

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

25 April 2025

MOBICO GROUP PLC

("Mobico" or the "Company" or the "Group")

Proposed Sale of North America School Bus to I Squared Capital for an Enterprise Value of up to 608 million

Disposal accelerates net debt reduction and enhances financial flexibility to focus on attractive growth opportunities

Mobico today announces that it has agreed to sell its North America School Bus business ("School Bus") to I Squared Capital ("I Squared"), the leading global infrastructure investment manager, for an enterprise value of up to 608 million (£457 million¹) (the "Transaction").

Transaction summary

- Enterprise value represents a multiple of ~50x School Bus' expected FY24 Adjusted Operating Profit of £1.5 million and ~5.0x School Bus' expected FY24 Adjusted EBITDA of 122 million (~5.6x pre IFRS 16)
- Expected upfront net proceeds² of approximately 365-385 million (~£275-290 million¹). Reported net debt further reduced following the removal of School Bus' IFRS 16 leases of 38 million (as at 31 December 2024)
- Terms of the Transaction, and the above enterprise value, include an earn-out of up to 70 million which is dependent on certain future performance conditions. The Transaction is conditional upon certain customary conditions, including anti-trust approvals, and is expected to complete early in the third quarter of 2025
- Transaction follows a thorough process conducted since the Group announced its intention to prepare School Bus for sale in October 2023, and reflects both the operational improvements achieved in School Bus to drive a recovery in profitability following the pandemic, as well as the ongoing headwinds faced by the business
- Enables the reallocation of cash flows from the capital-intensive School Bus business, which will allow the Group to continue to focus on deleveraging, alongside funding attractive growth opportunities, particularly in ALSA. In line with the Group's commitment to strengthen its balance sheet, net proceeds will be retained to reduce net debt
- I Squared has an excellent track record in the sector and is well positioned to be a good custodian of the business, supporting its future growth and investment requirements
- Transaction unanimously supported by the Board and considered to be in the best interests of shareholders
- The Group expects to deliver FY24 Group Adjusted Operating Profit in line with, albeit at the lower end of, guidance and School Bus is expected to contribute approximately £9 million to FY24 Group Adjusted Operating Profit, in each case, subject to final audit
- As previously announced, Mobico will publish its full year results for the year ended 31 December 2024 on 29 April 2025

¹ Translated illustratively at a GBP / USD rate of approximately 1.33 based on the rate as at close of business on 24 April 2025.

² Net upfront proceeds for covenant deleveraging, after deduction for debt-like items including IFRS 16 leases, deferred capital expenditure, and other items, as well as transaction fees. The Net Proceeds figure does not include the earn-out amount. The final amount of Net Proceeds will be subject to customary completion adjustment by virtue of the completion accounts mechanism and dependent on the timing of completion.

Ignacio Garat, Group Chief Executive of Mobico, commented:

"This agreement is a significant milestone for Mobico. It is a first step in strengthening the Group's balance sheet and will allow us to reallocate resources away from a capital-intensive business as we focus on continued deleveraging alongside funding our pipeline of growth opportunities, especially in ALSA. The Transaction follows a comprehensive process and reflects the work that has been carried out with the School Bus management team to improve its performance over the last 18 months as well as the ongoing headwinds. In I Squared, we have found an owner with considerable experience in the sector that will invest in the future of the business. We are continuing to review options to further accelerate the Group's debt reduction and deleveraging."

Tim Wertner, Chief Executive of School Bus, commented:

"Since I joined the business in June 2023, our focus has been on recovering lost routes, securing new contracts, recruiting and retaining drivers and delivering price rises above inflation. I am pleased that our success has attracted a buyer of I Squared's quality and we look forward to partnering with I Squared to deliver the growth opportunities ahead. I am confident that with our new owners we will be ideally placed to continue delivering for our people and for the communities we serve. I would like to thank everyone at School Bus for their hard work and commitment in creating the business we have today."

Gautam Bhandari, Global Chief Investment Officer and Managing Partner at I Squared, commented:

"School transportation is more than just a daily commute. It's a vital link to education, which underpins a functioning society regardless of stage in the economic cycle. We are proud to add this essential service to our portfolio and look forward to continuing to support its growth."

Introduction and Background to the Transaction

As announced on 12 October 2023, the Mobico Board concluded, in line with the Group's disciplined capital allocation approach and focus on reducing debt and leverage, that the capital-intensive School Bus business would be prepared for a potential sale.

Since the pandemic, Mobico has sought to address the long-term challenges which the pandemic created for School Bus.

Following the appointment of a new leadership team in 2023, significant operational improvements have been made, focused on improving driver retention and recruitment, route reinstatement, and improved contract pricing. The business has also improved fleet allocation which has led to better asset utilisation, cash flow and customer satisfaction. All of these culminated in School Bus delivering a net positive route outcome for the current school year bid season, the first in over a decade.

