Q1 Q2 Q3 **Q4**

Nobina.

NOBINA YEAR-END REPORT MARCH 2016–FEBRUARY 2017

IMPROVED EARNINGS AND CASH FLOWS

THE FOURTH QUARTER

- Net sales of SEK 2,243 million (2,161), an increase of 3.8 per cent.
- Operating profit of SEK 63 million (58).
- Profit after tax of SEK 267 million (8), and earnings per share of SEK 3.02 (0.09). Adjusted for valuation of historical losses carried forward the result is SEK 22 million and the earnings per share is SEK 0,25.
- The cash flow from the operations was SEK 336 million (389).

THE FINANCIAL YEAR 1 MARCH 2016–28 FEBRUARY 2017

- Net sales of SEK 8,858 million (8,317), an increase of 6.5 per cent.
- Operating profit increased to SEK 494 million (462)[1].
- Profit after tax of SEK 518 million (4), and earnings per share of SEK 5.86 (0.04). Adjusted for valuation of historical losses carried forward the result is SEK 273 million and the earnings per share is SEK 3,09.
- The cash flow from the operations was SEK 1,234 million (850).
- Cash flow for the year of SEK 114 million (234). Cash flow for the year includes payment of preceding year's dividend of SEK 230 million (0).

IMPORTANT EVENTS IN THE FOURTH QUARTER

- Magnus Rosén was appointed as the new President and CEO of Nobina. Magnus joined Nobina on 1 April and will take up the position of CEO on 1 June.
- In December 2016, Nobina won contracts for a further 27 buses in Helsinki.
- Nobina has been invited to carry out a two-year test programme involving electric-powered articulated buses, on behalf of the PTA Ruter in Oslo.
- Nobina 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.

IMPORTANT EVENTS SINCE THE QUARTER

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

KEY RATIOS

	Quarter		Full year	
(SEK million, unless otherwise stated)	*Dec 16–Feb 17*	*Dec15–Feb 16*	*Mar 16–Feb 17*	*Mar 15–Feb 16*
Net sales	2,243	2,161	8,858	8,317
Operating profit (EBIT)	63	58	494	258
Profit/Loss before tax (EBT)	31	20	355	2
Cash flow for the period	101	246	114	234
Operating profit (EBIT), adjusted[1]	63	58	494	462
Profit/Loss before tax (EBT), adjusted[1]	31	20	355	299
Cash flow, adjusted[2]	101	246	114	266
			28 Feb 17	*29 Feb 16*
Cash and cash equivalents			804	683
Equity			1,421	1,110
Net debt/EBITDA, adjusted[1]			3.23	3.71
Equity/assets ratio, %			17.9	14.5

1) Preceding year adjusted for IPO costs (see page 7).

2) Preceding year adjusted for cash flow related to IPO (see page 5).

A complete performance measure table is presented on page 10. A complete APM table is presented on pages 23–24.

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, and discussions are underway regarding several pioneering investments in new electric-powered bus systems in other major cities in the Nordic region.

Thanks to higher sales combined with a stronger margin, we are able to increase the dividend. The board of directors has proposed to the annual general meeting a dividend for 2016/2017 of SEK 3.10 per share, which is 19 per cent higher than last year and in line with our communicated dividend policy.

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.

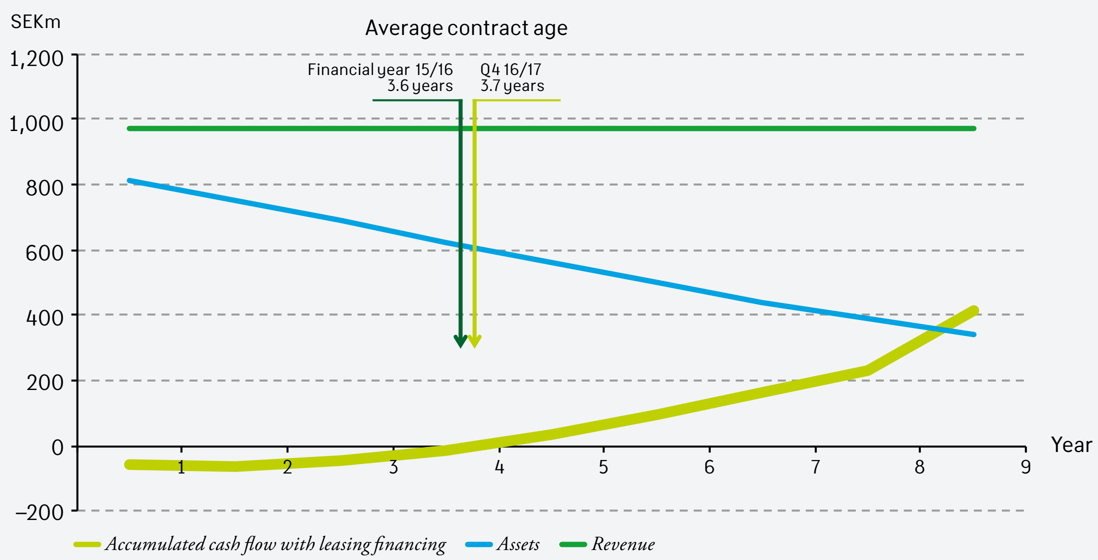
3. OPTIMISING THE BUS FLEET

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 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 PTAs 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.

