grow going forward, in pace with a political wish to increase public transport and the fact than an increasing number of travellers are choosing to go by bus. In addition, in all countries there is a trend towards quality assuming a more important role as an evaluation criterion in tender procedures, as well as improved compensation models in which incentives based on the number of passengers and the quality experienced by the passengers are becoming increasingly common. Compensation models involving route-based compensation to the operator and indexation of compensation just a few times a year are thus becoming increasingly uncommon. We see this among PTA's operating within high population density and rapidly expanding areas, where the trend is towards contracts with balanced conditions for the operators which better facilitate a high quality delivery of public transport.

Society’s interest in investing in public transport is increasing, particularly in areas of high population density, such as the metropolitan areas where a well-developed public transport system is important for mobility in society. Furthermore, public transport ranks high on the agenda of local politicians since it is becoming an increasingly important condition for the development of a sustainable society.

**Market updates**

- Following traffic reduction in Copenhagen, Hillerød commune has provided funding to have their bus traffic re-started.
- Favourable development of contract terms among PTA’s in the Norwegian market.
- Growing interest for electric buses solutions among the PTA’s affecting both in existing and new contracts.
- 85 per cent of Danish competitor U move was acquired by CUBE Infrastructure fund, which since before have a majority investment in Norwegian operator Boreal.

**Nobina’s position on the market**

With a market share of 17 per cent (the Company’s assessment, 2016-2017), Nobina is the largest public transport company in the Nordic region and the only operator with operations in all Nordic countries. In Sweden, a leading market position is characterised by high efficiency and successful work in managing and improving the contract portfolio. In Finland, as market leader in the Helsinki region Nobina is well-positioned to increase its market shares on a growing market. Nobina is a challenger on the Norwegian and Danish markets, at the same time as those markets are expanding in terms of volume and number of tendered contracts. As the largest and most experienced public transport company in the Nordic region, conditions remain positive for continued profitable growth.

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**The Nordic public transport market for buses**

The size of the bubbles in the graphic to the left shows Nordic market shares for public transport by bus. EBIT margin includes other operations in addition to public transport by bus.

Source: Internal market study based on public information from the most recently available annual accounts.
NOBINA'S FINANCIAL DEVELOPMENT
The fourth quarter (1 December 2016–28 February 2017) and the full year (1 March 2016–28 February 2017)

Net sales
The fourth quarter
Nobina's net sales amounted to SEK 2,243 million (2,161), representing an increase of 3.8 per cent compared with the corresponding period of the preceding year. The increase was primarily attributable to Nobina Sweden and Nobina Norway. Sales were positively affected by passenger-driven revenues, indexation as well as revenues resulting from contract negotiations.

The full year
Nobina's net sales amounted to SEK 8,858 million (8,317), an increase of 6.5 per cent compared with the preceding year and include increased revenues in existing contracts, revenue increases through new contracts as well as extra traffic, including bus-for-rail services.

Earnings
The fourth quarter
Operating profit for the fourth quarter was SEK 63 million (58), an increase of 8.6 per cent, and was positively affected by strong performance in contracts started during this and the preceding financial year.

Profit before tax increased to SEK 31 million (20), in part due to improved net financial items amounting to SEK –32 million (–38).

The full year
Operating profit for the full year was SEK 494 million (258). The preceding year's operating profit included items amounting to SEK –204 million attributable to the IPO, which resulted in an adjusted operating profit of SEK 462 million. Profit before tax for the full year was SEK 355 million (2). The adjusted profit before tax last year was SEK 299 million. Adjusted net financial items for the full year amounted to SEK –139 million (–256 million). Adjusted net financial items last year amounted to SEK –163 million.

Income tax
As a consequence of historical losses carried forward, Nobina is not subject to any income tax payment that affects cash flow. The Nobina Group has decided to recognize and report during the fourth quarter a part of the Group’s previously unreported deferred tax of SEK 245 million. Nobina’s income tax in the income statement comprises a change in estimated deferred tax and amounted to SEK 236 million (–12), and for the full year SEK 163 million (2).

Financial position
Cash and cash equivalents at the end of the financial year amounted to SEK 804 million (683). In addition, Nobina held on restricted bank accounts funds amounting to SEK 0 million (24). As a consequence of Nobina’s improved capital structure following the IPO in June 2015, SEK 24 million was released from restricted bank accounts during the year. As of 28 February 2017, Nobina had access to an undrawn bank credit facility of SEK 150 million (136).

Nobina’s interest-bearing liabilities amounted to SEK 4,557 million (4,729), primarily divided into financial leasing liabilities of SEK 4,231 million (4,451) and other external liabilities of SEK 280 million (242). Leasing liabilities are booked as financial leasing and are thus visible on the balance sheet. Nobina’s entire indebtedness relates to the financing of investments in buses and equipment used in the business. The net debt amounted to SEK 3,753 million (4,022).

Net debt/EBITDA for the year, excluding IPO costs, was 3.23 (4.58). Net debt/EBITDA adjusted for IPO costs was 3.23 (3.71). Share-holders’ equity amounted to SEK 1,421 million (1,110). The equity/assets ratio at the end of the year was 17.9 per cent (14.9).

NET SALES

OPERATING PROFIT AND MARGIN

<table>
<thead>
<tr>
<th>Net sales, SEK million</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
</tr>
<tr>
<td>Q1 15/16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating profit 1), SEK million</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
</tr>
<tr>
<td>Q1 15/16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating margin 1), rolling 12 month values, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
</tr>
<tr>
<td>Q1 15/16</td>
</tr>
</tbody>
</table>

1) Adjusted for items affecting comparability during the first and second quarters of preceding year of SEK 204 million in operating profit (see page 7).
Investments and divestments

The fourth quarter

Bus investments in the fourth quarter amounted to SEK –98 million (–466) and other investments to SEK –10 million (–2). Nobina executed financial leasing agreements of SEK 61 million (452). During the quarter, new loans of SEK 14 million (1) were executed. Nobina’s cash investments for the purchase of buses, accessories as well as other non-current assets amounted to SEK –33 million (–15). Nobina sold buses and other non-current assets for SEK 2 million (11). The sale entailed a capital gain of SEK 12 million (–1).

The full year

Bus investments amounted to SEK –811 million (–1 617) and other investments to SEK –33 million (–54). Nobina executed financial leasing agreements of SEK 554 million (1,478). Loan financing of investments amounted to SEK 64 million (109). Nobina’s cash investments for the purchase of buses (primarily redemption of old leasing agreements), accessories and other non-current assets amounted to SEK –226 million (–84). Nobina sold buses and other non-current assets for SEK 160 million (35). The sale entailed a capital loss of SEK –14 million (–15).

Goodwill and shares in subsidiaries

The annual test for impairment of goodwill and shares in subsidiaries in Nobina’s cash-generating entities, as required in accordance with IFRS, took place during the fourth quarter of the 2016/2017 financial year in connection with preparation of the business plans for 2017/2018. None of the cash-generating entities whose need for impairment was tested, had a book value which exceeded the recovery value. Management makes the assessment that the valuation based on internal business forecasts for five years provides a correct impression of the value of Nobina as well as a more long-term valuation compared with the current market capitalisation. Management makes the assessment that conceivable changes in the three variables – forecasted profit margins, sales growth and the discount rate – do not have such major effects that the recovery value is reduced to a value which is below the carrying amount for shares in subsidiaries and/or goodwill.

Cash flow

The fourth quarter

The cash flow from operations before changes in working capital amounted to SEK 232 million (219). Working capital developed positively by SEK 104 million (170).

The cash flow from investing activities amounted to SEK –45 million (72) and was affected by funds released from restricted bank accounts in the amount of SEK 0 million (77) as well as investments in buses and equipment amounting to SEK –47 million (–16), which were financed through loans amounting to SEK 14 million (1).

The cash flow from financing activities was SEK –190 million (–215). The fourth quarter includes new borrowing of SEK 14 million (1), which was used to purchase buses.

The total cash flow for the quarter was SEK 101 million (246).

