

Q1 Q2 Q3 Q4

A strong year

The fourth quarter

- Net sales amounted to SEK 2,325 million (2,243), an increase of 3.7 per cent.
- Operating profit amounted to SEK 84 million (63).
- Profit after tax amounted to SEK 44 million (267)*, and earnings per share totalled SEK 0.50 (3.02).
- Cash flow from operations was SEK 392 million (336).
- Cash flow for the fourth quarter totalled SEK 151 million (101).

The fiscal year 1 March 2017–28 February 2018

- Net sales amounted to SEK 9,094 million (8,858), an increase of 2.7 per cent.
- Operating profit was SEK 490 million (494).
- Profit after tax amounted to SEK 278 million (518)*, and earnings per share totalled SEK 3.15 (5.86).
- Cash flow for the year from operations was SEK 1,120 million (1,234).
- Cash flow for the year amounted to SEK –94 million (114). Cash flow for the period included the payment of the preceding year's dividend of SEK –274 million (–230).

Significant events during the fourth quarter

- Two new traffic contracts in Helsinki with HRT/HSL consisting of a total of 42 buses with a value of SEK 570 million over the contract periods of seven years (41 buses) and one year (1 bus) respectively.
- In January, Nobina became the first bus company in Scandinavia with its own autonomous buses on public roads in connection with a cooperation project in Kista with Ericsson, SJ, KTH and the City of Stockholm among others.
- New traffic contract with MOVIA in Roskilde with 21 scheduled buses and a value of approximately DKK 300 million, and traffic scheduled to start in April 2019 and extend over six years with a potential extension by a total of additional six years.

Significant events after the end of the quarter

- Extension of two contracts with Ruter in Oslo and investment in electric buses starting 2019. The extensions run until 2022 and 2023 and comprise a total of 92 scheduled buses, of which 20 are new electric articulated buses. The total value of the extensions is estimated at approximately NOK 800 million.
- The credit rating agreement with Standard & Poor's regarding Nobina AB has, on the company's own request, been withdrawn.
- The Board of Directors has proposed a dividend of SEK 3.35 (3.10) per share for payment in June 2018, which is an 8 per cent increase compared with the preceding year.

* The preceding year's results were affected by recognition of prior, unrecognised deferred tax assets. For more information, refer to the "Income tax" section on page 4.

Key ratios

(SEK million, except as otherwise indicated)

	Quarter		Full year	
	Dec 2017 –Feb 2018	Dec 2016 –Feb 2017	Mar 2017 –Feb 2018	Mar 2016 –Feb 2017
Net sales	2,325	2,243	9,094	8,858
Operating profit (EBIT)	84	63	490	494
Earnings before tax (EBT)	53	31	355	355
Cash flow for the period	151	101	–94	114
			28 Feb 2018	28 Feb 2017
Cash and cash equivalents			720	804
Shareholders' equity			1,436	1,421
Net debt/EBITDA			3.1x	3.2x
Equity/assets ratio, %			18.4	17.9

A complete table of key ratios can be found on page 10.

CEO's comments

Following a strong finish to the 2017/2018 fiscal year, we can state that we delivered Nobina's best ever result, excluding non-recurring costs of SEK 33 million, with continued growth in margin before tax and net sales that rose 2.7 per cent to SEK 9,094 million.

This performance has strengthened the prospects that we can achieve the financial targets established prior to the IPO in 2015. In addition to performance improvements in existing contracts, we are becoming better at developing profitable new business outside of contracts.

Our operations in Sweden set the tone for developments in the Group. This is a business with efficient processes, from analysis and negotiations to implementation and follow-up. We can also note a positive development for our interregional express bus service, Swebus, where passenger volumes have now grown for three consecutive months and we are successfully competing in a market with tough competition. In Denmark in the fourth quarter, we secured an additional contract, with 21 buses in Roskilde and traffic starting in 2019. In Finland, we noted a strong result in 2017/2018, as a result of the extra traffic we performed in conjunction with the extension of the metro in Helsinki. Now that this is complete, we are focusing on continuing to develop our leading position in Helsinki, and are striving to secure traffic contracts in other parts of the country.

We are becoming better at operating incentive-based contracts, where our analysis of passenger flows and extensive experience of different public transport solutions means we can provide more efficient operations that increase value for our customers and, consequently, for society in general. We have also identified a trend in all countries to include in new contracts more quality criteria as part of the tendering process, and compensation models where incentives are based on boarding passengers and the quality experienced by the customers.

We have now entered a phase with high tender volumes. A total of some 2,400 buses are to be tendered in the Nordic region in 2018/2019. We have also begun a test using autonomous buses on public roads in Kista, which has received widespread attention in the media. We believe autonomous vehicles will eventually become part of the transport solution, for the purpose of supporting and strengthening current public transport services. A transfer to electric buses in transport solutions is already underway. At the end of 2018, we will have about 50 electric-powered buses in regular services in the Nordic region.

A great deal is happening in the public transport industry and the outlook looks promising. At Nobina, we are continuing our efforts to achieve continuous improvements in efficiency to further strengthen competitiveness, but we are also reviewing opportunities to increase the growth rate. This includes more incentive-based contracts, additional business opportunities with existing customers and new bus solutions. I look forward to continuing this exciting journey together with all of Nobina's dedicated employees.

Magnus Rosén,
President and CEO

Nobina in brief

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

Every day, Nobina ensures that almost one million people get to work, school or other activities by delivering contracted public transport in Sweden, Norway, Finland and Denmark. In addition, Nobina offers express bus services under the Swebus brand in the Swedish market.

Nobina has sales of about SEK 9 billion and currently has around 11,000 employees, with its head office located in Solna, Stockholm. Nobina's success creates a better society in the form of increased mobility, reduced environmental impact and lower cost to society.

Nobina's strategy

Nobina has stable revenue from contracts and focuses on profitability as well as high quality in execution. A broad contract portfolio, an increasing contribution from new services and cost-efficient operations are essential for continuing profitable growth. At an overall level, four strategic strengths stand out that constitute the company's success factors.

1. Ensuring profitable contracts

Nobina pursues active contract management to ensure that all contracts are profitable. This comprises an inventory of the contract situation throughout the homogenous Nordic market, conducting a dialogue with the client regarding contract terms and conditions before these are published in the form of tender documentation, implementing an exact verification of conditions and risks as a basis for tender calculations and pricing that represents the traffic solution required, and never signing a contract solely based on strategic reasons at the cost of profitability.

2. Meeting terms and conditions of contracts

Through an efficient management system, delivery quality is ensured. Another dimension in Nobina's active contract portfolio management is the continuous improvements made in individual contracts. Each contract is regularly evaluated and analysed based on several metrics. Contract comparisons of the latest estimates and actual performance are followed up. Wherever irregularities are identified, Nobina acts quickly to implement selective measures or, when necessary, more comprehensive changes in operations.