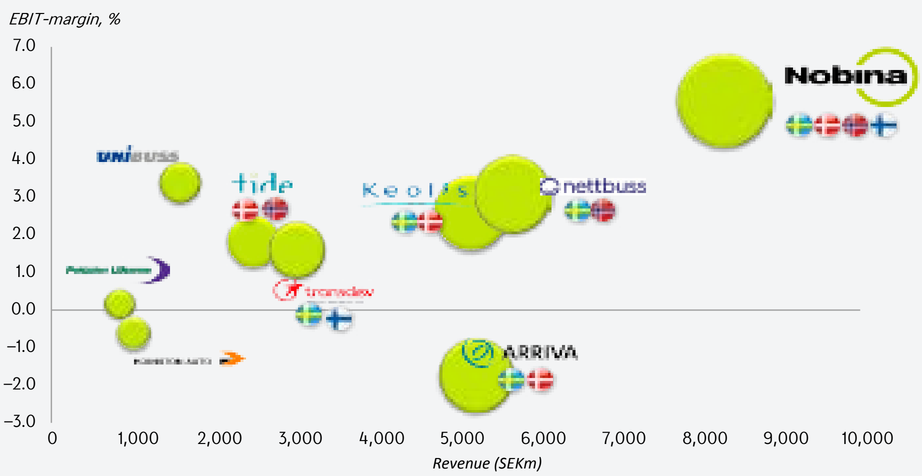
Market updates

- Following traffic reduction in Copenhagen, Hilleröd 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.

THE NORDIC PUBLIC TRANSPORT MARKET FOR BUSES



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

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. 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).

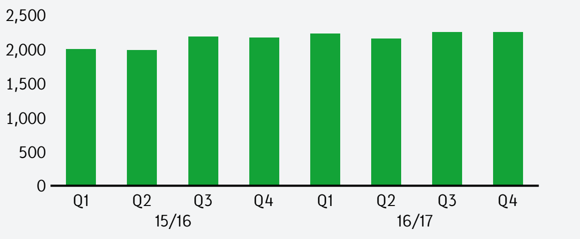
Financial position

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).

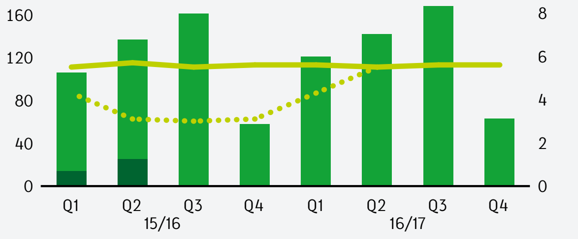
Net debt/EBITDA for the year, excluding IPO costs, was 3.23 (4.58). Net debt/EBITDA adjusted for IPO costs was 3.23 (3.71). Share-holders' equity amounted to SEK 1,421 million (1,110). The equity/assets ratio at the end of the year was 17.9 per cent (14.5).

NET SALES



Net sales, SEK million

OPERATING PROFIT AND MARGIN



Operating profit [1], SEK million

Operating profit, after IPO-costs SEK million

Operating margin [1], rolling 12 month values, %

Operating margin, after IPO-costs rolling 12 month values, %

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).

	Quarter		Full year	
Investments *(SEK millions)*	*Dec 16–Feb 17*	*Dec 15–Feb 16*	*Mar 16–Feb 17*	*Mar 15–Feb 16*
Investments in new buses	–98	–466	–811	–1,617
Other investments	–10	–2	–33	–54
Sum total investments	***–108***	***–468***	***–844***	***–1,671***
Leasing-financed investments	61	452	554	1,478
Total investments	***–47***	***–16***	***–290***	***–193***
Of which loan-financed investments	14	1	64	109
Total cash investments	***–33***	***–15***	***–226***	***–84***

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 –550 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 (234). 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 for the period (SEK millions)	*Dec 16–Feb 17*	*Mar 16–Feb 17*
IPO-related transaction costs	–	–32
Incentive programmes	–	–172
Total non-recurring items in cash flow from operations	***–***	***–204***
New issue	–	850
Capital acquisition costs	–	–49
Bond redemption	–	–550
Early bond redemption premium	–	–79
Total non-recurring items from financing activities	***–***	***172***
Total non-recurring items in cash flow for the period	***–***	***–32***

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

(SEK million)	*Net sales*	*Profit before tax*	*Commentary on results*
Period March 2015–Feb 2016	**8,317**	**2**	
Price and volume	219	49	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.
Contract migration	232	52	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.
Indexation	89	38	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.
Operational efficiency	–	–60	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.
Other	–	–47	'Other' includes property-related costs as well as IT-related costs.
Items affecting comparability	–	204	The same period last year included IPO-related costs of SEK 204 million.
Net financial items	–	117	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 93 million
Period March 2016–Feb 2017	**8,858**	**355**	

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

	Quarter		Full year	
Net sales *(SEK million)*	*Dec 16–Feb 17*	*Dec 15–Feb 16*	*Mar 16–Feb 17*	*Mar 15–Feb 16*
Net sales per segment				
Nobina Sweden	1,535	1,489	6,058	5,675
Nobina Denmark	133	126	535	511
Nobina Norway	261	229	974	925
Nobina Finland	264	260	1,044	952
Swebus	57	62	274	283
Central functions & other items	2	2	16	10
Elimination of intra-group sales	–9	–7	–43	–39
Total net sales	***2,243***	***2,161***	***8,858***	***8,317***