The full year

The cash flow from the operations before changes in working capital for the full year amounted to SEK 1 179 million (866). Working capital developed positively to SEK 54 million (–18), among other things due to seasonal variations as well as fluctuations in accrued expenses and deferred income.

The cash flow from investing activities amounted to SEK –106 million (–68), of which funds on restricted bank accounts had an effect of SEK 24 million (90). Investments in buses and equipment had an effect of SEK –290 million (–193), and were financed through loans amounting to SEK 64 million (109). Sales of used buses generated a contribution to cash of SEK 160 million (35).

The cash flow from financing activities was SEK –1 014 million (–548). The main reasons for the change are a net contribution of SEK 850 million from the preceding year’s IPO and redemption of the bond loan (SEK –350 million), while cash flow for the year was affected by a dividend of SEK –230 million. Cash flow for the financial year was SEK 114 million (34). Excluding items associated with the IPO, redemption of the bond loan and the dividend, adjusted cash flow amounted to SEK 344 million (266).

Non-recurring items in cash flow from operations (SEK millions)  

<table>
<thead>
<tr>
<th>Non-recurring items in cash flow for the period (SEK millions)</th>
<th>Dec 16-Feb 17</th>
<th>Mar 16-Feb 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPO-related transaction costs</td>
<td>–</td>
<td>–32</td>
</tr>
<tr>
<td>Incentive programmes</td>
<td>–</td>
<td>–172</td>
</tr>
<tr>
<td><strong>Total non-recurring items in cash flow from operations</strong></td>
<td>–</td>
<td>–204</td>
</tr>
<tr>
<td>New issue</td>
<td>–</td>
<td>850</td>
</tr>
<tr>
<td>Capital acquisition costs</td>
<td>–</td>
<td>–49</td>
</tr>
<tr>
<td>Bond redemption</td>
<td>–</td>
<td>–550</td>
</tr>
<tr>
<td>Early bond redemption premium</td>
<td>–</td>
<td>–79</td>
</tr>
<tr>
<td><strong>Total non-recurring items from financing activities</strong></td>
<td>–</td>
<td>172</td>
</tr>
<tr>
<td><strong>Total non-recurring items in cash flow for the period</strong></td>
<td>–</td>
<td>–52</td>
</tr>
</tbody>
</table>
Results analysis regarding net sales and earnings

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

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

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

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

Other includes the effect on earnings of sales of buses, property expenses, marketing and sales costs, as well as other administrative expenses.

Items affecting comparability include items of an extraordinary nature that are unusual for the period or are non-recurring.

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

### Results analysis for the financial year

#### Explanatory items regarding net sales, operating profit and profit before tax

<table>
<thead>
<tr>
<th>(SEK million)</th>
<th>Net sales</th>
<th>Profit before tax</th>
<th>Commentary on results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period March 2015–Feb 2016</td>
<td>8,317</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Price and volume</td>
<td>219</td>
<td>49</td>
<td>The effects of price and volume are positive with respect to both net sales and EBT and are derived from extra traffic, revenues from contract negotiations, as well as increased volumes from the existing contract portfolio.</td>
</tr>
<tr>
<td>Contract migration</td>
<td>232</td>
<td>52</td>
<td>The preceding year’s traffic starts and resulting increase in volume had a positive effect on net sales. Despite initial low profitability and costs associated with traffic starts and traffic contract that ended during the period, the start of new contract has had a positive effect on EBT.</td>
</tr>
<tr>
<td>Indexation</td>
<td>89</td>
<td>38</td>
<td>Positive indexation effects during the period with a positive effect on EBT are largely attributable to the first half of the year and are a result of low cost levels. This effect diminished during the fourth quarter but is still positive.</td>
</tr>
<tr>
<td>Operational efficiency</td>
<td>–</td>
<td>–60</td>
<td>Primarily driven by increased costs from lower personnel efficiency in Sweden and within bus maintenance which includes costs related to supplier quality claims, higher technology content and higher fleet optimization.</td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
<td>–47</td>
<td>‘Other’ includes property-related costs as well as IT-related costs.</td>
</tr>
<tr>
<td>Items affecting comparability</td>
<td>–</td>
<td>204</td>
<td>The same period last year included IPO-related costs of SEK 204 million.</td>
</tr>
<tr>
<td>Net financial items</td>
<td>–</td>
<td>117</td>
<td>Profit for the year is positively affected by lower bus financing interest payments as well as the absence of bond interest payments which negatively impacted on the preceding year’s earnings, and the fact that last year’s figure included bond redemption costs of SEK 95 million.</td>
</tr>
<tr>
<td>Period March 2016–Feb 2017</td>
<td>8,858</td>
<td>355</td>
<td></td>
</tr>
</tbody>
</table>

### Age structure

**WEIGHTED AVERAGE CONTRACT LENGTH, YEARS: 8.2 (7.5)**  
Contract and bus fleet ages are important parameters for assessing the Group’s profitability now and in the future.

**WEIGHTED AVERAGE AGE OF THE CONTRACT PORTFOLIO, YEARS: 3.7 (3.6)**  
The contract length varies between countries and averaged 8.2 years. The average contract age (weighted by number of buses) was 3.7 years, i.e. a young contract portfolio, which reflects traffic starts during the year.

**AVERAGE AGE OF THE BUS FLEET, YEARS: 5.6 (5.5)**  
Nobina’s bus fleet is young, with an average age of 5.6 years on 28 February 2017 (5.5). In conjunction with new contracts, the PTA usually requires a relatively large proportion of new buses, which reduces the fleet average age and has a negative impact on the balance sheet.
## SEGMENTS

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Net sales per segment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nobina Sweden</td>
<td>1,535</td>
<td>1,489</td>
<td>6,058</td>
<td>5,675</td>
</tr>
<tr>
<td>Nobina Denmark</td>
<td>133</td>
<td>126</td>
<td>535</td>
<td>511</td>
</tr>
<tr>
<td>Nobina Norway</td>
<td>261</td>
<td>229</td>
<td>974</td>
<td>925</td>
</tr>
<tr>
<td>Nobina Finland</td>
<td>264</td>
<td>260</td>
<td>1,044</td>
<td>952</td>
</tr>
<tr>
<td>Swebus</td>
<td>57</td>
<td>62</td>
<td>274</td>
<td>283</td>
</tr>
<tr>
<td>Central functions &amp; other items</td>
<td>–9</td>
<td>–7</td>
<td>–43</td>
<td>–39</td>
</tr>
<tr>
<td><strong>Total net sales</strong></td>
<td><strong>2,243</strong></td>
<td><strong>2,161</strong></td>
<td><strong>8,858</strong></td>
<td><strong>8,317</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating profit, adjusted for items affecting comparability (SEK million)</th>
<th>Dec 16–Feb 17</th>
<th>Dec 15–Feb 16</th>
<th>Mar 16–Feb 17</th>
<th>Mar 15–Feb 16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating profit per segment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nobina Sweden</td>
<td>47</td>
<td>46</td>
<td>412</td>
<td>392</td>
</tr>
<tr>
<td>Nobina Denmark</td>
<td>1</td>
<td>4</td>
<td>19</td>
<td>8</td>
</tr>
<tr>
<td>Nobina Norway</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Nobina Finland</td>
<td>22</td>
<td>23</td>
<td>73</td>
<td>69</td>
</tr>
<tr>
<td>Swebus</td>
<td>–3</td>
<td>–3</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Central functions &amp; other items</td>
<td>–4</td>
<td>–12</td>
<td>–33</td>
<td>–34</td>
</tr>
<tr>
<td><strong>Total operating profit (adjusted)</strong></td>
<td><strong>63</strong></td>
<td><strong>58</strong></td>
<td><strong>494</strong></td>
<td><strong>462</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Profit before tax (adjusted)</th>
<th>Dec 16–Feb 17</th>
<th>Dec 15–Feb 16</th>
<th>Mar 16–Feb 17</th>
<th>Mar 15–Feb 16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net financial items</strong></td>
<td>–32</td>
<td>–38</td>
<td>–139</td>
<td>–163</td>
</tr>
<tr>
<td>Profit before tax (adjusted)</td>
<td><strong>31</strong></td>
<td><strong>20</strong></td>
<td><strong>355</strong></td>
<td><strong>299</strong></td>
</tr>
</tbody>
</table>