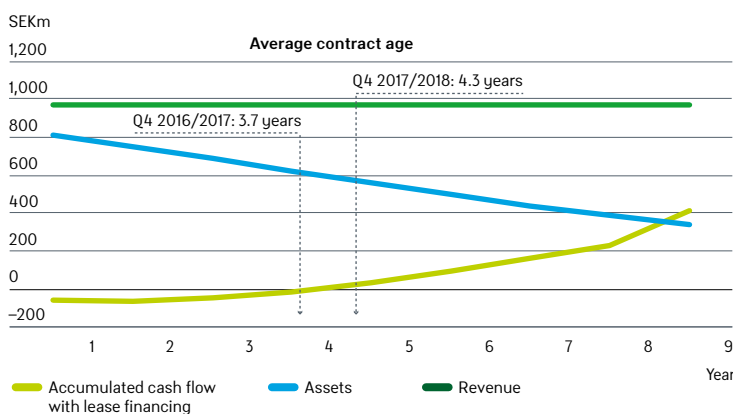
3. Optimised fleet of vehicles

Nobina's buses are purchased and managed by the wholly owned subsidiary, Nobina Fleet AB. A Group-wide fleet of vehicles affords us competitive advantages as we can optimise the buses at our disposal and centralise expertise about these. Every year, Nobina reallocates 10–15 per cent of buses to new contracts, and even between countries, which means the fleet of vehicles is utilised as efficiently as possible and that the expected service life is guaranteed. The structure also makes it possible to mix old and new buses when tenders are submitted, which has a positive impact on costs. The fleet is financed through ten-year finance leases but is depreciated over 14 years.

4. Minimise risks

It is important to assume that each contract we win is a temporary operation that runs until the contract ends. Accordingly, all resources needed for the individual contract are always organised to coincide with the duration of the agreement in terms of contract and commitment period. By maintaining this independence, Nobina can consider tenders and always price these on completely rational grounds.

The contract portfolio's degree of maturity impacts cash flow and profitability



Market

In the Nordic region, public transport solutions are critical to a sustainable development of society. Sales in the market are estimated at just over SEK 45 billion, with regional traffic accounting for more than 90 per cent of this figure. In all of the Nordic markets, an average of half of the cost of regional travel is financed through the budgets of regional public administrations.

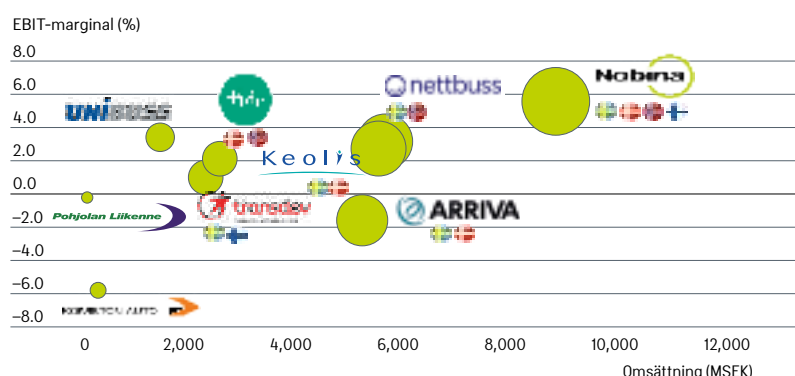
Regional tendered public transport has shown favourable growth in recent years and is expected to continue to grow moving forward, in line with a political will to increase the use of public transport and as more people choose to travel by bus. There is also a trend in all countries to include more quality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

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

Nobina's position in the market

With a 17 per cent market share (company assessment 2017–2018), Nobina is the largest public transport company in the Nordic region and the only company with operations in all of the Nordic countries. In Sweden, our leading market position is a result of high efficiency and successful work in the management and refinement of the contract portfolio. In Finland, in the role as market leader in the Helsinki region, Nobina is well positioned to increase its market share in a growing market. In the Norwegian and Danish markets, Nobina is in a challenger position, while these markets are also growing in terms of volume and the number of contracts. As the Nordic region's largest and most experienced public transport company, the conditions remain good for profitable growth.

The Nordic public transport market for buses



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

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

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

Nobina's financial performance

Fourth quarter (1 December 2017–28 February 2018) and full year (1 March 2017–28 February 2018)

Net sales

The fourth quarter

Nobina's fourth quarter net sales amounted to SEK 2,325 million (2,243), an increase of 3.7 per cent compared with the corresponding period of the preceding year. The increase was primarily attributable to an increase in revenue from existing contracts and extra traffic.

The full year

Nobina's net sales for the full year amounted to SEK 9,094 million (8,858), an increase of 2.7 per cent compared with the preceding year. The increase is from revenue from existing contracts, indexation of revenue and extra traffic and is offset by negative effects of last year's contract migration.

Results

The fourth quarter

Operating profit for the fourth quarter amounted to SEK 84 million (63), an increase by 33 per cent. The increase shows performance improvements in existing contracts and the positive effect from contracts started last year reporting greater profitability. Also additional profitable business outside of the contracts impacted the results positively in the quarter. Profit before tax amounted to SEK 53 million (31).

The full year

Operating profit for the full year amounted to SEK 490 million (494), a decline of 1 per cent, and included nonrecurring expenses of SEK 33 million. A large share of this nonrecurring expense pertains to provisions related to staff redundancies. Operating profit was positively impacted by extra traffic and the increase in passenger-

driven revenue and positively impacted by the effects of contract migration compared with last year. Profit before tax amounted to SEK 355 million (355).

Income tax

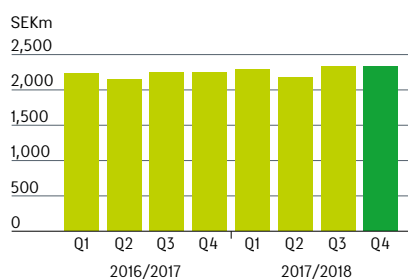
As a result of historically deductible losses from previous years in Norway, Sweden and Denmark, Nobina is not subject to any tax payment that affects cash flow. In the profit for the period, Nobina recognised SEK –6 million (0) in current tax for its operations in Finland, which impacted the Group's cash flow. Nobina's income tax in the income statement for the fourth quarter comprised current tax of SEK –1 million (0) and the change in estimated deferred tax of SEK –8 million (236). For the full year, the income tax in the income statement comprised current tax of SEK –6 million (0) and the change in deferred tax of SEK –71 million (163). The effective rate of tax was –21.7 per cent (45.9).

Financial position

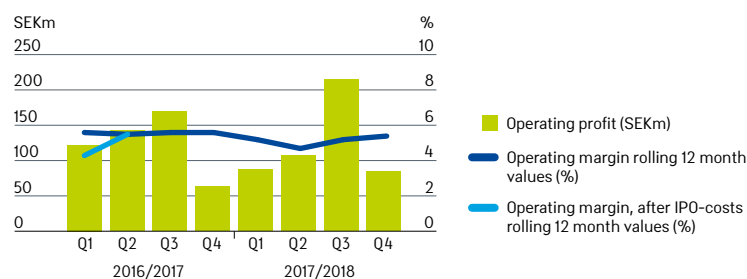
Cash and cash equivalents amounted to SEK 720 million (804) at the end of the period. In addition, Nobina had funds held on restricted bank accounts of SEK 0 million (0). Nobina has an available bank credit facility of SEK 150 million (150) as of 28 February 2018, of which SEK 0 million (0) was utilised.