	Quarter		Full year	
Operating profit, adjusted for items affecting comparability[1] *(SEK million)*	*Dec 16–Feb 17*	*Dec 15–Feb 16*	*Mar 16–Feb 17*	*Mar 15–Feb 16*
Operating profit per segment				
Nobina Sweden	47	46	412	392
Nobina Denmark	1	4	19	8
Nobina Norway	0	0	20	20
Nobina Finland	22	23	73	69
Swebus	–3	–3	3	7
Central functions & other items	–4	–12	–33	–34
Total operating profit (adjusted)	***63***	***58***	***494***	***462***
Net financial items	–32	–38	–139	–163
Profit before tax (adjusted)	***31***	***20***	***355***	***299***

1) Items affecting comparability *(SEK million)*	*Mar 16–Feb 17*	*Mar 15–feb 16*
IPO-related transaction costs	–	–32
Incentive programmes	–	–172
Total items affecting comparability in operating profit for the period	–	***–204***
Net financial items	–	–93
Items affecting comparability for the period in profit before tax for the period	–	***–297***

Items affecting comparability in the preceding year's profit before tax amounted during the full year to SEK –297 million. IPO-related transaction costs amounted to SEK–32 million and costs for incentive programmes amounted to SEK–172 million. Early bond redemption costs of SEK –79 million and reversal of capitalised financing costs of SEK–14 million are reported within the net financial items for the period.

	Quarter		Full year	
Profit (SEK million)	*Dec 16–Feb 17*	*Dec 15–Feb 16*	*Mar 16–Feb 17*	*Mar 15–Feb 16*
Operating profit per segment				
Nobina Sweden	47	46	412	392
Nobina Denmark	1	4	19	8
Nobina Norway	0	0	20	20
Nobina Finland	22	23	73	69
Swebus	–3	–3	3	7
Central functions & other items	–4	–12	–33	–238
Total operating profit	***63***	***58***	***494***	***258***
Net financial items	–32	–38	–139	–256
Profit before tax	***31***	***20***	***355***	***2***
Tax	236	–12	163	2
PROFIT FOR THE PERIOD	***267***	***8***	***518***	***4***

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 Tågkompaniet 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.