1) Items affecting comparability (SEK million)                            | Mar 16–Feb 17  | Mar 15–Feb 16  |
<table>
<thead>
<tr>
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<tr>
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<tr>
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<td>–</td>
<td>–172</td>
</tr>
<tr>
<td><strong>Total items affecting comparability in operating profit for the period</strong></td>
<td>–</td>
<td><strong>–204</strong></td>
</tr>
<tr>
<td><strong>Net financial items</strong></td>
<td>–</td>
<td>–93</td>
</tr>
<tr>
<td><strong>Items affecting comparability for the period in profit before tax for the period</strong></td>
<td>–</td>
<td><strong>–297</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
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<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Operating profit per segment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nobina Sweden</td>
<td>47</td>
<td>46</td>
<td>412</td>
<td>392</td>
</tr>
<tr>
<td>Nobina Denmark</td>
<td>1</td>
<td>4</td>
<td>19</td>
<td>8</td>
</tr>
<tr>
<td>Nobina Norway</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Nobina Finland</td>
<td>22</td>
<td>23</td>
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</tr>
<tr>
<td>Central functions &amp; other items</td>
<td>–4</td>
<td>–12</td>
<td>–33</td>
<td>–238</td>
</tr>
<tr>
<td><strong>Total operating profit</strong></td>
<td><strong>63</strong></td>
<td><strong>58</strong></td>
<td><strong>494</strong></td>
<td><strong>258</strong></td>
</tr>
<tr>
<td><strong>Net financial items</strong></td>
<td>–32</td>
<td>–38</td>
<td>–139</td>
<td>–256</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td><strong>31</strong></td>
<td>20</td>
<td><strong>355</strong></td>
<td><strong>2</strong></td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>236</td>
<td>–12</td>
<td>163</td>
<td>2</td>
</tr>
<tr>
<td><strong>PROFIT FOR THE PERIOD</strong></td>
<td><strong>267</strong></td>
<td>8</td>
<td><strong>518</strong></td>
<td><strong>4</strong></td>
</tr>
</tbody>
</table>
Nobina’s fourth quarter entailed a strong end to the year in terms of net sales and operating profit, compared with the same quarter of last year. Good results from optimisation of the bus fleet made a positive contribution to operating profit, and the effects of successful financing solutions also had a positive impact on the Group’s operating profit.

Sweden
Nobina Sweden’s net sales during the fourth quarter were somewhat higher than in the corresponding period of last year and include positive contributions from started contracts, while no longer including expired contracts. Operating profit is in line with the fourth quarter of last year and the solid full-year result includes costs for contract starts during the winter as well as positive effects from contract negotiations. During the quarter, Nobina Sweden signed contracts with Tagkompaniet regarding bus-for-rail services in six counties in northern and central Sweden, and also expanded the bus-for-rail contract with MTR to include its metro traffic.

Denmark
Nobina Denmark’s net sales increased during the fourth quarter compared with the corresponding period of last year, thanks to growth in the existing contract portfolio. Profit from the operations is in line with last year, but operating profit was adversely affected by a final reconciliation in the new VAT structure that was implemented during the year. The business demonstrates good underlying efficiency with strong key ratios and we are pleased to note that our contract in Randers has been extended for two years.

Norway
Nobina Norway’s net sales increased strongly during the quarter compared with the corresponding period of last year, driven by increases in the existing contract portfolio. Operating profit in the quarter is in line with the corresponding period of last year. The business has stable deliveries and additional transactions indicate potential going forward. Tenders with more balanced contract terms are now being seen on the market, which is very positive for the development of the public transport market. Nobina Norway has been invited to carry out a two-year test programme involving electric-powered articulated buses, on behalf of the PTA Ruter in Oslo.

Finland
Nobina Finland’s net sales are in line with the corresponding period of last year, as is also the case as regards operating profit. Operating profit was positively affected by extra traffic driven by delays in the expansion of the metro system in Helsinki. The customer satisfaction surveys conducted each autumn demonstrated very good figures for Nobina Finland’s traffic. In December 2016, Nobina Finland won a contract for an additional 27 buses in Helsinki.

Swebus
Swebus’ net sales in the fourth quarter were lower than in the corresponding period of last year. Operating profit is in line with the corresponding period of last year and was positively affected by improved operational efficiency, while continued weak demand in the express bus segment negatively impacted operating profit.

Central functions and other items
Central functions and other items include positive effects on earnings from optimisation of the bus fleet as a consequence of contract migration, as well as optimisation of the existing bus fleet including provisions for costs associated with expected capital losses on the sale of buses.
TENDERS AND TRAFFIC CHANGES

TENDER VOLUME, FULL YEAR

<table>
<thead>
<tr>
<th>Tender volume, full year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available</td>
</tr>
<tr>
<td>Submitted</td>
</tr>
<tr>
<td>Pending</td>
</tr>
<tr>
<td>Announced</td>
</tr>
<tr>
<td>Won</td>
</tr>
</tbody>
</table>

Definitions:
- Available – Available buses in tenders outstanding this year
- Submitted – Number of buses in tenders submitted by Nobina
- Pending – Tendered minus announced
- Announced – Number of buses in tenders submitted where results have been announced
- Won – The number of Nobina’s buses awarded in decided tenders

Contract changes, full year

The table shows the change in the number of buses in traffic as a consequence of started and terminated contracts. During the period, Nobina started contracts involving 357 and ended contracts involving 505 buses.

Traffic changes during the period (number of buses)

<table>
<thead>
<tr>
<th>Mar 2016–Feb 2017</th>
<th>Started</th>
<th>Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>242</td>
<td>359</td>
</tr>
<tr>
<td>Norway</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Finland</td>
<td>107</td>
<td>140</td>
</tr>
<tr>
<td>Denmark</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>357</td>
<td>505</td>
</tr>
</tbody>
</table>

Traffic starts and terminations during the coming 12 months, March 2017–February 2018

During the coming 12-month period, Nobina will start traffic involving 148 buses, of which 81 are expected to be newly acquired. During the same period, Nobina will terminate traffic involving 138 buses.

Traffic starts

<table>
<thead>
<tr>
<th>PTA</th>
<th>No. of years</th>
<th>Traffic starts</th>
<th>No. of buses</th>
<th>New buses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Västtrafik</td>
<td>8</td>
<td>April 2017</td>
<td>58</td>
<td>38</td>
</tr>
<tr>
<td>Ruter, Norway</td>
<td>3</td>
<td>April 2017</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>HSL</td>
<td>7</td>
<td>August 2017</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>HSL</td>
<td>2</td>
<td>August 2017</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>Skånetrafiken</td>
<td>4</td>
<td>December 2017</td>
<td>42</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total traffic</strong></td>
<td><strong>148</strong></td>
<td></td>
<td><strong>81</strong></td>
<td></td>
</tr>
</tbody>
</table>

Expiring contracts

<table>
<thead>
<tr>
<th>PTA</th>
<th>Traffic ends</th>
<th>No. of buses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skyss, Norway</td>
<td>June 2017</td>
<td>44</td>
</tr>
<tr>
<td>HSL, Finland</td>
<td>August 2017</td>
<td>16</td>
</tr>
<tr>
<td>Kalmar LT</td>
<td>August 2017</td>
<td>78</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>138</strong></td>
<td></td>
</tr>
</tbody>
</table>
THE NOBINA SHARE

The Nobina share (ticker: NOBINA) is listed on Nasdaq Stockholm in the Mid Cap segment and in the industry sector. As of 28 February 2017 there were in total 88,355,682 shares in Nobina, each carrying one vote. At the end of the period, there were 15,082 shareholders. Nobina holds no shares in treasury.