Nobina's interest-bearing liabilities amounted to SEK 4,349 million (4,557), mainly divided between financial leasing liabilities of SEK 4,060 million (4,231) and other external liabilities of SEK 289 million (326). Leasing liabilities are recognised as financial leasing and are thus visible in the balance sheet. All of Nobina's liabilities are attributable to the financing of investments in buses and equipment used in operations. Net debt totalled SEK 3,629 million (3,753) at

Net sales



Operating profit and margin



	Quarter		Full year	
	Dec 2017 –Feb 2018	Dec 2016 –Feb 2017	Mar 2017 –Feb 2018	Mar 2016 –Feb 2017
Investments (SEK million)				
Investments in new buses	–159	–98	–655	–811
Other investments	–14	–10	–61	–33
Total investments	–173	–108	–716	–844
Lease-financed investments	135	61	540	554
Non-lease-financed investments	–38	–47	–176	–290
Of which loan-financed investments	–	14	4	64
Total Cash investments	–38	–33	–172	–226

the end of the period, and net debt/EBITDA was 3.1x (3.2x). Shareholders' equity amounted to SEK 1,436 million (1,421). The equity/assets ratio at the end of the period was 18.4 per cent (17.9).

Investments and divestments

The fourth quarter

Bus investments in the fourth quarter amounted to SEK –159 million (–98) and other investments were SEK –14 million (–10). Nobina signed financial leasing agreements of SEK 135 million (61). During the fourth quarter, new loans were raised totalling SEK 0 million (14). Nobina's cash investments for procurement of buses, accessories and other PPE amounted to SEK –38 million (–33). Nobina sold buses and other PPE for a value of SEK 5 million (2). The sale generated a capital gain of SEK 4 million (12).

The full year

Bus investments in the full year amounted to SEK –655 million (–811) and other investments were SEK –61 million (–33). Nobina signed financial leasing agreements of SEK 540 million (554). During the full year, new loans were taken totalling SEK 4 million (64). Nobina's cash investments for procurement of buses, accessories and other PPE amounted to SEK –172 million (–226). Nobina sold buses and other PPE for a value of SEK 62 million (160). The sale generated a capital loss of SEK –7 million (–14).

Goodwill and shares in subsidiaries

The annual test for impairment of goodwill in Nobina's cash-generating entities, as required in accordance with IFRS, took place during the fourth quarter of the 2017/2018 financial year in connection with preparation of the business plans for 2018/2019. None of the cash-generating entities whose need for impairment was tested had a book value which exceeded the recovery value. The management's assessment is that the value in use based on internal business plans for four years provides an accurate picture of Nobina. Management assesses that the impact of possible changes in the three variables – forecast profit margins, sales growth and discount rate – would not impact the recoverable amount such that it is

reduced to a value that is lower than the carrying amount of shares in subsidiaries and/or goodwill. During the full year, Nobina AB made a capital contribution into Nobina Norge AS of SEK –16 million, into Swebus Express AB of SEK –36 million, and into Nobina Fleet AB of SEK –71 million. The capital contribution has not been valued in Nobina AB. Moreover, impairment of SEK –9 million has been applied to the book value of the shares in Swebus Express AB and SEK –116 million to Nobina Norge. The total effect on Nobina AB amounted to SEK –248 million for the full year. These items have had no impact on the Group.

Cash flow

The fourth quarter

Cash flow from operations before changes in working capital amounted to SEK 228 million (232). Working capital performed positively, amounting to SEK 169 million (104).

Cash flow from investing activities amounted to SEK –33 million (–45) and investments in buses and equipment of SEK –38 million (–47), which were financed by loans amounting to SEK 0 million (14).

Cash flow from financing activities was SEK –208 million (–190). Total cash flow for the quarter was SEK 151 million (101).

The full year

Cash flow from operations before changes in working capital amounted to SEK 1,119 million (1,179). Working capital performed negatively, compared with the preceding year, amounting to SEK 8 million (54).

Cash flow from investing activities amounted to SEK –114 million (–106) and was impacted by released funds held in restricted bank accounts in an amount of SEK 0 million (24) and investments in buses and equipment of SEK –176 million (–290), which were financed by loans amounting to SEK 4 million (64). Sales of used buses generated a cash contribution of SEK 62 million (160). Cash flow from financing activities was SEK –1,100 million (–1,014) and was impacted by the dividend of SEK –274 million (–230). Total cash flow for the full year was negative SEK –94 million (114).

Result analysis for 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. 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 includes items of an extraordinary nature which are not related to the period or which are non-recurring.

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

Results analysis for the fiscal year

Management's assessment of explanatory items regarding net sales and EBT

(SEK million)	Net sales	EBT	Comments on the outcome
Period Mar 2016–Feb 2017	8,858	355	
Price and Volume	128	37	The estimated effects of price and volume were positive during the full year, in terms of net sales and EBT, and contain positive effects of extra traffic and incentive revenue.
Contract migration	-72	17	Last year's contract migrations are estimated to have had a negative impact on net sales. The change in net sales is mainly attributable to Sweden and Finland and was negatively impacted by traffic changes in the preceding year. EBT is showing signs of improvement in the contracts started last year and includes an adjustment for metro traffic in Finland that was previously recognised under price and volume.
Indexation and Operational efficiency (net)	180	7	Positive indexation effects on net sales, which mainly originate from Sweden. Lower costs for bus maintenance have a positive impact on EBT and mainly originate from Sweden.
Other	-	-32	This item includes costs related to properties, IT and projects.
Items affecting comparability	-	-33	Non-recurring expenses from the first two quarters of the year are recognised here.
Net financial items	-	4	Profit for the year was affected by lower bus financing interest payments and negative foreign-exchange effects.
Period Mar 2017–Feb 2018	9,094	355	

Age structure fourth quarter**Weighted average contract term, years**

8.0 (8.2)

The duration of contracts varies between countries, and was on average (weighted by the number of buses) 8.0 years.

Average age of bus fleet, years

6.1 (5.6)

Nobina's bus fleet had an average age of 6.1 years.

Weighted age of the contract portfolio, years

4.3 (3.7)

The average contract length (weighted by the number of buses) was 4.3 years.

Segments

Net sales (SEK MILLION)	Quarter		Full year	
	Dec 2017 –Feb 2018	Dec 2016 –Feb 2017	Mar 2017 –Feb 2018	Mar 2016 –Feb 2017
Net sales by segment				
Nobina Sweden	1,619	1,535	6,236	6,058
Nobina Denmark	142	133	544	535
Nobina Norway	251	261	1,030	974
Nobina Finland	269	264	1,071	1,044
Swebus	49	57	237	274
Central functions & other items	1	2	6	16
Elimination of sales within the Group	–6	–9	–30	–43
Total net sales	2,325	2,243	9,094	8,858

Results (SEK MILLION)	Quarter		Full year	
	Dec 2017 –Feb 2018	Dec 2016 –Feb 2017	Mar 2017 –Feb 2018	Mar 2016 –Feb 2017
Operating profit/loss by segment				
Nobina Sweden	115	47	466	412
Nobina Denmark	4	1	16	19
Nobina Norway	–3	0	1	20
Nobina Finland	13	22	91	73
Swebus	–13	–3	–36	3
Central functions & other items	–32	–4	–48	–33
Total operating profit	84	63	490	494
Net financial items	–31	–32	–135	–139
Profit before tax	53	31	355	355
Tax	–9	236	–77	163
Profit for the period	44	267	278	518

Nobina's fourth quarter reported growth compared with the prior year period in terms of net sales, while operating profit was significantly higher. Operating profit for the quarter was positively impacted by contracts started in the preceding year reporting increased profitability. Lower costs for bus maintenance and fuel consumption also had a positive effect on operating profit.