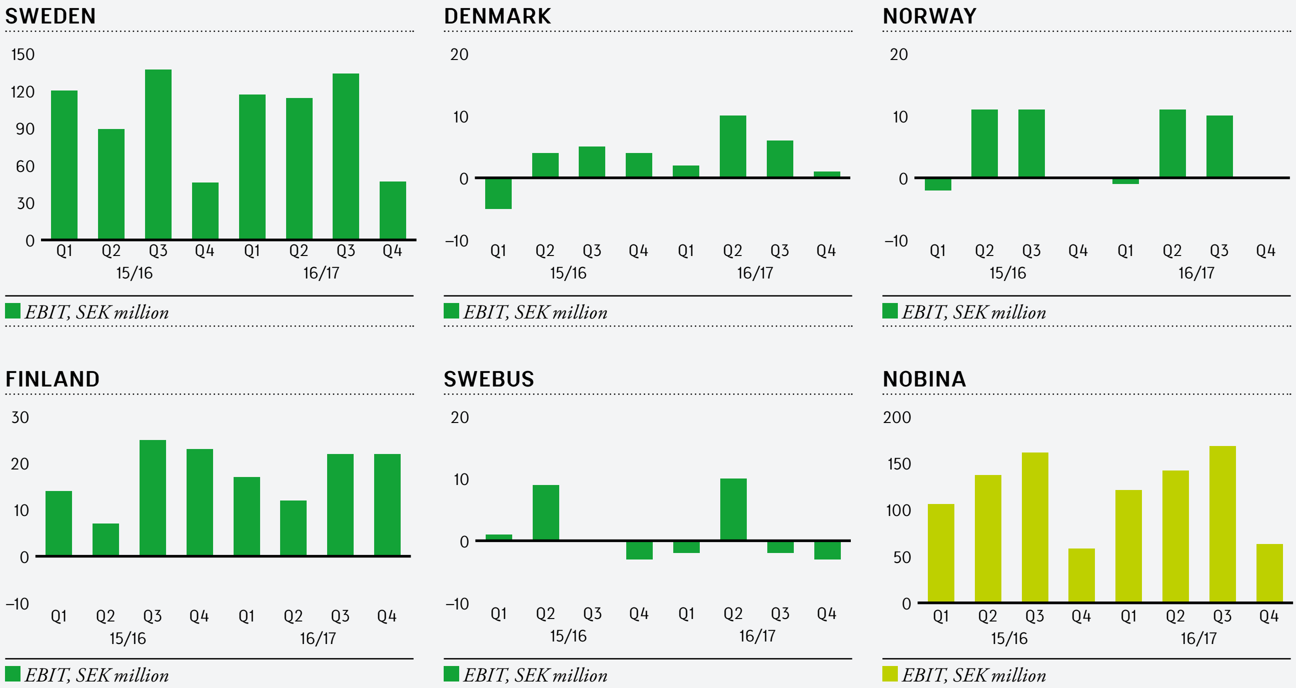
Swebus

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

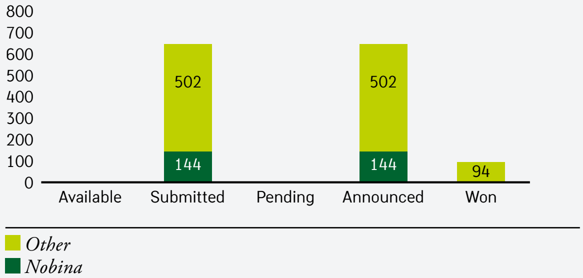
Central functions and other items include positive effects on earnings from optimisation of the bus fleet as a consequence of contract migration, as well as optimisation of the existing bus fleet including provisions for costs associated with expected capital losses on the sale of buses.

OPERATING PROFIT, EBIT, BY SEGMENT ADJUSTED FOR NON-RECURRING ITEMS (SEE TABLE ON PAGE 7)



TENDERS AND TRAFFIC CHANGES

TENDER VOLUME, FULL YEAR



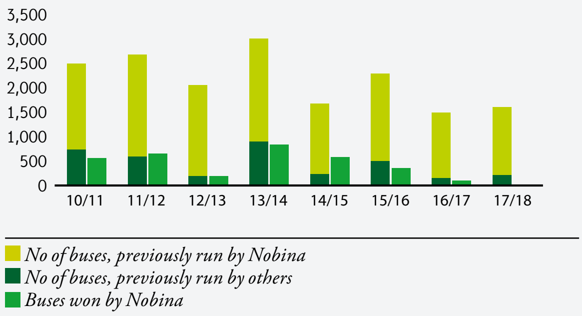
Definitions:
Available – Available buses in tenders outstanding this year
Submitted – Number of buses in tenders submitted by Nobina
Pending – Tendered minus announced
Announced – Number of buses in tenders submitted where results have been announced
Won – The number of Nobina's buses awarded in decided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

Tender results, full year

The table shows the results of the tenders in which Nobina has participated. Nobina submitted tenders for 646 buses and won contracts for 94 buses.

	Tender results during the period (number of buses)	
Mar 2016–Feb 2017	*Announced*	*Won*
Sweden	216	46
Norway	201	21
Finland	69	27
Denmark	160	0
Total	**646**	**94**

AVAILABLE TENDERS, TOTAL



The figures show the number of buses in concluded tenders, historic and prospects for 2017/2018.

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)	
Mar 2016–Feb 2017	*Started*	*Ended*
Sweden	242	359
Norway	0	0
Finland	107	140
Denmark	8	6
Total	**357**	**505**

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

PTA	*No. of years*	*Traffic starts*	*No. of buses*	*New buses*
Västtrafik	8	April 2017	58	38
Ruter, Norway	3	April 2017	21	24
HSL	7	August 2017	8	7
HSL	2	August 2017	19	0
Skånetrafiken	4	December 2017	42	12
Total traffic			**148**	**81**

Expiring contracts

PTA	*Traffic ends*	*No. of buses*
Skyss, Norway	June 2017	44
HSL, Finland	August 2017	16
Kalmar LT	August 2017	78
Total		**138**

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

	Quarter		Full year	
Nobina	*Dec 16–Feb 17*	*Dec 15–Feb 16*	*Mar 16–Feb 17*	*Mar 15–Feb 16*
Earnings per share (SEK)	3.02	0.09	5.86	0.04
Equity per share (SEK)	16.1	12.6	16.1	12.6
Number of outstanding shares at end of reporting period	88,355,682	88,355,682	88,355,682	88,355,682
Average number of shares (thousands)	88,356	88,356	88,356	80,607

NOBINA'S FINANCIAL TARGETS

	Target	2016/2017	2015/2016	Definition
Net sales	**Outstrip market**	8 858	8 317	Nobina shall increase its net sales at a faster pace than the market (measured in number of public transport journeys in the Nordic region).
EBT margin[3]	**4.5%**	4.0%	3.6% [1]	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.
Net debt/EBITDA[4]	**3.0x–4.0x**	3.2x	3.7x[2]	Under normal circumstances, Nobina intends to maintain a net debt/equity ratio within the range 3.0x to 4.0x EBITDA.
Dividend policy [5]	**75% of EBT**	77%[6]	77%	Nobina has adopted a dividend policy and expects to distribute at least 75 per cent of profit before tax (EBT).

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).