Key ratios

<table>
<thead>
<tr>
<th></th>
<th>Quarter</th>
<th></th>
<th>Full year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec 16–Feb 17</td>
<td>Dec 15–Feb 16</td>
<td>Mar 16–Feb 17</td>
</tr>
<tr>
<td>Earnings per share (SEK)</td>
<td>3.02</td>
<td>0.09</td>
<td>5.86</td>
</tr>
<tr>
<td>Equity per share (SEK)</td>
<td>16.1</td>
<td>12.6</td>
<td>16.1</td>
</tr>
<tr>
<td>Number of outstanding shares at end of reporting period</td>
<td>88,355,682</td>
<td>88,355,682</td>
<td>88,355,682</td>
</tr>
<tr>
<td>Average number of shares (thousands)</td>
<td>88,356</td>
<td>88,356</td>
<td>88,356</td>
</tr>
</tbody>
</table>

NOBINA'S FINANCIAL TARGETS

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>2016/2017</th>
<th>2015/2016</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>Outstrip market</td>
<td>8 858</td>
<td>8 317</td>
<td>Nobina shall increase its net sales at a faster pace than the market (measured in number of public transport journeys in the Nordic region).</td>
</tr>
<tr>
<td>EBT margin(^1)</td>
<td>4.5%</td>
<td>4.0%</td>
<td>3.6% (^3)</td>
<td>Nobina shall increase profit before tax and achieve a margin before operating profit in excess of 4.5 per cent in the medium-long term.</td>
</tr>
<tr>
<td>Net debt/EBITDA(^4)</td>
<td>3.0x–4.0x</td>
<td>3.2x</td>
<td>3.7x (^5)</td>
<td>Under normal circumstances, Nobina intends to maintain a net debt/equity ratio within the range 3.0x to 4.0x EBITDA.</td>
</tr>
<tr>
<td>Dividend policy (^5)</td>
<td>75% of EBT</td>
<td>77%(^6)</td>
<td>77%</td>
<td>Nobina has adopted a dividend policy and expects to distribute at least 75 per cent of profit before tax (EBT).</td>
</tr>
</tbody>
</table>

\(^1\) Adjusted for items affecting comparability totalling SEK 297 million.  
\(^2\) EBITDA adjusted for items affecting comparability in the amount of SEK 204 million.  
\(^3\) EBT is defined as profit before tax.  
\(^4\) Profit for the period before net financial items, tax, amortisation/depreciation and impairment of tangible and intangible non-current assets and capital gains/losses on the sale of non-current assets. EBITDA for the past 12 months. Indebtedness may temporarily exceed this range in conjunction with the start-up of major new contracts.  
\(^5\) Taking into consideration Nobina’s cash flow, investment needs and general operating conditions.  
\(^6\) Expected payout ratio is based on the dividend proposed by the Board of Directors.

KEY RATIO INFORMATION

Performance measures during the past four quarters (definitions of performance measures and verification of alternative performance measures (APM) are presented on pages 23–24).

<table>
<thead>
<tr>
<th>Key ratios, Nobina in SEK million, unless otherwise stated</th>
<th>Q4</th>
<th>Q3</th>
<th>Q2</th>
<th>Q1</th>
<th>Full year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales for the period</td>
<td>2,243</td>
<td>2,245</td>
<td>2,146</td>
<td>2,224</td>
<td>8,858</td>
</tr>
<tr>
<td>Operating profit for the period</td>
<td>63</td>
<td>168</td>
<td>162</td>
<td>121</td>
<td>494</td>
</tr>
<tr>
<td>Profit before tax for the period</td>
<td>31</td>
<td>131</td>
<td>107</td>
<td>86</td>
<td>355</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>267</td>
<td>102</td>
<td>80</td>
<td>69</td>
<td>518</td>
</tr>
<tr>
<td>Cash flow for the period</td>
<td>101</td>
<td>154</td>
<td>-173</td>
<td>32</td>
<td>114</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>804</td>
<td>706</td>
<td>547</td>
<td>715</td>
<td>804</td>
</tr>
<tr>
<td>Equity/assets ratio, %</td>
<td>17.9</td>
<td>15.3</td>
<td>13.9</td>
<td>15.7</td>
<td>17.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>220</td>
<td>330</td>
<td>318</td>
<td>293</td>
<td>1,161</td>
</tr>
<tr>
<td>EBITDA margin, %</td>
<td>9.8</td>
<td>14.7</td>
<td>14.8</td>
<td>13.2</td>
<td>13.1</td>
</tr>
<tr>
<td>EBITDAR</td>
<td>235</td>
<td>343</td>
<td>335</td>
<td>304</td>
<td>1,215</td>
</tr>
<tr>
<td>EBITDAR margin, %</td>
<td>10.5</td>
<td>15.3</td>
<td>15.5</td>
<td>13.7</td>
<td>13.7</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>1,421</td>
<td>1,162</td>
<td>1,043</td>
<td>1,180</td>
<td>1,421</td>
</tr>
<tr>
<td>Shareholders equity/ordinary shares, SEK</td>
<td>16.1</td>
<td>13.2</td>
<td>11.8</td>
<td>13.4</td>
<td>16.1</td>
</tr>
<tr>
<td>Number of buses (per close of accounting period)</td>
<td>3,564</td>
<td>3,587</td>
<td>3,684</td>
<td>3,670</td>
<td>3,564</td>
</tr>
<tr>
<td>Calculated full-time positions</td>
<td>8,889</td>
<td>9,172</td>
<td>9,244</td>
<td>9,208</td>
<td>8,889</td>
</tr>
<tr>
<td>Production hours</td>
<td>2,896</td>
<td>2,731</td>
<td>2,674</td>
<td>2,940</td>
<td>11,241</td>
</tr>
<tr>
<td>Production kilometres</td>
<td>75,581</td>
<td>73,901</td>
<td>69,159</td>
<td>76,435</td>
<td>293,076</td>
</tr>
</tbody>
</table>
OTHER INFORMATION

Personnel
Nobina had 8,889 (8,461) employees (FTE). The increase in the number of employees is due to larger production volumes. Nobina applies collective agreements and has well-established principles and traditions as to the manner in which work times, remuneration conditions, information and cooperation are negotiated.

The parent company
The Parent Company had 11 (10) 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 consist exclusively of internal services, amounted during the fourth quarter to SEK 11 million (9). The pre-tax profit for the fourth quarter was SEK 274 million (356).

Net sales for the financial year amounted to SEK 44 million (39) and pre-tax profit/loss was SEK 2,46 million (627). The preceding year’s pre-tax earnings were affected by IPO-related transaction costs of SEK 32 million as well as incentive programme costs of SEK 172 million, in total SEK 504 million, all of which are attributable to the first and second quarters. During the third quarter, Nobina AB took over the Group’s cash pool from the subsidiary Nobina Europe AB. At the end of the financial year, cash and cash equivalents as well as funds held on restricted bank accounts amounted to SEK 796 million (9). Investments in intangible and tangible non-current assets amounted to SEK 0 million (6) for the quarter and the full year. On 28 February 2017, the Parent Company’s shareholders’ equity was SEK 2,889 million (2,928). The equity/assets ratio was 59 (71) per cent.

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

Seasonal variations
Sales, earnings and cash flow trends vary between quarters and differ as regards the regional and interregional transport operations. For regional operations, the third quarter is the strongest due to a higher transport volume, a larger number of weekdays, and a high level of travel activity, while the second and fourth quarters are weaker due to lower transport volumes during vacation and public holiday periods as well as higher costs during the winter.

The trend as regards interregional operations is different inasmuch as the second quarter is strongest due to a higher number of passengers during the vacation period. The breakdown of sales and earnings by quarter is shown in the key ratio table on page 10.

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. The index baskets in the traffic contracts are relatively well matched against the cost breakdown, but compensation takes place with a time lag of one to six months, which results in a negative impact on earnings during a period of increasing prices. An imbalance may also arise between costs incurred in a contract and index-based compensation if the index fails to reflect the actual cost structure. This may, for example, occur if an index is based on the price of diesel, while the contract in question requires buses to be run on biogas. This risk is mitigated through careful risk assessment in conjunction with the tender process. Most contracts now have an index which matches the type of fuel.