Net sales for the full year were higher year on year. Operating profit was slightly lower and includes the positive impact of higher profitability in new contracts and the negative impact from price competition in Swebus's market for express buses.

Sweden

Nobina Sweden's net sales for the fourth quarter of the year increased compared with the prior year period. Higher volumes in existing contracts and the effect of contracts that started in the preceding year had a positive effect on net sales. Operating profit was significantly higher in the quarter, positively impacted by contracts

started in the preceding year reporting increased profitability. Extra traffic and high efficiency in several traffic areas had a positive effect on operating profit. Net sales for the full year were higher than in the preceding year. Operating profit rose, mainly driven by increased profitability from contracts started in the preceding year.

Denmark

Nobina Denmark's net sales and operating profit for the fourth quarter were higher than the prior year period. The increase in both net sales and operating profit was attributable to the existing contract portfolio. Net sales for the full year were higher year on year. The improvement was due to the existing contract portfolio. Operating profit for the full year was lower than in the preceding year since last year's total profit included a positive earnings effect from lower financing costs for the bus fleet. The business demonstrated favourable underlying efficiency with strong key figures.

Norway

Nobina Norway's net sales for the fourth quarter were lower than in prior year period. Fourth-quarter operating profit was lower and negatively affected by low efficiency and low use of resources. Net sales for the full year were higher year on year and were driven by increases in the existing contract portfolio and extra traffic. Operating profit for full year was significantly lower than the prior year period and included costs for traffic starts and effects of low use of resources. Items affecting comparability have negatively impacted the full year results with SEK 2 million.

Finland

Nobina Finland's net sales for the fourth quarter were slightly higher than in the prior year period. Operating profit for the quarter was significantly lower, which was primarily linked to the negative earnings effect of the extra traffic for the extension of the Helsinki metro being discontinued in December 2017. Net sales for the full year were higher than in the preceding year. Operating profit for the full year was significantly higher and positively impacted by the extra traffic performed in connection with the extension of the Helsinki metro.

Swebus

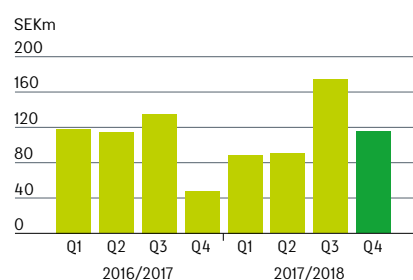
Swebus's net sales for the fourth quarter were lower than in the prior year period, which was primarily due to lower ticket prices, driven by fiercer competition in the express bus segment. The trend in passenger numbers was rising, which is highly positive. Operating profit for the fourth quarter was significantly lower than in the prior year period and was negatively impacted by price pressure driven by intensified competition. Net sales for the full year were lower than in the prior year period. Operating profit for the full year was significantly lower than in the prior year period and included nonrecurring expenses of SEK 14 million affecting comparability.

Central functions and other items

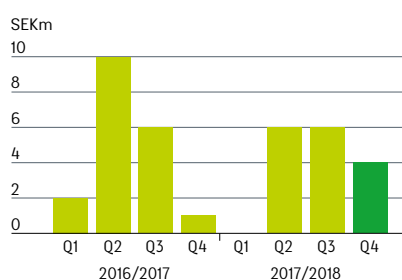
Central functions and other items were adversely affected in the fourth quarter by the reversal of central expenses associated with the bus fleet. This was driven by residual value losses that were lower for the full year compared with the preceding year. This item also includes property costs and costs for IT and project activities. Profit for the full year includes nonrecurring items for staff redundancy costs of SEK 7 million and a one-off write-down for shorter depreciation periods for express buses of SEK 10 million affecting comparability.

EBIT per segment

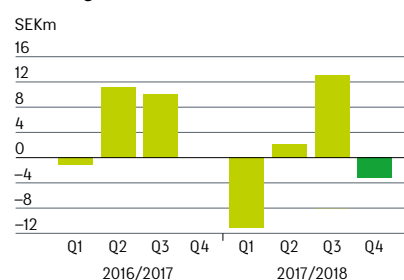
Sweden



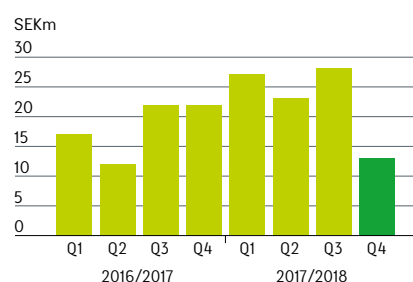
Denmark



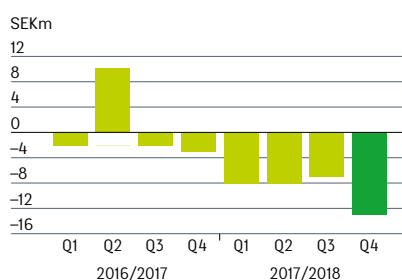
Norway



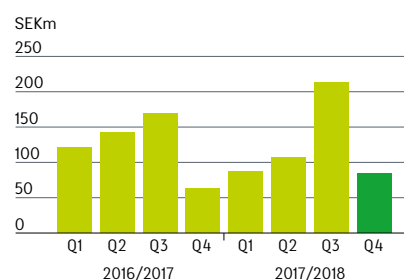
Finland



Swebus

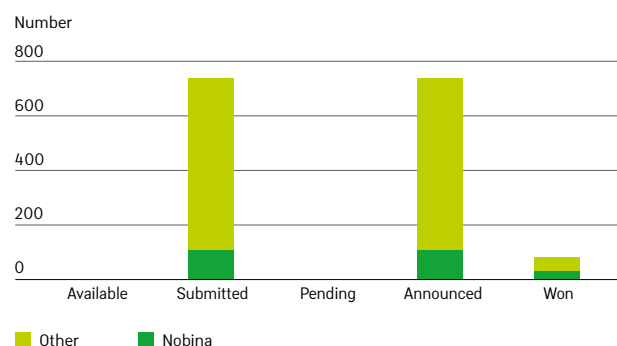


Nobina



Tender and contract changes

Tender volume, full year



Definitions:

Available – Available buses in remaining tenders this year

Submitted – Number of buses in tenders submitted by Nobina

Pending – Submitted minus announced

Announced – The number of buses in tenders 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 of the number of buses in service as a result of started and completed contracts. During the period, Nobina started contracts with 151 buses and contracts for 140 buses expired.

March 2017–February 2018	Traffic changes during the period (Number of buses)	
	Started	Expired
Sweden	103	79
Norway	21	45
Finland	27	16
Denmark	0	0
Total	151	140

Tender results, full year

The table shows the results of the tendering processes in which Nobina has participated. Nobina submitted tenders that have been announced for 737 buses and won tenders for 78 buses.

March 2017–February 2018	Tenders during the period (Number of buses)	
	Completed	Won
Sweden	138	16
Norway	370	0
Finland	98	41
Denmark	131	21
Total	737	78

Traffic starts and terminations during the coming 12 months, March 2018–February 2019

During the coming 12-month period, Nobina will start traffic involving 53 buses. Of these, 53 buses are expected to be newly acquired. During the same period, Nobina will terminate traffic involving 98 buses.