	2016/2017				
Key ratios, Nobina in SEK million, unless otherwise stated	*Q4*	*Q3*	*Q2*	*Q1*	*Full year*
Net sales for the period	*2,243*	*2,245*	*2,146*	*2,224*	*8,858*
Operating profit for the period	*63*	*168*	*142*	*121*	*494*
Profit before tax for the period (EBT)	*31*	*131*	*107*	*86*	*355*
Profit for the period	*267*	*102*	*80*	*69*	*518*
Cash flow for the period	*101*	*154*	*–173*	*32*	*114*
Cash and cash equivalents	*804*	*706*	*547*	*715*	*804*
Equity/assets ratio, %	*17.9*	*15.3*	*13.9*	*15.7*	*17.9*
EBITDA	*220*	*330*	*318*	*293*	*1,161*
EBITDA margin, %	*9.8*	*14.7*	*14.8*	*13.2*	*13.1*
EBITDAR	*235*	*343*	*333*	*304*	*1,215*
EBITDAR margin, %	*10.5*	*15.3*	*15.5*	*13.7*	*13.7*
Shareholders' equity	*1,421*	*1,162*	*1,043*	*1,180*	*1,421*
Shareholders equity/ordinary shares, SEK	*16.1*	*13.2*	*11.8*	*13.4*	*16.1*
Number of buses (per close of accounting period)	*3,564*	*3,587*	*3,684*	*3,670*	*3,564*
Calculated full-time positions	*8,889*	*9,172*	*9,244*	*9,208*	*8,889*
Production hours	*2,896*	*2,731*	*2,674*	*2,940*	*11,241*
Production kilometres	*73,581*	*73,901*	*69,159*	*76,435*	*293,076*

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 246 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 204 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 (0). Investments in intangible and tangible non-current assets amounted to SEK 0 million (0) 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 HSL (the Helsinki PTA) regarding compensation for contract changes. In addition, a dispute is pending against HSL 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.

Bond

As a consequence of the completion of the IPO, an outstanding bond of SEK 550 million was repaid in August 2015. As a consequence, interest expenses were reduced by SEK 44 million per year.

Incentive programmes

During the second quarter of last year, payment was disbursed under Nobina's two incentive programmes covering ten senior executives (including the CEO) as well as five directors (excluding the CEO), after which the incentive programmes were ended. The total cost for both programmes was SEK 172 million (including salary, social security contributions and taxes), whereupon the senior executives received a total amount of SEK 123 million (excluding social security contributions and taxes) and the directors received a total amount of SEK 11 million (excluding social security contributions and taxes).

In connection with the IPO, the amount was distributed to the participants in both programmes, and 75 per cent of the disbursed amount (net after tax) was thereafter reinvested by acquiring Nobina shares at the introduction price. The senior executives and directors acquired in total 1,341,277 shares, which increased their share ownership in Nobina from 1.1 per cent to 2.4 per cent. The acquired shares were subject to lock-in agreements which expired on 12 June 2016.

Financial targets and Dividend policy

Nobina's board of directors has confirmed that the financial targets and dividend policy adopted prior to the IPO in 2015 remain in force (see page 10).

The board of directors' dividend proposal

The board of directors has proposed to the annual general meeting a dividend for 2016/2017 of SEK 3.10 per share (SEK 2.60 per share), which is in line with the dividend policy. Based on the share price on the year-end date, 28 February 2017, the proposed dividend corresponds to a dividend yield of 5.6 per cent (7.3 per cent).

Nobina's nomination committee

In accordance with a resolution of the annual general meeting, Nobina shall have a nomination committee comprising one representative for each of the three largest shareholders in terms of votes who wish to participate in the nomination committee, together with the chairman of the board.

The members of the nomination committee have been appointed based on the ownership structure on 30 September 2016 and comprise Nuno Caetano (Invesco), Pehr-Olof Malmström (Danske Capital), Peter Lundkvist (the Third Swedish National Pension Fund) as well as board chairman Jan Sjöqvist.

The nomination committee is tasked with preparing and submitting to the 2017 annual general meeting proposals regarding a chairman of the meeting, directors, board chairman, directors' fees and compensation (if any) for committee work, auditor as well as auditor's fees. In addition, the nomination committee shall prepare and propose to the annual general meeting principles regarding the composition of the nomination committee.

Annual general meeting

The annual general meeting will be held in Stockholm at 2pm on 31 May 2017. The 2016/2017 annual report will be available on 9 May 2017 on www.nobina.com.

Important events during the fourth quarter

- Nobina won traffic contracts worth SEK 260 million and was awarded an environmental bonus of SEK 1 million in respect of HSL in Finland.
- Nobina Norway will participate in a two-year test programme involving electric-powered articulated buses together with Ruter in Oslo, starting in November 2017.
- Nobina won contracts for the provision of bus-for-rail services in Sweden on behalf of Tågkompaniet, from Värmland up to Norrbotten, and has also expanded the bus-for-rail service contract with MTR to include their metro service traffic.
- Magnus Rosén has been appointed as new President and CEO of Nobina AB. He will take up his position on 1 June 2017.

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 2015/2016. No transfers between any of the value levels have taken place during the period. The financial statements of the Parent Company, Nobina AB, 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 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.