Within Swebus’ operations, there is no indexed adjustment of revenues. Increased fuel prices must be compensated for through increased ticket prices, if market conditions so allow. In July, Nobina entered into a diesel cap contract for the Norwegian subsidiary, regarding 500 metric tonnes per month for the period July 2016 up to and including February 2017, which covers 95 per cent of consumption. The cap strike level is NOK 4,228 per metric tonne. The contracted cap has not resulted in any payment being made to Nobina during the period. As of 28 February, 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 concerning risks and uncertainty factors, see the corresponding section in Nobina AB’s annual report for 2015/2016.

Disputes
Nobina is involved in an ongoing dispute against Länstrafiken Örebro regarding incorrect gas quality and with HST (the Helsinki PCA) regarding compensation for contract changes. In addition, a dispute is pending against HST regarding restrictions of the awarding to Nobina of won contracts and the application of award criteria.

Financing
Nobina’s main strategy is to finance purchases of vehicles through financial leasing or loans with 10-year terms to maturity and a residual value of ten per cent. Leasing liabilities are booked as financial leasing and, similarly to loans, are visible on the balance sheet. Nobina’s entire indebtedness relates to the financing of investments in buses and equipment used in the operations.

On 28 February 2017, Nobina had an available bank credit facility of SEK 150 million (136).

IPO
Nobina was listed on Nasdaq Stockholm with the first day of trading being 18 June 2015. The introduction price was SEK 34 per share. IPO costs that affected earnings for 2015/2016 are shown in the table ‘Items affecting comparability’ on page 7.

The impact of the IPO on 2015/2016 cash flow is shown in a table on page 5.
Important events since the quarter

• Board of Directors have proposed a dividend of 3.10 SEK (2.60) per share to be paid in June, 2017, an increase of 19 per cent since last year.

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 principles and calculation methods as in the annual report for 2015/2016. See pages 23-24 for further details regarding performance measure definitions as well as “Note 1 Company information and accounting principles”, except as stated below.

The methods and assumptions used by Nobina when calculating fair value and with respect to accounting principles for financial instruments are described in Notes 30 and 31 of the annual report and the Swedish Financial Reporting Board. Amendments to the Swedish Annual Accounts Act as from 1 January 2016 have no material effect on the Parent Company or the Group. This interim report has 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 Swedish Annual Accounts Act as from 1 January 2016 have no material 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 covers pages 1–24, and the interim period information on pages 1–13 thus constitutes an integral part of this financial report.

Assurance

The President 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, 6 April 2017

Ragnar Norbäck

CEO and Board member

The content in this year-end report has not been subject to review by the Company’s auditor.
Financial calendar
Annual report 9 May 2017
Annual general meeting 2016/2017 31 May 2017
Interim report 1 March–31 May 2017 30 June 2017
Interim report 1 June–31 August 2017 28 September 2017
Capital markets day 12 October 2017
Interim report 1 September–30 November 2017 21 December 2017

Telephone conference
Nobina will present the interim report and answer questions during a telephone conference at 10.00 CET on Thursday, 6 April 2017. The presentation will be available on the website in connection with the telephone conference. Telephone numbers and web link for participants are available on the website www.Nobina.com.

Contact persons
For further information, please contact:

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Per Skärgård, CFO +46 8-410 65 056
Mattias Gelinder, Head of Treasury and IR +46 8-410 65 402

Nobina AB
Armégatan 38, 171 71 Solna, Sverige
www.nobina.com
Reg. no. 556576-4569
**THE NOBINA GROUP’S CONSOLIDATED INCOME STATEMENT IN BRIEF**

<table>
<thead>
<tr>
<th></th>
<th>Quarter</th>
<th>Full year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec 16–Feb 17</td>
<td>Mar 16–Feb 17</td>
</tr>
<tr>
<td>Net sales</td>
<td>2,243</td>
<td>8,858</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel, tyres and other</td>
<td>–436</td>
<td>–1,637</td>
</tr>
<tr>
<td>consumables</td>
<td>–439</td>
<td>–1,704</td>
</tr>
<tr>
<td>Other external expenses</td>
<td>–397</td>
<td>–1,404</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>–1,190</td>
<td>–4,656</td>
</tr>
<tr>
<td>Capital gains/losses from</td>
<td>–12</td>
<td>–169</td>
</tr>
<tr>
<td>disposal on non-current assets</td>
<td>–168</td>
<td>–653</td>
</tr>
<tr>
<td>Depreciation/amortization and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>impairment of tangible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and intangible non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>63</td>
<td>494</td>
</tr>
<tr>
<td>Profit from net financial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial income</td>
<td>–32</td>
<td>–139</td>
</tr>
<tr>
<td>Financial expenses, Note 1</td>
<td>–397</td>
<td>–140</td>
</tr>
<tr>
<td>Net financial items</td>
<td>–32</td>
<td>–139</td>
</tr>
<tr>
<td>Profit/loss before tax</td>
<td>31</td>
<td>355</td>
</tr>
<tr>
<td>income tax</td>
<td>236</td>
<td>163</td>
</tr>
<tr>
<td>PROFIT/LOSS FOR THE PERIOD</td>
<td>267</td>
<td>518</td>
</tr>
<tr>
<td>Profit/loss for the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>attributable to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the Parent Company shareholders</td>
<td>267</td>
<td>518</td>
</tr>
<tr>
<td>Earnings per share before</td>
<td>3.02</td>
<td>5.86</td>
</tr>
<tr>
<td>dilution (SEK)</td>
<td>0.09</td>
<td>0.04</td>
</tr>
<tr>
<td>Earnings per share after</td>
<td>3.02</td>
<td>5.86</td>
</tr>
<tr>
<td>dilution (SEK)</td>
<td>0.09</td>
<td>0.04</td>
</tr>
<tr>
<td>Average number of shares</td>
<td>88,356</td>
<td>88,356</td>
</tr>
<tr>
<td>before dilution (thousands)</td>
<td>88,356</td>
<td>88,356</td>
</tr>
<tr>
<td>Average number shares</td>
<td>88,356</td>
<td>88,356</td>
</tr>
<tr>
<td>after dilution (thousands)</td>
<td>88,356</td>
<td>88,356</td>
</tr>
<tr>
<td>Number of shares outstanding</td>
<td>88,356</td>
<td>88,356</td>
</tr>
<tr>
<td>at end of period (thousands)</td>
<td>88,356</td>
<td>88,356</td>
</tr>
</tbody>
</table>

**The NOBINA GROUP’S CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<table>
<thead>
<tr>
<th></th>
<th>Quarter</th>
<th>Full year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec 16–Feb 17</td>
<td>Mar 16–Feb 17</td>
</tr>
<tr>
<td>Profit/loss for the period</td>
<td>267</td>
<td>518</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items not to be reclassified</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to profit or loss for the</td>
<td>–2</td>
<td>0</td>
</tr>
<tr>
<td>period</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Tax on items that will not be</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>reclassified to profit or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>loss for the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange-rate differences in</td>
<td>–6</td>
<td>23</td>
</tr>
<tr>
<td>foreign operations</td>
<td>–3</td>
<td>–23</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–8</td>
<td>23</td>
</tr>
<tr>
<td>for the period, net after tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>COMPREHENSIVE INCOME FOR THE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PERIOD ATTRIBUTABLE TO</td>
<td>259</td>
<td>541</td>
</tr>
<tr>
<td>PARENT COMPANY SHAREHOLDERS</td>
<td>8</td>
<td>–13</td>
</tr>
</tbody>
</table>
THE NOBINA GROUP’S CONSOLIDATED BALANCE SHEET IN BRIEF