Traffic start-ups

Clients	No. of years	Start of service	Number of buses	New buses
HSL, Finland	7	August 2018	28	23
Västtrafik*	10	December 2018	13	13
Skånetrafiken	2.5	December 2018	12	12
Total traffic			53	48

Expired traffic

Clients	End of service	Number of buses
HSL, Finland	August 2018	11
Skyss, Norway	August 2018	72
HSL, Finland	December 2018	15
Total traffic		98

* The award decision has been appealed by a competitor

The Nobina share

The Nobina share (ticker: Nobina) is listed on Nasdaq Stockholm and belongs to the Mid Cap and Industry sector segment. As of 28 February 2018, there was a total of 88,355,682 shares in Nobina,

carrying one vote each. The number of shareholders at the close of the period was 18,338. Nobina has no treasury shares.

Key ratios

Nobina	Quarter		Full year	
	Dec 2017 –Feb 2018	Dec 2016 –Feb 2017	Mar 2017 –Feb 2018	Mar 2016 –Feb 2017
Earnings per share (SEK)	0.50	3.02	3.15	5.86
Equity per share (SEK)	16.2	16.1	16.2	16.1
Number of shares outstanding at end of period	88,355,682	88,355,682	88,355,682	88,355,682
Average number of shares (thousands)	88,356	88,356	88,356	88,356

Nobina's financial targets

	Target	2017/2018	2016/2017	Definition
Net sales	Increasing more than the market	9,094	8,858	Nobina aims to grow net sales at a rate faster than the market. (Measured in the number of journeys using public transport in the Nordic region).
EBT margin ¹⁾	4.5%	3.9%	4.0%	Nobina will increase profit before tax and achieve an EBT margin in excess of 4.5 per cent in the medium term.
Net debt/EBITDA ²⁾	3.0x–4.0x	3.1x	3.2x	In normal circumstances, Nobina intends to maintain a net debt/equity ratio of between 3.0 and 4.0 in relation to EBITDA.
Dividend policy ³⁾	75% of EBT	76% of EBT	77% of EBT	Nobina has established a dividend policy and anticipates distributing at least 75 per cent of profit before tax (EBT).

1) EBT is defined as profit before tax.

2) Profit/loss for the period before net financial items, taxes, amortisation/impairment of intangible and tangible non-current assets and capital gains/losses on the sale of non-current assets. EBITDA for the past twelve months. Debts can temporarily exceed this range on the start-up of new contracts or acquisitions.

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

4) The Board's dividend proposal is based on the Group's dividend policy.

Information on performance measures

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

Key ratios

SEK million, except as otherwise indicated	2017/2018				Full year
	Q1	Q2	Q3	Q4	
Net sales for the period	2,276	2,169	2,324	2,325	9,094
Operating profit for the period	87	106	213	84	490
Earnings before tax (EBT) for the period	50	74	178	53	355
Profit for the period	35	59	140	44	278
Cash flow for the period	–64	–308	127	151	–94
Cash and cash equivalents	741	427	563	720	720
Equity/assets ratio, %	18.5	16.4	18.4	18.4	18.4
EBITDA	243	289	377	253	1,162
EBITDA margin, %	10.7	13.3	16.2	10.9	12.8
EBITDAR	255	300	386	261	1,202
EBITDAR margin, %	11.2	13.8	16.6	11.2	13.2
Shareholders' equity	1,454	1,229	1,381	1,436	1,436
Shareholders' equity/ordinary share, SEK	16.5	13.9	15.6	16.2	16.2
Number of buses (on balance-sheet date)	3,639	3,670	3,607	3,625	3,625
Estimated FTEs	9,411	9,579	8,833	9,629	9,629
Production hours	2,883	2,682	2,931	2,856	11,352
Production kilometres	75,182	69,694	75,497	72,915	293,288

Other information

Personnel

Nobina had 9,629 (8,889) employees (FTEs). The change in the number of employees is mainly a result of contract migration. Nobina applies collective agreements and has well-established principles and traditions as to the manner in which working hours, remuneration conditions, information and cooperation are negotiated.

Parent Company

The Parent Company has eleven (eleven) employees who participate in the overall management of the Nobina Group, including financial analysis, follow-up and financing.

The Parent Company's net sales, which were comprised entirely of internal services, amounted to SEK 11 million (11) during the fourth quarter. The pre-tax loss for the fourth quarter was SEK 143 million (274). Net sales for the full year totalled SEK 46 million (44) and profit before tax SEK 86 million (246).

Cash and cash equivalents as well as restricted bank accounts amounted to SEK 686 million (796) at the end of the period. Investments in PPE and intangible assets amounted to SEK 0 million (0). On 28 February 2018, the Parent Company's shareholders' equity was SEK 2,676 million (2,889). The equity/assets ratio was 55 per cent (59).

Transactions with closely related parties

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

Seasonal variations

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

The 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 index-

ation 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 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.

Nobina may be affected by the result of appeals regarding the tender outcome. However, the impact is limited as no vehicle is on order and no other investments will be made before a traffic contract is signed.

For more information regarding risks and uncertainty factors, see the corresponding section in Nobina AB's Annual Report 2016/2017.

Disputes

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

Financing

Nobina has as its primary strategy the financing of the purchase of vehicles with financial leasing or loans with a term of ten years at a residual value of 10 per cent. Leasing liabilities are recognised as financial leasing and are, like loans, visible in the balance sheet. All of Nobina's liabilities are attributable to the financing of investments in buses and equipment used in operations.

Nobina has an available bank credit facility of SEK 150 million (150) as of 28 February 2018.

Financial targets and Dividend policy

Nobina's Board has confirmed that the financial targets and the dividend policy that were adopted ahead of the IPO in 2015 continue to apply (see page 10).

Dividend proposed by the Board

The Board of Directors has proposed to the Annual General Meeting a dividend for 2017/2018 of SEK 3.35 (3.10) per share, which is in line with the dividend policy. The proposed dividend corresponds to a dividend yield of 6.1 per cent (5.6) based on the share price on the balance-sheet date of 28 February 2018.

Nobina's Nomination Committee

In accordance with a resolution adopted at the AGM, Nobina will have a Nomination Committee comprising one representative for each of the three largest shareholders in terms of votes who wish to participate in the Nomination Committee, in addition to the Chairman of the Board.

The members of the Committee were appointed based on the ownership structure as of 30 September 2017, and comprise: Nuno Caetano, Invesco, Evert Carlsson, Swedbank Robur Fonder, Mattias Cullin, Danske Capital and Chairman of the Board Jan Sjöqvist.

The Nomination Committee is tasked with the preparation and submission of proposals to the 2018 AGM regarding a chairman of the meeting, directors, the Chairman of the Board, directors' fees and any compensation for committee work, auditors and auditor's fees. In addition, the Committee prepares and submits to the AGM proposals regarding principles for the composition of the Nomination Committee.

Annual General Meeting

The AGM will be held in Stockholm, Sweden, at 2 p.m. on 31 May 2018. The 2017/2018 Annual Report will be available on www.nobina.com from 9 May 2018.