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THE NOBINA GROUP'S CONSOLIDATED INCOME STATEMENT IN BRIEF

	Quarter		Full year	
SEK million, unless otherwise stated	*Dec 16–Feb 17*	*Dec 15–Feb 16*	*Mar 16–Feb 17*	*Mar 15–Feb 16*
Net sales	**2,243**	**2,161**	**8,858**	**8,317**
Operating expenses				
Fuel, tyres and other consumables	–436	–439	–1,637	–1,704
Other external expenses	–397	–333	–1,404	–1,173
Personnel costs	–1,190	–1,162	–4,656	–4,561
Capital gains/losses from disposal on non-current assets	12	–1	–14	–15
Depreciation/amortization and impairment of tangible and intangible non-current assets	–169	–168	–653	–606
Operating profit	**63**	**58**	**494**	**258**
Profit from net financial items				
Financial income	–	1	1	3
Financial expenses, Note 1	–32	–39	–140	–259
Net financial items	**–32**	**–38**	**–139**	**–256**
Profit/loss before tax	**31**	**20**	**355**	**2**
Income tax	236	–12	163	2
PROFIT/LOSS FOR THE PERIOD	**267**	**8**	**518**	**4**
Profit/loss for the period attributable to the Parent Company shareholders	267	8	518	4
Earnings per share before dilution (SEK)	3.02	0.09	5.86	0.04
Earnings per share after dilution (SEK)	3.02	0.09	5.86	0.04
Average number of shares before dilution (thousands)	88,356	88,356	88,356	80,607
Average number shares after dilution (thousands)	88,356	88,356	88,356	80,607
Number of shares outstanding at end of period (thousands)	88,356	88,356	88,356	88,356

The NOBINA GROUP'S CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter		Full year	
SEK million	*Dec 16–Feb 17*	*Dec 15–Feb 16*	*Mar 16–Feb 17*	*Mar 15–Feb 16*
Profit/loss for the period	**267**	**8**	**518**	**4**
Other comprehensive income				
Items not to be reclassified to profit or loss for the period				
Revaluation of defined-benefit pension plan	–2	3	0	6
Tax on items that will not be reclassified to profit or loss for the period	0	0	0	0
Items that can later be reclassified to profit or loss for the period				
Exchange-rate differences in foreign operations	–6	–3	23	–23
Other comprehensive income for the period, net after tax	**–8**	**0**	**23**	**–17**
Comprehensive income for the period	**259**	**8**	**541**	**–13**
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	**259**	**8**	**541**	**–13**

THE NOBINA GROUP'S CONSOLIDATED BALANCE SHEET IN BRIEF

SEK million	*28 Feb 2017*	*29 Feb 2016*
ASSETS		
Non-current assets		
Goodwill	586	574
Other intangible assets	4	10
Cost for leasehold improvements	34	36
Equipment, tools, fixtures and fittings	72	67
Vehicles	5,178	5,238
Deferred tax assets	306	121
Assets for pension commitments	20	11
Other non-current receivables	1	1
Total non-current assets	***6,201***	***6,058***
Current assets		
Inventories	48	46
Trade receivables	495	535
Other current receivables	81	40
Deferred expenses and accrued income	328	272
Restricted bank accounts	0	24
Cash and cash equivalents	804	683
Total current assets	***1,756***	***1,600***
TOTAL ASSETS	***7,957***	***7,658***
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	37
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

SEK million	*Share capital*	*Other contributed capital*	*Translation differences*	*Losses brought forward*	*Total equity attributable to Parent Company shareholders*
Opening equity per 1 March 2015	**228**	**2 489**	**28**	**–2 435**	**310**
Profit/loss for the period	–	–	–	4	4
Other comprehensive income	–	–	–23	6	–17
Transactions with owners					
Payment of issued 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***	***3,212***	***5***	***–2,425***	***1,110***
Opening equity per 1 March 2016	**318**	**3,212**	**5**	**–2,425**	**1,110**
Profit/Loss for the period	–	–	–	518	518
Other comprehensive income	–	–	23	–	23
Transactions with owners					
Dividend	–	–	–	–230	–230
Closing equity per 28 February 2017	***318***	***3,212***	***28***	***–2,137***	***1,421***

There are no non-controlling interests.

THE NOBINA GROUP'S CONSOLIDATED CASH FLOW STATEMENT IN BRIEF

	Quarter		*Full year*	
SEK million	*Dec 16–Feb 17*	*Dec 15–Feb 16*	*Mar 16–Feb 17*	*Mar 15–Feb 16*
Cash flow from operations				
Profit after financial items	**31**	**20**	**355**	**2**
Adjustment for non-cash items	201	199	824	864
Cash flow from operations before changes in working capital	***232***	***219***	***1,179***	***866***
Cash flow from changes in working capital				
Change in inventories	–3	3	–2	3
Changes in operating receivables	–95	–20	–41	–32
Changes in operating liabilities	202	187	97	11
Total change in working capital	***104***	***170***	***54***	***–18***
Received interest income	–	–	1	2
Tax paid	–	–	–	–
Cash flow from operations	***336***	***389***	***1,234***	***850***
Cash flow from investing activities				
Change in restricted bank accounts	–	77	24	90
Investments in PPE and intangible assets, excl.financial leases	–47	–16	–290	–193
Sales of PPE and intangible assets	2	11	160	35
Cash flow from investing activities	***–45***	***72***	***–106***	***–68***
Cash flow from financing activities				
Amortisation of financial liability	–161	–169	–667	–628
Redemption of bonds and other external loans	–8	–8	–39	–577
Payment of newly issued shares	–	–	–	*850*
Issue of new shares to senior executives	–	–	–	1
New borrowing, other external loans	14	1	64	109
Capital acquisition costs	–	–	–	–49
Interest paid	–35	–39	–142	–254
Dividend	–	–	–230	–
Cash flow from financing activities	***–190***	***–215***	***–1,014***	***–548***
Cash flow for the period	***101***	***246***	***114***	***234***
Cash and cash equivalents at the beginning of period	**706**	**436**	**683**	**453**
Cash flow for the period	101	246	114	234
Exchange rate difference	–3	1	7	–4
Cash and cash equivalents at the end of period	***804***	***683***	***804***	***683***