<table>
<thead>
<tr>
<th>SEK million</th>
<th>28 Feb 2017</th>
<th>29 Feb 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>586</td>
<td>574</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Cost for leasehold improvements</td>
<td>34</td>
<td>36</td>
</tr>
<tr>
<td>Equipment, tools, fixtures and fittings</td>
<td>72</td>
<td>67</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5,178</td>
<td>5,238</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>506</td>
<td>121</td>
</tr>
<tr>
<td>Assets for pension commitments</td>
<td>20</td>
<td>11</td>
</tr>
<tr>
<td>Other non-current receivables</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>6,201</strong></td>
<td><strong>6,058</strong></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>48</td>
<td>46</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>495</td>
<td>535</td>
</tr>
<tr>
<td>Other current receivables</td>
<td>81</td>
<td>40</td>
</tr>
<tr>
<td>Deferred expenses and accrued income</td>
<td>328</td>
<td>272</td>
</tr>
<tr>
<td>Restricted bank accounts</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>804</td>
<td>683</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>1,756</strong></td>
<td><strong>1,600</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>7,957</strong></td>
<td><strong>7,658</strong></td>
</tr>
</tbody>
</table>

| **EQUITY AND LIABILITIES** |             |             |
| Equity attributable to Parent Company Shareholders | 1,421 | 1,110 |
| Non-current liabilities |             |             |
| Borrowing, Note 1 | 3,832 | 3,941 |
| Deferred tax liabilities | 124 | 102 |
| Provision for pensions and similar commitments | 46 | 36 |
| Other provisions | 56 | 57 |
| **Total non-current liabilities** | **4,058** | **4,116** |
| Current liabilities |             |             |
| Accounts payable | 569 | 473 |
| Borrowing, Note 1 | 679 | 752 |
| Other current liabilities | 215 | 222 |
| Accrued expenses and deferred income | 1,015 | 985 |
| **Total current liabilities** | **2,478** | **2,432** |
| **Total liabilities** | **6,536** | **6,548** |
| **TOTAL EQUITY AND LIABILITIES** | **7,957** | **7,658** |
## The Nobina Group’s Consolidated Statement of Changes in Equity in Brief

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Share capital</th>
<th>Other contributed capital</th>
<th>Translation differences</th>
<th>Losses brought forward</th>
<th>Total equity attributable to Parent Company shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening equity per 1 March 2015</strong></td>
<td>228</td>
<td>2 489</td>
<td>28</td>
<td>−2 435</td>
<td>310</td>
</tr>
<tr>
<td>Profit/loss for the period</td>
<td>−</td>
<td>−</td>
<td>−</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>−</td>
<td>−</td>
<td>−23</td>
<td>6</td>
<td>−17</td>
</tr>
<tr>
<td><strong>Transactions with owners</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment of issued shares to senior executives</td>
<td>−</td>
<td>1</td>
<td>−</td>
<td>−</td>
<td>1</td>
</tr>
<tr>
<td>Payment of newly issued shares</td>
<td>90</td>
<td>760</td>
<td>−</td>
<td>−</td>
<td>850</td>
</tr>
<tr>
<td>Capital acquisition costs (net after tax)</td>
<td>−</td>
<td>−38</td>
<td>−</td>
<td>−</td>
<td>−38</td>
</tr>
<tr>
<td><strong>Closing equity per 29 February 2016</strong></td>
<td>318</td>
<td>3,212</td>
<td>5</td>
<td>−2,425</td>
<td>1,110</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Share capital</th>
<th>Other contributed capital</th>
<th>Translation differences</th>
<th>Losses brought forward</th>
<th>Total equity attributable to Parent Company shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening equity per 1 March 2016</strong></td>
<td>318</td>
<td>3,212</td>
<td>5</td>
<td>−2,425</td>
<td>1,110</td>
</tr>
<tr>
<td>Profit/Loss for the period</td>
<td>−</td>
<td>−</td>
<td>−</td>
<td>518</td>
<td>518</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>−</td>
<td>−</td>
<td>23</td>
<td>−</td>
<td>23</td>
</tr>
<tr>
<td><strong>Transactions with owners</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend</td>
<td>−</td>
<td>−</td>
<td>−</td>
<td>−230</td>
<td>−230</td>
</tr>
<tr>
<td><strong>Closing equity per 28 February 2017</strong></td>
<td>318</td>
<td>3,212</td>
<td>28</td>
<td>−2,137</td>
<td>1,421</td>
</tr>
</tbody>
</table>

There are no non-controlling interests.
### The Nobina Group’s Consolidated Cash Flow Statement in Brief

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Dec 16–Feb 17</th>
<th>Dec 15–Feb 16</th>
<th>Mar 16–Feb 17</th>
<th>Mar 15–Feb 16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after financial items</td>
<td>31</td>
<td>20</td>
<td>355</td>
<td>2</td>
</tr>
<tr>
<td>Adjustment for non-cash items</td>
<td>201</td>
<td>199</td>
<td>824</td>
<td>864</td>
</tr>
<tr>
<td><strong>Cash flow from operations before changes in working capital</strong></td>
<td>232</td>
<td>219</td>
<td>1,179</td>
<td>866</td>
</tr>
<tr>
<td><strong>Cash flow from changes in working capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in inventories</td>
<td>–3</td>
<td>3</td>
<td>–2</td>
<td>3</td>
</tr>
<tr>
<td>Changes in operating receivables</td>
<td>–95</td>
<td>–20</td>
<td>–41</td>
<td>–32</td>
</tr>
<tr>
<td>Changes in operating liabilities</td>
<td>202</td>
<td>187</td>
<td>97</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total change in working capital</strong></td>
<td>104</td>
<td>170</td>
<td>54</td>
<td>–18</td>
</tr>
<tr>
<td>Received interest income</td>
<td>–</td>
<td>–</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Tax paid</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>336</td>
<td>389</td>
<td>1,234</td>
<td>850</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in restricted bank accounts</td>
<td>–</td>
<td>77</td>
<td>24</td>
<td>90</td>
</tr>
<tr>
<td>Investments in PPE and intangible assets, excl. financial leases</td>
<td>–47</td>
<td>–16</td>
<td>–290</td>
<td>–193</td>
</tr>
<tr>
<td>Sales of PPE and intangible assets</td>
<td>2</td>
<td>11</td>
<td>160</td>
<td>35</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td>–45</td>
<td>72</td>
<td>–106</td>
<td>–68</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation of financial liability</td>
<td>–161</td>
<td>–169</td>
<td>–667</td>
<td>–628</td>
</tr>
<tr>
<td>Redemption of bonds and other external loans</td>
<td>–8</td>
<td>–8</td>
<td>–39</td>
<td>–577</td>
</tr>
<tr>
<td>Payment of newly issued shares</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>850</td>
</tr>
<tr>
<td>Issue of new shares to senior executives</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>New borrowing, other external loans</td>
<td>14</td>
<td>1</td>
<td>64</td>
<td>109</td>
</tr>
<tr>
<td>Capital acquisition costs</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–49</td>
</tr>
<tr>
<td>Dividend</td>
<td>–</td>
<td>–</td>
<td>–230</td>
<td>–</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td>–190</td>
<td>–215</td>
<td>–1,014</td>
<td>–548</td>
</tr>
<tr>
<td><strong>Cash flow for the period</strong></td>
<td>101</td>
<td>246</td>
<td>114</td>
<td>234</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of period</strong></td>
<td>706</td>
<td>436</td>
<td>683</td>
<td>453</td>
</tr>
<tr>
<td>Cash flow for the period</td>
<td>101</td>
<td>246</td>
<td>114</td>
<td>234</td>
</tr>
<tr>
<td>Exchange rate difference</td>
<td>–3</td>
<td>1</td>
<td>7</td>
<td>–4</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of period</strong></td>
<td>804</td>
<td>683</td>
<td>804</td>
<td>683</td>
</tr>
</tbody>
</table>
## The Parent Company’s Income Statement in Brief

<table>
<thead>
<tr>
<th></th>
<th>Quarter</th>
<th>Full year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec 16-Feb 17</td>
<td>Dec 15-Feb 16</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other external expenses</td>
<td>-8</td>
<td>-4</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>-9</td>
<td>-8</td>
</tr>
<tr>
<td>Depreciation/amortization and impairment of intangible and tangible non-current assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating loss/profit</strong></td>
<td>-6</td>
<td>-3</td>
</tr>
<tr>
<td>Profit from participations in Group companies</td>
<td>277</td>
<td>-344</td>
</tr>
<tr>
<td>Financial income</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>-</td>
<td>-11</td>
</tr>
<tr>
<td><strong>Net financial items</strong></td>
<td>280</td>
<td>-353</td>
</tr>
<tr>
<td>Profit/loss before tax</td>
<td>274</td>
<td>-356</td>
</tr>
<tr>
<td>Income tax</td>
<td>-55</td>
<td>29</td>
</tr>
<tr>
<td><strong>Profit/Loss for the Period</strong></td>
<td>219</td>
<td>-327</td>
</tr>
</tbody>
</table>