Significant events during the fourth quarter

- Two new traffic contracts in Helsinki with HRT/HSL consisting of a total of 42 buses with a value of SEK 570 million over the contract periods of seven years (41 buses) and one year (1 bus) respectively.
- In January, Nobina became the first bus company in Scandinavia with its own autonomous buses on public roads in connection with a cooperation project in Kista with Ericsson, SJ, KTH and the City of Stockholm among others.
- New traffic contract with MOVIA in Roskilde with 21 scheduled buses and a value of approximately DKK 300 million, and traffic scheduled to start in April 2019 and extend over six years with a potential extension by a total of additional six years.

Significant events after the end of the quarter

- Extension of two contracts with Ruter in Oslo and investment in electric buses starting 2019. The extensions run until 2022 and 2023 and comprise a total of 92 scheduled buses, of which 20 are new electric articulated buses. The total value of the extensions is estimated at approximately NOK 800 million.
- The credit rating agreement with Standard & Poor's regarding Nobina AB has, on the company's own request, been withdrawn.
- The Board of Directors has proposed a dividend of SEK 3.35 (3.10) per share for payment in June 2018, which is an 8 per cent increase compared with the preceding year.

Accounting policies

Nobina applies International Financial Reporting Standards (IFRS) as adopted by the EU and applies RFR 1 "Supplementary accounting rules for groups". Nobina applies the same accounting principles and calculation methods as in the annual report for 2016/2017. Nobina did not apply in advance any of the new standards that come into effect on or after 1 January 2018.

The introduction of *IFRS 9* entails changed principles for reserves and impairment of credit losses. The effects of *IFRS 9* are not expected to result in any material impact on the Nobina Group's income statement or balance sheet. The opening balances for 2018/2019 have not been adjusted. The Nobina Group intends to implement *IFRS 9* for the fiscal year beginning in March 2018 (2018/2019).

The purpose of *IFRS 15 Revenue from Contracts with Customers* is to replace all current regulations with new regulations for revenue recognition. Revenue is recognised when control of the sold good or service is passed to the customer and the customer has control over the good or service when it is possible to direct the use of and obtain substantially all of the remaining benefits from the asset. During the fiscal year, the Nobina Group continued its work on identifying, categorising and analysing customer contracts in accordance with *IFRS 15*, with internal workshops supplemented with outsourced external *IFRS* expertise, to interpret and identify agreed performance obliga-

tions. The Nobina Group's current contract forms and revenue streams are: 1) *Traffic contracts* for tendered traffic preceded by a tendered traffic contract that has been signed by both parties and that states the rights and obligations of the buyer and the seller, the delivery terms, bonus conditions, penalties and payment terms. 2) *Passenger revenue*, whereby the parties' rights and obligations are accepted via an implemented cash transaction (ticket purchase) also in conjunction with performance of the service. 3) *Coach hire and other services* are currently covered by an accepted tender or invoiced amounts in conjunction with performance of the services by the Nobina Group. In its analysis, the Nobina Group qualified the estimated effects of *IFRS 15* and identified items that will be adjusted for classification purposes, between recognised revenue and other expenses amounting to minus SEK 55 million for the full year in revenue reduction and plus SEK 55 million in expenses reduction among other external expenses. Accordingly, the classification effects have no impact on operating profit, profit for the year or total assets. The opening balances for 2018/2019 have not been adjusted. The Nobina Group intends to implement *IFRS 15* for the fiscal year beginning in March 2018 (2018/2019), with complete retroactive application of the 2017/2018 fiscal year, subject to adjustments of all periods presented. *IFRS 15* will entail expanded disclosure requirements.

The new *IFRS 16* standard removes the classification of leases between operating and finance lease undertakings, as required in IAS 17. Pursuant to the new model, all leases entail that the lessee is granted control over an asset when the lease commences. When *IFRS 16* is implemented, the lessee is to recognise assets and liabilities for all leases with contractual terms exceeding 12 months and when the underlying asset is of considerable value. Depreciation of leased assets and interest expenses are recognised in profit or loss. The impact of *IFRS 16* is estimated to affect the Nobina Group's total assets by slightly more than SEK 1,000 million compared with the Group's current total assets. The Nobina Group's equity/assets ratio is expected to be negatively impacted by approximately 3.0 percentage points. Net debt/EBITDA is preliminarily expected to be affected from the current 3.1 to 3.3. The Nobina Group intends to implement *IFRS 16* for the fiscal year beginning in March 2019 (2019/2020), with complete retroactive application of the 2018/2019 fiscal year, subject to adjustments of all periods presented. The financial statements for the Parent Company, Nobina AB, and the Group were prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities, as well as opinions issued by the Swedish Financial Reporting Board. This interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act and covers pages 1–25, and the interim period information on pages 1–13 thus constitutes an integral part of this financial report.

Assurance

The CEO hereby provides an assurance that the interim report provides a true and fair view of the operations, financial position and earnings of the company and the Group and describes the significant risks and uncertainty factors facing the Company and companies within the Group.

Stockholm, 5 April 2018

Magnus Rosén
President and CEO

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

Financial calendar

Annual Report	9 May 2018
Annual General Meeting 2017/2018	31 May 2018
Interim report 1 March–31 May 2018	29 June 2018
Interim report 1 June–31 August 2018	27 September 2018
Capital Markets Day	9 October 2018
Interim report 1 September–30 November 2018	20 December 2018

Telephone conference

Nobina will present the year-end report and answer questions during a telephone conference at 10.00 a.m. CET on Thursday, 5 April 2018. The presentation will be available on the website in connection with the telephone conference. Telephone numbers and web link for participants are available on www.nobina.com.

Contact persons

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 Reg. no. 556576-4569

Condensed consolidated income statement

SEK million	Quarter		Full year	
	Dec 2017 –Feb 2018	Dec 2016 –Feb 2017	Mar 2017 –Feb 2018	Mar 2016 –Feb 2017
Net sales	2,325	2,243	9,094	8,858
Operating expenses				
Fuel, tyres and other consumables	–442	–436	–1,651	–1,637
Other external expenses	–358	–397	–1,362	–1,404
Personnel costs	–1,272	–1,190	–4,919	–4,656
Capital gains/losses from the disposal of non-current assets	4	12	–7	–14
Depreciation/amortisation of intangible and tangible non-current assets	–173	–169	–665	–653
Operating profit	84	63	490	494
Profit from net financial items				
Financial income	–	–	–	1
Financial expenses, Note 1	–31	–32	–135	–140
Net financial items	–31	–32	–135	–139
Profit before tax	53	31	355	355
Income tax	–9	236	–77	163
PROFIT FOR THE PERIOD	44	267	278	518
Profit for the period attributable to Parent Company shareholders	44	267	278	518
Earnings per share before dilution (SEK)	0.50	3.02	3.15	5.86
Earnings per share after dilution (SEK)	0.50	3.02	3.15	5.86
Average number of shares before dilution (000s)	88,356	88,356	88,356	88,356
Average number of shares after dilution (000s)	88,356	88,356	88,356	88,356
Number of shares outstanding at year-end (thousands)	88,356	88,356	88,356	88,356

Statement of consolidated comprehensive income

SEK million	Quarter		Full year	
	Dec 2017 –Feb 2018	Dec 2016 –Feb 2017	Mar 2017 –Feb 2018	Mar 2016 –Feb 2017
Profit for the period	44	267	278	518
Other comprehensive income				
Items not to be reclassified to profit or loss for the period				
Revaluation of defined-benefit pension plan	–1	–2	0	0
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	12	–6	11	23
Other comprehensive income for the period, net after tax	11	–8	11	23
Comprehensive income for the period	55	259	289	541
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	55	259	289	541