THE PARENT COMPANY'S INCOME STATEMENT IN BRIEF

	Quarter		*Full year*	
SEK million	*Dec 16–Feb 17*	*Dec 15–Feb 16*	*Mar 16–Feb 17*	*Mar 15–Feb 16*
Net sales	**11**	**9**	**44**	**39**
Operating expenses				
Other external expenses	–8	–4	–22	–145
Personnel costs	–9	–8	–43	–120
Depreciation/amortization and impairment of intangible and tangible non-current assets	–	–	–	–
Operating loss/profit	***–6***	***–3***	***–21***	***–226***
Profit from participations in Group companies	277	–344	277	–344
Financial income	3	2	6	12
Financial expenses	–	–11	–16	–69
Net financial items	***280***	***–353***	***267***	***–401***
Profit/loss before tax	**274**	**–356**	**246**	**–627**
Income tax	–55	29	–55	29
PROFIT/LOSS FOR THE PERIOD	***219***	***–327***	***191***	***–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	*28 Feb 2017*	*29 Feb 2016*
ASSETS		
Non-current assets		
Participations in Group companies	3,685	3,685
Deferred tax assets	25	80
Receivables from Group companies	–	87
Total non-current assets	***3,710***	***3,852***
Current assets		
Receivables from Group companies	398	292
Other current assets	–	2
Deferred expenses and accrued income	1	1
Cash and cash equivalents	796	–
Total current assets	***1,195***	***295***
TOTAL ASSETS	***4,905***	***4,147***
Equity and liabilities		
Equity attributable to Parent Company shareholders	**2,889**	**2,928**
Non-current liabilities		
Liabilities to Group companies	–	621
Provision for pensions and similar commitments	10	8
Total non-current liabilities	***10***	***629***
Current liabilities		
Accounts payable	1	4
Liabilities to Group companies	1,991	576
Other current liabilities	1	1
Accrued expenses and deferred income	13	9
Total current liabilities	***2,006***	***590***
Total liabilities	***2,016***	***1,219***
TOTAL EQUITY AND LIABILITIES	***4,905***	***4,147***

THE PARENT COMPANY'S CHANGES IN EQUITY IN BRIEF

SEK million	*Share capital*	*Statutory reserve*	*Share premium reserve*	*Retained earnings*	*Profit/loss for the period*	*Total equity*
Opening equity per 1 March 2015	**228**	**1**	**613**	**1 763**	**108**	**2 713**
Transfer preceding year's profit/loss	–	–	–	108	–108	–
Profit/loss for the period	–	–	–	–	–598	–598
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***	***1,043***	***191***	***2,889***

NOTE 1. FINANCING

SEK million, unless otherwise stated	*Quarter*		*Full year*	
	Dec 16–Feb 17	*Dec 15–Feb 16*	*Mar 16–Feb 17*	*Mar 15–Feb 16*
Operational leasing agreements, buses				
Nominal value of future minimum leasing fees, buses	–	–	174	184
Present value of future minimum leasing fees, buses	–	–	166	176
Number of operationally leased buses	–	–	321	399
Operational leasing fees for the period	15	15	54	58
Borrowing – bond loan and other liabilities				
Bond loan and other loans	–	–	280	242
Financial leasing liabilities	–	–	4,231	4,451
Total	**–**	**–**	***4,511***	***4,693***
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***
Interest expenses and similar profit/loss items				
Interest expenses, financial leasing	–31	–35	–128	–131
Interest expenses, bond loan and other external loans	–2	–4	–10	–125
Other financial expenses	–1	–	–5	–4
Realised and non-realised exchange rate gains and losses, net	2	–	3	1
Total	***–32***	***–39***	***–140***	***–259***

NOTE 2. PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK millions, unless otherwise stated	*Group*		*Parent company*	
	28 Feb 2017	*29 Feb 2016*	*28 Feb 2017*	*29 Feb 2016*
Pledged assets				
Chattel mortgages	**150**	**150**	**–**	**–**
Other pledged assets				
Other pledged assets	–	23	224	161
Contingent liabilities				
Guarantee of lease obligations and other obligations	–	–	4,511	4,539
Total pledged assets and contingent liabilities	**150**	**173**	**4,735**	**4,700**

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 predeter-mined 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.