Other comprehensive income is not reported since there are no items relating to other comprehensive income.
### THE PARENT COMPANY’S BALANCE SHEET IN BRIEF

<table>
<thead>
<tr>
<th></th>
<th>28 Feb 2017</th>
<th>29 Feb 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participations in Group companies</td>
<td>3,685</td>
<td>3,685</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>25</td>
<td>80</td>
</tr>
<tr>
<td>Receivables from Group companies</td>
<td>–</td>
<td>87</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>3,710</strong></td>
<td><strong>3,852</strong></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables from Group companies</td>
<td>398</td>
<td>292</td>
</tr>
<tr>
<td>Other current assets</td>
<td>–</td>
<td>2</td>
</tr>
<tr>
<td>Deferred expenses and accrued income</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>796</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>1,195</strong></td>
<td><strong>295</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>4,905</strong></td>
<td><strong>4,147</strong></td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity attributable to Parent Company shareholders</td>
<td><strong>2,889</strong></td>
<td>2,928</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities to Group companies</td>
<td>–</td>
<td>621</td>
</tr>
<tr>
<td>Provision for pensions and similar commitments</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>10</strong></td>
<td><strong>629</strong></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Liabilities to Group companies</td>
<td>1,991</td>
<td>576</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Accrued expenses and deferred income</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>2,006</strong></td>
<td><strong>590</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>2,016</strong></td>
<td><strong>1,219</strong></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td><strong>4,905</strong></td>
<td><strong>4,147</strong></td>
</tr>
</tbody>
</table>
THE PARENT COMPANY’S CHANGES IN EQUITY IN BRIEF

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Share capital</th>
<th>Statutory reserve</th>
<th>Share premium reserve</th>
<th>Retained earnings</th>
<th>Profit/loss for the period</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening equity per 1 March 2015</strong></td>
<td>228</td>
<td>1</td>
<td>613</td>
<td>1763</td>
<td>108</td>
<td>2 713</td>
</tr>
<tr>
<td><strong>Transfer preceding year’s profit/loss</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>108</td>
<td>–108</td>
<td>–</td>
</tr>
<tr>
<td><strong>Profit/loss for the period</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–598</td>
<td>–598</td>
</tr>
</tbody>
</table>

Transactions with owners

| New issue of shares to senior executives | – | – | 1 | – | – | 1 |
| Payment of newly issued shares | 90 | – | 760 | – | – | 850 |
| **Capital acquisition costs (net after tax)** | – | – | –38 | – | – | –38 |

**Closing equity per 29 February 2016** | 318 | 1 | 1,336 | 1,871 | –598 | 2,928 |

**Opening equity per 1 March 2016** | 318 | 1 | 1,336 | 1,871 | –598 | 2,928 |
| **Transfer of preceding year’s profit/loss** | – | – | – | –598 | 598 | – |
| **Profit for the period** | – | – | – | – | 191 | 191 |

Transactions with owners

| Dividend | – | – | – | –230 | – | –230 |

**Closing equity per 28 February 2017** | 318 | 1 | 1,336 | 1,045 | 191 | 2,889 |
### NOTE 1. FINANCING

**SEK million, unless otherwise stated**

<table>
<thead>
<tr>
<th>Operational leasing agreements, buses</th>
<th>Dec 16–Feb 17</th>
<th>Dec 15–Feb 16</th>
<th>Mar 16–Feb 17</th>
<th>Mar 15–Feb 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal value of future minimum leasing fees, buses</td>
<td>–</td>
<td>–</td>
<td>174</td>
<td>184</td>
</tr>
<tr>
<td>Present value of future minimum leasing fees, buses</td>
<td>–</td>
<td>–</td>
<td>166</td>
<td>176</td>
</tr>
<tr>
<td>Number of operationally leased buses</td>
<td>–</td>
<td>–</td>
<td>321</td>
<td>399</td>
</tr>
<tr>
<td>Operational leasing fees for the period</td>
<td>15</td>
<td>15</td>
<td>54</td>
<td>58</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond loan and other loans</td>
<td>–</td>
<td>–</td>
<td>280</td>
<td>242</td>
</tr>
<tr>
<td>Financial leasing liabilities</td>
<td>–</td>
<td>–</td>
<td>4,231</td>
<td>4,451</td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
<td>–</td>
<td>4,511</td>
<td>4,693</td>
</tr>
</tbody>
</table>

| Of which short-term repayment part of the Group’s borrowing | – | – | 679 | 752 |
| Of which long-term repayment part of borrowing | – | – | 3,832 | 3,941 |
| **Sum, total liabilities** | – | – | 4,511 | 4,693 |

<table>
<thead>
<tr>
<th>Interest expenses and similar profit/loss items</th>
<th>Dec 16–Feb 17</th>
<th>Dec 15–Feb 16</th>
<th>Mar 16–Feb 17</th>
<th>Mar 15–Feb 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expenses, financial leasing</td>
<td>–31</td>
<td>–35</td>
<td>–128</td>
<td>–131</td>
</tr>
<tr>
<td>Interest expenses, bond loan and other external loans</td>
<td>–2</td>
<td>–4</td>
<td>–10</td>
<td>–125</td>
</tr>
<tr>
<td>Other financial expenses</td>
<td>–1</td>
<td>–</td>
<td>–5</td>
<td>–4</td>
</tr>
<tr>
<td>Realised and non-realised exchange rate gains and losses, net</td>
<td>2</td>
<td>–</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>–32</td>
<td>–39</td>
<td>–140</td>
<td>–259</td>
</tr>
</tbody>
</table>

### NOTE 2. PLEDGED ASSETS AND CONTINGENT LIABILITIES

**SEK millions, unless otherwise stated**

<table>
<thead>
<tr>
<th>Pledged assets</th>
<th>Group</th>
<th>Parent company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chattel mortgages</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Other pledged assets</td>
<td>–</td>
<td>23</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contingent liabilities</th>
<th>Group</th>
<th>Parent company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee of lease obligations and other obligations</td>
<td>–</td>
<td>4,511</td>
</tr>
<tr>
<td><strong>Total pledged assets and contingent liabilities</strong></td>
<td>150</td>
<td>173</td>
</tr>
</tbody>
</table>
Glossary

City transport – Transport in a densely populated area.
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 reforms 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.
Concession 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 part 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 engine.
Expresslinje – 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 large or small 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.
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 – Traffic outside and between build-up areas in the county.
Tender – A transport company’s offer in a tendering process.
Traffic company – A company that provides transport services in accordance with a given contract with the client.
Traffic contract – A publicly tendered contract for the provision of transport services between a traffic company and the 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.
**INFORMATION REGARDING KEY PERFORMANCE MEASURES**

**Definitions**

**Alternative performance measures**

As from the second quarter, Nobina applies ESMA’s new APM (alternative performance measures) guidelines. The Company considers that the performance measures set forth below provide valuable and significant information for investors and the Company’s management since they facilitate evaluation of the Company’s performance. Financial non-IFRS measures are subject to limitations as analytical tools and must not be considered in isolation or as a substitute for financial measures which are produced in conformity with IFRS. Financial non-IFRS are reported in order to improve the investors’ evaluation of the Company’s operating results and financial performance. The financial non-IFRS presented in this report may differ from similar measures used by other companies.