Condensed consolidated balance sheet

SEK million	28 Feb 2018	28 Feb 2017
ASSETS		
Non-current assets		
Goodwill	581	586
Other intangible assets	6	4
Costs for leasehold improvements	32	34
Equipment, tools, fixtures and fittings	93	72
Vehicles	5,093	5,178
Deferred tax assets	253	306
Assets for pension commitments	18	20
Other non-current receivables	5	1
Total non-current assets	6,081	6,201
Current assets		
Inventories	44	48
Trade receivables	549	495
Other current receivables	48	81
Deferred expenses and accrued income	365	328
Restricted bank accounts	0	0
Cash and cash equivalents	720	804
Total current assets	1,726	1,756
TOTAL ASSETS	7,807	7,957
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity attributable to Parent Company shareholders	1,436	1,421
Non-current liabilities		
Borrowing, Note 1	3,582	3,832
Deferred tax liabilities	143	124
Provisions for pensions and similar commitments	41	46
Other provisions	40	56
Total non-current liabilities	3,806	4,058
Current liabilities		
Accounts payable	543	569
Borrowing, Note 1	726	679
Other current liabilities	192	215
Accrued expenses and deferred income	1,104	1,015
Total current liabilities	2,565	2,478
Total liabilities	6,371	6,536
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,807	7,957

Condensed consolidated statement of changes in equity

SEK million	Share capital	Other contributed capital	Translation differences	Profit/loss brought forward	Total equity attributable to Parent Company shareholders
Opening equity, 1 March 2016	318	3,212	5	-2,425	1,110
Profit for the period	-	-	-	518	518
Other comprehensive income	-	-	23	-	23
Transactions with owners					
Dividend	-	-	-	-230	-230
Closing equity, 28 February 2017	318	3,212	28	-2,137	1,421
Opening equity, 1 March 2017	318	3,212	28	-2,137	1,421
Profit for the period	-	-	-	278	278
Other comprehensive income	-	-	11	-	11
Transactions with owners					
Dividend	-	-	-	-274	-274
Closing equity, 28 February 2018	318	3,212	39	-2,133	1,436

There are no non-controlling interests.

Condensed consolidated cash-flow statement

SEK million	Quarter		Full year	
	Dec 2017 –Feb 2018	Dec 2016 –Feb 2017	Mar 2017 –Feb 2018	Mar 2016 –Feb 2017
Cash flow from operating activities				
Profit after financial items	53	31	355	355
Adjustments for non-cash items	175	201	764	824
Cash flow from operations before changes in working capital	228	232	1,119	1,179
Cash flow from changes in working capital				
Change in inventories	1	–3	4	–2
Changes in operating receivables	–125	–95	–53	–41
Changes in operating liabilities	293	202	57	97
Total change in working capital	169	104	8	54
Received interest income	–1	–	–1	1
Tax paid	–4	–	–6	–
Cash flow from operating activities	392	336	1,120	1,234
Cash flow from investing activities				
Changes in restricted bank accounts	–	–	–	24
Investments in PPE and intangible assets, excl. financial leases	–38	–47	–176	–290
Divestment of PPE and intangible assets	5	2	62	160
Cash flow from investing activities	–33	–45	–114	–106
Cash flow from financing activities				
Amortisation of financial liability	–166	–161	–653	–667
Amortisation of other external loans	–10	–8	–44	–39
New borrowing, other external loans	–	14	4	64
Interest paid	–32	–35	–133	–142
Dividend	–	–	–274	–230
Cash flow from financing activities	–208	–190	–1,100	–1,014
Cash flow for the period	151	101	–94	114
Cash and cash equivalents at the beginning of the period	563	706	804	683
Cash flow for the period	151	101	–94	114
Exchange-rate difference	6	–3	10	7
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	720	804	720	804

Consolidated income statement

– Parent Company

SEK million	Quarter		Full year	
	Dec 2017 –Feb 2018	Dec 2016 –Feb 2017	Mar 2017 –Feb 2018	Mar 2016 –Feb 2017
Net sales	11	11	46	44
Operating expenses				
Other external expenses	–8	–8	–22	–22
Personnel costs	–4	–9	–37	–43
Depreciation/amortisation of intangible and tangible non-current assets	–	–	–	–
Operating loss	–1	–6	–13	–21
Profit from participations in Group companies	143	277	98	277
Financial income	1	3	5	6
Financial expenses	–	–	–4	–16
Net financial items	144	280	99	267
Profit before tax	143	274	86	246
Income tax	–25	–55	–25	–55
PROFIT FOR THE PERIOD	118	219	61	191

Since there are no items attributable to other comprehensive income, other comprehensive income is not recognised.

Condensed balance sheet

– Parent Company

SEK million	28 Feb 2018	28 Feb 2017
ASSETS		
Non-current assets		
Participations in Group companies	3,678	3,685
Deferred tax assets	–	25
Receivables from Group companies	–	–
Total non-current assets	3,678	3,710
Current assets		
Receivables from Group companies	445	398
Other current receivables	1	–
Deferred expenses and accrued income	7	1
Cash and cash equivalents	686	796
Total current assets	1,139	1,195
TOTAL ASSETS	4,817	4,905
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity attributable to Parent Company shareholders	2,676	2,889
Non-current liabilities		
Provisions for pensions and similar commitments	8	10
Total non-current liabilities	8	10
Current liabilities		
Accounts payable	2	1
Liabilities to Group companies	2,113	1,991
Other current liabilities	3	1
Accrued expenses and deferred income	15	13
Total current liabilities	2,133	2,006
Total liabilities	2,141	2,016
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,817	4,905

Condensed Parent Company statement of changes in equity

SEK million	Share capital	Statutory reserve	Share premium reserve	Profit/loss brought forward	Profit for the period	Total shareholders' equity
Opening equity, 1 March 2016	318	1	1,336	1,871	-598	2,928
Transfer of the preceding year's profit/loss	-	-	-	-598	598	-
Profit for the period	-	-	-	-	191	191
Transactions with owners						
Dividend	-	-	-	-230	-	-230
Closing equity, 28 February 2017	318	1	1,336	1,043	191	2,889
Opening equity, 1 March 2017	318	1	1,336	1,043	191	2,889
Transfer of the preceding year's profit/loss	-	-	-	191	-191	-
Profit for the period	-	-	-	-	61	61
Transactions with owners						
Dividend	-	-	-	-274	-	-274
Closing equity, 28 February 2018	318	1	1,336	960	61	2,676

Notes

NOTE 1 FINANCING

SEK million, except as otherwise indicated	Quarter		Full year	
	Dec 2017 –Feb 2018	Dec 2016 –Feb 2017	Mar 2017 –Feb 2018	Mar 2016 –Feb 2017
Operating leases – buses				
Nominal value of future minimum leasing fees, buses	–7	–65	148	174
Present value of future minimum leasing fees, buses	–7	–59	142	166
Number of operational leases, buses	–52	–10	262	321
Fees for operating leases for the period	8	15	40	54
Borrowing				
Other loans for bus financing	248	280	248	280
Finance lease liability for bus financing	4,060	4,231	4,060	4,231
Total	4,308	4,511	4,308	4,511
Of which short-term repayment by installment of portion of the Group's borrowings	726	679	726	679
Of which long-term portion of the Group's borrowing	3,582	3,832	3,582	3,832
Total liabilities	4,308	4,511	4,308	4,511
Interest expenses and similar loss items				
Interest expense, finance leases	–28	–31	–118	–128
Interest expense, other loans	–3	–2	–9	–10
Other financial expenses	–1	–1	–5	–5
Realised and unrealised exchange gains/losses, net	1	2	–3	3
Total	–31	–32	–135	–140

NOTE 2 PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK million, except as otherwise indicated	Group		Parent Company	
	28 Feb 2018	28 Feb 2017	28 Feb 2018	28 Feb 2017
Pledged assets				
Chattel mortgage	150	150	–	–
Other pledged assets	–	–	406	224
Contingent liabilities				
Guarantee of lease obligations and other obligations	21	–	4,033	4,511
Total pledged assets and contingent liabilities	171	150	4,439	4,735

Glossary

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

Change prices – How much compensation changes per bus hour or kilometres within the framework of the free volume in a contract.