Performance measure	Description
Adjusted items	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
EBIT	Operating profit before net financial items and tax
EBITDA	Operating profit before net financial items, tax, depreciation and amortisation, impairment, earnings from sale of fixed assets
EBITDA-marginal	EBITDA in relation to net sales
EBITDAR	Operating profit before net financial items, tax, depreciation and amortisation, impairment, earnings from sale of fixed assets and operational leasing expenses for buses
EBITDAR-marginal	EBITDAR in relation to net sales
Interest-bearing liabilities	Interest-bearing long-term and current liabilities (external borrowing, pension liabilities and financial leasing liabilities)
Net debt	Interest-bearing long-term and current liabilities (external borrowing, pension liabilities and financial leasing liabilities) less cash and cash equivalents and restricted bank accounts
Net debt EBITDA	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
Renewal rate	All won tenders/All own announced tenders
Retention rate	Defended tenders/Own announced tenders
Average number of employees (FTE)	The number of hours paid divided by normal working hours for a full-time employee
Cash investments	Historical cost of investments in fixed assets after deduction for loan-financed investments
Reallocation rate	Number of buses allocated to a new contract during the year/Total number of buses
Earnings per share	Profit for the period divided by average number of shares
Earnings per share after full dilution	Profit for the period divided by average number of shares after full dilution
Equity per ordinary share	Equity divided by number of outstanding ordinary shares per date of closure of accounts
Dividend yield	Dividend in relation to the Company's share price at the end of the accounting period
Equity/assets ratio	Equity in relation to total assets of the end of the period
Yield	Revenue per driven kilometre
Contract length	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
Production hours	Total produced hours in a contract
Production kilometres	Total produced kilometres in a contract
Number of buses	The number of owned/financially leased/operationally leased/short-term rental buses at the end of the period

VERIFICATION OF ALTERNATIVE PERFORMANCE MEASURES

Performance measures, Nobina *(SEK million, unless otherwise stated)*	***2016/2017***				***2015/2016***				**2016/ 2017**	**2015/ 2016**
	Dec 16– Feb 17	*Sep- Nov 16*	*Jun– Aug 16*	*Mar– May 16*	*Dec 15– Feb 16*	*Sep– Nov 15*	*Jun– Aug 15*	*Mar– May 15*	*Mar 16– Feb 17*	*Mar 15 Nov 16*
	Q4	*Q3*	*Q2*	*Q1*	*Q4*	*Q3*	*Q2*	*Q1*	*Full year*	*Full year*
EBITDA and EBITDAR:										
Operating profit	**63**	168	142	121	58	161	25	14	494	258
Capital gain/loss upon sale of fixed assets	**–12**	4	13	9	1	13	1	–	14	15
Depreciation, amortisation/ impairment of intangible and tangible fixed assets	**169**	158	163	163	168	156	147	135	653	606
Total EBITDA	***220***	***330***	***318***	***293***	***227***	***330***	***173***	***149***	***1,161***	***879***
Operational leasing expenses for the period	**15**	13	15	11	15	13	14	16	54	58
Total EBITDAR	***235***	***343***	***333***	***304***	***242***	***343***	***187***	***165***	***1,215***	***937***
Adjusted EBITDA and EBITDAR (Adjusted result is based on information from page 7):										
Adjusted operating profit	**63**	168	142	121	58	161	137	106	494	462
Capital gain/loss upon sale of fixed assets	**–12**	4	13	9	1	13	1	–	14	15
Depreciation, amortisation/ impairment of intangible and tangible fixed assets	**169**	158	163	163	168	156	147	135	653	606
Total adjusted EBITDA	***220***	***330***	***318***	***293***	***227***	***330***	***285***	***241***	***1,161***	***1,083***
Operational leasing expenses for the period	**15**	13	15	11	15	13	14	16	54	58
Total adjusted EBITDAR	***235***	***343***	***333***	***304***	***242***	***343***	***299***	***257***	***1,215***	***1,141***
Interest-bearing liabilities:										
Long-term borrowing	**3,832**	3,896	3,940	3,794	3,941	3,839	3,768	3,110	3,832	3,941
Pension liabilities	**46**	41	41	35	36	41	37	34	46	36
Short-term borrowing	**679**	752	752	752	752	610	610	1,166	679	752
Total interest-bearing liabilities	***4,557***	***4,689***	***4,733***	***4,581***	***4,729***	***4,490***	***4,415***	***4,310***	***4,557***	***4,729***
Cash and bank balances	**-804**	–706	–547	–715	–683	–436	–323	–413	-804	–683
Restricted bank accounts	–	–	–1	–1	–24	–101	–120	–106	–	–24
Total net debt	***3,753***	***3,983,***	***4,185***	***3,865***	***4,022***	***3,953***	***3,972***	***3,791***	***3,753***	***4,022***
EBITDA Q1	293	293	293	293	149	149	149	149		
EBITDA Q2	318	318	318	173	173	173	173	241		
EBITDA Q3	330	330	330	330	330	330	301	301		
EBITDA Q4	220	227	227	227	227	190	190	190		
Total EBITDA, full year	***1,161***	***1,168***	***1,168***	***1,023***	***879***	***842***	***813***	***881***	***1,161***	***879***
Net debt/EBITDA	**3.23**	**3.41**	**3.58**	**3.78**	**4.58**	**4.69**	**4.89**	**4.30**	**3.23**	**4.58**
Adjusted EBITDA Q1	293	293	293	293	241	241	241	241		
Adjusted EBITDA Q2	318	318	318	285	285	285	285	257		
Adjusted EBITDA Q3	330	330	330	330	330	330	301	301		
Adjusted EBITDA Q4	220	227	227	227	227	190	190	190		
Total adjusted EBITDA, full year	***1,161***	***1,168***	***1,168***	***1,135***	***1,083***	***1,046***	***1,017***	***989***	***1,161***	***1,083***

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