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted items</td>
<td>Adjusted items of an extraordinary nature which affect comparability and which are unusual for the period or non-recurring. Adjusted items do not include transaction costs incurred in connection with the IPO</td>
</tr>
<tr>
<td>EBIT</td>
<td>Operating profit before net financial items and tax</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Operating profit before net financial items, tax, depreciation and amortisation, impairment, earnings from sale of fixed assets</td>
</tr>
<tr>
<td>EBITDA-marginal</td>
<td>EBITDA in relation to net sales</td>
</tr>
<tr>
<td>EBITDAR</td>
<td>Operating profit before net financial items, tax, depreciation and amortisation, impairment, earnings from sale of fixed assets and operational leasing expenses for buses</td>
</tr>
<tr>
<td>EBITDAR-marginal</td>
<td>EBITDAR in relation to net sales</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>Interest-bearing long-term and current liabilities (external borrowing, pension liabilities and financial leasing liabilities)</td>
</tr>
<tr>
<td>Net debt</td>
<td>Interest-bearing long-term and current liabilities (external borrowing, pension liabilities and financial leasing liabilities) less cash and cash equivalents and restricted bank accounts</td>
</tr>
<tr>
<td>Net debt EBITDA</td>
<td>Interest-bearing long-term and current liabilities (external borrowing, pension liabilities and financial leasing liabilities) less cash and cash equivalents and restricted bank accounts in relation to EBITDA for four sequential quarters</td>
</tr>
<tr>
<td>Renewal rate</td>
<td>All won tenders/All own announced tenders</td>
</tr>
<tr>
<td>Retention rate</td>
<td>Defended tenders/Own announced tenders</td>
</tr>
<tr>
<td>Average number of employees (FTE)</td>
<td>The number of hours paid divided by normal working hours for a full-time employee</td>
</tr>
<tr>
<td>Cash investments</td>
<td>Historical cost of investments in fixed assets after deduction for loan-financed investments</td>
</tr>
<tr>
<td>Reallocation rate</td>
<td>Number of buses allocated to a new contract during the year/Total number of buses</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>Profit for the period divided by average number of shares</td>
</tr>
<tr>
<td>Earnings per share after full dilution</td>
<td>Profit for the period divided by average number of shares after full dilution</td>
</tr>
<tr>
<td>Equity per ordinary share</td>
<td>Equity divided by number of outstanding ordinary shares per date of closure of accounts</td>
</tr>
<tr>
<td>Dividend yield</td>
<td>Dividend in relation to the Company's share price at the end of the accounting period</td>
</tr>
<tr>
<td>Equity/assets ratio</td>
<td>Equity in relation to total assets of the end of the period</td>
</tr>
<tr>
<td>Yield</td>
<td>Revenue per driven kilometre</td>
</tr>
<tr>
<td>Contract length</td>
<td>A publicly awarded contract for the production of traffic services entered into between a PTA and the public transport company. The contract normally applies for five to ten years with a possibility of extension for one to two years, and is based on a production or incentive agreement</td>
</tr>
<tr>
<td>Production hours</td>
<td>Total produced hours in a contract</td>
</tr>
<tr>
<td>Production kilometres</td>
<td>Total produced kilometres in a contract</td>
</tr>
<tr>
<td>Number of buses</td>
<td>The number of owned/financially leased/operationally leased/short-term rental buses at the end of the period</td>
</tr>
</tbody>
</table>
### Verification of Alternative Performance Measures

#### Performance measures, Nobina
(SEK million, unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>2016/2017</th>
<th>2015/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec 16–Feb 17</td>
<td>Mar 15–Nov 16</td>
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<tr>
<td></td>
<td>Sep–Nov 16</td>
<td>Sep–Nov 15</td>
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<tr>
<td></td>
<td>Jun–Aug 16</td>
<td>Jun–Aug 15</td>
</tr>
<tr>
<td></td>
<td>Mar–May 16</td>
<td>Mar–May 15</td>
</tr>
<tr>
<td></td>
<td>Dec 15–Feb 16</td>
<td>Mar 16–Feb 17</td>
</tr>
<tr>
<td>EBITDA and EBITDAR:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>63</td>
<td>58</td>
</tr>
<tr>
<td>Capital gain/loss upon sale of fixed assets</td>
<td>-12</td>
<td>-14</td>
</tr>
<tr>
<td>Depreciation, amortisation/impairment of intangible and tangible fixed assets</td>
<td>169</td>
<td>156</td>
</tr>
<tr>
<td>Total EBITDA</td>
<td>220</td>
<td>230</td>
</tr>
<tr>
<td>Operational leasing expenses for the period</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Total EBITDAR</td>
<td>235</td>
<td>243</td>
</tr>
</tbody>
</table>

#### Adjusted EBITDA and EBITDAR (Adjusted result is based on information from page 7):

<table>
<thead>
<tr>
<th></th>
<th>2016/2017</th>
<th>2015/2016</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td></td>
<td>Jun–Aug 16</td>
<td>Jun–Aug 15</td>
</tr>
<tr>
<td></td>
<td>Mar–May 16</td>
<td>Mar–May 15</td>
</tr>
<tr>
<td></td>
<td>Dec 15–Feb 16</td>
<td>Mar 16–Feb 17</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>63</td>
<td>58</td>
</tr>
<tr>
<td>Capital gain/loss upon sale of fixed assets</td>
<td>-12</td>
<td>-14</td>
</tr>
<tr>
<td>Depreciation, amortisation/impairment of intangible and tangible fixed assets</td>
<td>169</td>
<td>156</td>
</tr>
<tr>
<td>Total adjusted EBITDA</td>
<td>220</td>
<td>230</td>
</tr>
<tr>
<td>Operational leasing expenses for the period</td>
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</tr>
<tr>
<td>Total adjusted EBITDAR</td>
<td>235</td>
<td>243</td>
</tr>
</tbody>
</table>

#### Interest-bearing liabilities:

<table>
<thead>
<tr>
<th></th>
<th>2016/2017</th>
<th>2015/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec 16–Feb 17</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>Jun–Aug 16</td>
<td>Jun–Aug 15</td>
</tr>
<tr>
<td></td>
<td>Mar–May 16</td>
<td>Mar–May 15</td>
</tr>
<tr>
<td></td>
<td>Dec 15–Feb 16</td>
<td>Mar 16–Feb 17</td>
</tr>
<tr>
<td>Long-term borrowing</td>
<td>3,832</td>
<td>3,896</td>
</tr>
<tr>
<td>Pension liabilities</td>
<td>46</td>
<td>41</td>
</tr>
<tr>
<td>Short-term borrowing</td>
<td>679</td>
<td>752</td>
</tr>
<tr>
<td>Total interest-bearing liabilities</td>
<td>4,557</td>
<td>4,689</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>-804</td>
<td>-706</td>
</tr>
<tr>
<td>Restricted bank accounts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total net debt</td>
<td>3,753</td>
<td>3,983</td>
</tr>
<tr>
<td>EBITDA Q1</td>
<td>293</td>
<td>293</td>
</tr>
<tr>
<td>EBITDA Q2</td>
<td>318</td>
<td>318</td>
</tr>
<tr>
<td>EBITDA Q3</td>
<td>350</td>
<td>350</td>
</tr>
<tr>
<td>EBITDA Q4</td>
<td>220</td>
<td>237</td>
</tr>
<tr>
<td>Total EBITDA, full year</td>
<td>1,161</td>
<td>1,168</td>
</tr>
</tbody>
</table>

#### Net debt/EBITDA

<table>
<thead>
<tr>
<th></th>
<th>2016/2017</th>
<th>2015/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec 16–Feb 17</td>
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<tr>
<td></td>
<td>Dec 15–Feb 16</td>
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</tr>
<tr>
<td>EBITDA Q1</td>
<td>293</td>
<td>293</td>
</tr>
<tr>
<td>EBITDA Q2</td>
<td>318</td>
<td>318</td>
</tr>
<tr>
<td>EBITDA Q3</td>
<td>350</td>
<td>350</td>
</tr>
<tr>
<td>EBITDA Q4</td>
<td>220</td>
<td>227</td>
</tr>
<tr>
<td>Total adjusted EBITDA, full year</td>
<td>1,161</td>
<td>1,168</td>
</tr>
</tbody>
</table>
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