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 reform in the 1980s, the state allocates concessions to clients (municipalities and county councils), which in turn provide public transport services through contracts with traffic companies. These procurements are carried out in accordance with Swedish procurement acts.

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

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

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

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

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

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

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

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 in accordance with predetermined production, a route network, timetable and a number of other requirements as the base. Compensation is based on the number of hours, kilometres, buses or a combination of these.

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 procurements are carried out in accordance with Swedish procurement acts.

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

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

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

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

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

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

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

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

Information on performance measures

Definitions

Alternative performance measures

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

and should not be regarded as isolated or as replacements for financial measures prepared pursuant to IFRS. Financial non-IFRS measures are reported in order to improve the investors' valuation of the company's results from operations and position. The financial non-IFRS measures presented in this report can differ from similar measures used by other companies.

Key ratios	Description
Rolling 12 months	Total for the most recent four quarters
EBIT	Operating profit before net financial items and taxes
EBITDA	Operating profit before net financial items, tax, depreciation, amortisation, earnings from sale of fixed assets
EBITDA margin	EBITDA in relation to net sales
EBITDAR	Operating profit before net financial items, tax, depreciation, amortisation, earnings from sale of fixed assets and operating leasing expenses for buses
EBITDAR margin	EBITDAR in relation to net sales
Interest-bearing liabilities	Interest-bearing non-current and current liabilities (external loans, pension liabilities and financial lease liabilities)
Net debt	Interest-bearing non-current and current liabilities (external loans, pension liabilities and financial lease liabilities) after deducting cash and cash equivalents and restricted bank balances
Net debt/EBITDA	Interest-bearing non-current and current liabilities (external loans, pension liabilities and financial lease liabilities) after deducting cash and cash equivalents and restricted bank accounts in relation to EBITDA during four sequential quarters
Renewal rate	All won tenders/All own announced tenders
Retention rate	Defended tenders/Own announced tenders
Average number of employees (FTEs)	The number of hours paid divided by normal working hours for a full-time employee
Cash investments	Cost of investments in non-current assets less sales loan-financed investments
Reallocation rate	Number of buses allocated to a new contract during the year/Total number of buses
Earnings per share	Profit for the period divided by average number of shares
Earnings per share after full dilution	Profit for the period divided by average number of shares after full dilution
Shareholders' equity per ordinary share	Shareholders' equity per ordinary share as per the balance-sheet date
Dividend yield	Dividend in relation to the company's share price as per the balance-sheet date
Equity/assets ratio	Equity in relation to total assets at the end of the period
Yield	Revenue per driven kilometre
Contract length	A publicly tendered contract concluded for the provision of transport services between a client and a public transport company. The duration of the contract is typically five to ten years, with the option of extending for an additional one or two years. It is based on either a production or an incentive contract
Production hours	Number of hours produced as part of a contract
Production kilometres	Total number of kilometres produced as part of a contract
Number of buses	The number of buses that are owned on finance or operating leases or rented on a short-term basis at the end of the period

Verification of alternative performance measures

SEK million, except as otherwise indicated	2016/2017				2017/2018				Full year	Full year
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Mar 2016 –Feb 2017	Mar 2017 –Feb 2018
Net sales	2,224	2,146	2,245	2,243	2,276	2,169	2,324	2,325	8,858	9,094
Operating profit	121	142	168	63	87	106	213	84	494	490
Earnings before tax (EBT)	86	107	131	31	50	74	178	53	355	355
Cash flow for the period	32	-173	154	101	-64	-308	127	151	114	-94
EBITDA and EBITDAR:										
Operating profit	121	142	168	63	87	106	213	84	494	490
Capital losses from the disposal of non-current assets	9	13	4	-12	0	10	1	-4	14	7
Depreciation/amortisation of intangible and tangible non-current assets	163	163	158	169	156	173	163	173	653	665
Total EBITDA	293	318	330	220	243	289	377	253	1,161	1,162
Fees for operating leases for the period	11	15	13	15	12	11	9	8	54	40
Total EBITDAR	304	333	343	235	255	300	386	261	1,215	1,202
Interest-bearing liabilities:										
Non-current borrowing	3,794	3,940	3,896	3,832	3,762	3,776	3,622	3,582	3,832	3,582
Pension liability	35	41	41	46	45	43	43	41	46	41
Current borrowing	752	752	752	679	705	705	705	726	679	726
Total interest-bearing liabilities	4,581	4,733	4,689	4,557	4,512	4,524	4,370	4,349	4,557	4,349
Cash	-715	-547	-706	-804	-741	-427	-563	-720	-804	-720
Restricted bank accounts	-1	-1	0	0	0	0	0	0	0	0
Total net debt	3,865	4,185	3,983	3,753	3,771	4,097	3,807	3,629	3,753	3,629
EBITDA Q1	293	293	293	293	243	243	243	243		
EBITDA Q2	173	318	318	318	318	289	289	289		
EBITDA Q3	330	330	330	330	330	330	377	377		
EBITDA Q4	227	227	227	220	220	220	220	253		
Total EBITDA full year	1,023	1,168	1,168	1,161	1,111	1,082	1,129	1,162	1,161	1,162
Net debt/EBITDA	3.8	3.6	3.4	3.2	3.4	3.8	3.4	3.1	3.2	3.1

This is Nobina

>> Our role is:

To promote increased mobility in society

>> Our offering to customers:

Simpler everyday travel

>> We deliver this by:

**Making it friendly, creating simple solutions,
making it good value**

>> We succeed, by living according to our values:

We are here for our customers

We are sensitive to the needs of our customers and show customers courtesy and respect. We keep our promises, develop affordable solutions and make life easier for our customers.

In all we do, we strive to develop

We achieve targets and deliver results. We are resource-efficient and deliver at least the promised quality. We work using management by objectives and systematic follow-up to constantly improve the company and our services.

We respect each other

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

We safeguard good leadership

We have well-defined requirements for our managers and employees. We put the interests of our clients and the company ahead of our own. We promote boundless cooperation. We provide feedback on work done and highlight achievements. We can manage trust.

We care

We take an active responsibility for the environment and society. We promote health and personal development. We comply with laws and regulations. We are committed and care about each other, our customers and the world around us.

>> We do all of this because we have a vision:

**EVERYONE WANTS TO
TRAVEL WITH US**

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