However, whilst School Bus has demonstrated its recovery from the pandemic's effects, it continues to require significant maintenance and growth capital investment and has experienced persistent market challenges such as driver wage inflation and, more recently, potential fleet cost inflation from new tariffs.

Today's announcement reflects a thorough process with a broad potential buyer universe, and the Board is pleased to have agreed the terms of the Transaction with I Squared.

Transaction Rationale

Delivers on the Group's commitment to accelerate net debt reduction

In line with the Group's commitment to strengthen its balance sheet, following completion of the Transaction, the Net Proceeds (defined below) will be retained, accelerating a reduction in the Group's net debt position.

Whilst the Transaction marks an important step forward, the Group remains focused on further debt and leverage reduction and will continue to evaluate options to further accelerate the strengthening of its balance sheet. This includes the organic initiatives the Group announced at its interim results in August 2024. These ongoing initiatives are targeting cash improvement and debt reduction and include tightened controls over capital expenditure. A further update on these initiatives will be provided on publication of the FY24 results.

Enables the Group to reallocate cash flows from the capital-intensive School Bus business

School Bus operates in an attractive and fragmented market, but is capital-intensive, requiring significant investment to grow. For the years ending 2022, 2023 and 2024, School Bus has required capital investment of over £200 million in total, without generating meaningful positive free cash flow to support Group deleveraging.

I Squared has an excellent track record in the sector and is well positioned to be a good custodian of the School Bus business. I Squared has been clear in their intentions to support the existing management team as they continue to grow School Bus as an independent business and invest in its future opportunities.

Creates a simplified portfolio with a stronger platform to delever alongside flexibility to fund the Group's pipeline of attractive growth opportunities, particularly in ALSA

The Transaction is expected to be broadly neutral to covenant leverage initially, with future deleveraging supported by the Group's remaining businesses and, in particular, ALSA's future growth and cash flow generation potential.

The Group continues to see positive passenger demand across its businesses and a strong pipeline of new business opportunities, having secured important contract wins and delivered successful retentions and mobilisations. As with a number of these recent contract wins, whilst requiring upfront investment, they provide strong and stable returns and cash flows for the Group going forwards. The increased financial flexibility the Transaction provides, combined with its ongoing operational controls, will allow the Group to focus on its higher growth and more cash generative businesses going forwards, and will allow the Group to delever over the coming years towards its target covenant leverage range of 1.5-2.0x.

Alongside a focus on deleveraging, the Transaction is expected to enable Mobico to focus and take advantage of its pipeline of attractive growth opportunities, particularly in ALSA, which is expected to enable the Group to generate more attractive returns and predictable cash flows.

WeDriveU, the Group's North America transit and shuttle business, is not part of the Transaction. WeDriveU has been successfully carved out and separated as part of the sales process to be able to report as a standalone business.

Net Proceeds and Use of Proceeds

At completion, Mobico is expected to receive approximately 365-385 million (~£275-290 million^{1,2}) in upfront net proceeds for covenant deleveraging, after deductions for IFRS 16 leases, other debt-like items within School Bus including deferred capital expenditure, other items and transaction fees (the "Net Proceeds").

Reported net debt will be further reduced following the removal of School Bus' IFRS 16 leases of approximately 38 million (as at 31 December 2024).

The final amount of Net Proceeds will be subject to customary completion adjustment by virtue of the completion accounts mechanism agreed with I Squared and dependent on the timing of completion.

After repayment of School Bus non-IFRS 16 leases (approximately 75 million as at 31 December 2024), the remainder of the Net Proceeds will initially be held as cash.

The Board continues to consider the £500 million hybrid bond as a core element of the capital structure, providing important financial flexibility as the business continues to balance deleveraging with investment for growth. Any decisions about the hybrid - or any other element of the capital structure - will be taken at the appropriate time.

Financial Effects of the Transaction

As noted above, with the Net Proceeds initially used to reduce the Group's net debt, the Transaction is likely to be dilutive to Group earnings in the short-term. Over time, however, the Group will seek to balance continued deleveraging whilst focusing on opportunities to drive incremental earnings and cash flow growth and value accretion for shareholders.

Given the impact of the Transaction, the Board will review the Group's medium-term financial targets and will provide an update in due course.

During 2024 and 2025, Mobico will incur restructuring costs relating to the separation of School Bus as well as incremental costs as a result of separation and redeployment of central costs. Mobico will however benefit from cost efficiencies as it transitions over time to a simpler North American organisational structure. WeDriveU will be reported as a separate business division going forward.

The Group will retain responsibility for certain liabilities that School Bus incurred pre-completion of the Transaction, including approximately £65 million of provisions (as at 31 December 2024) in relation to historical claim liabilities.

Risks to Mobico as a result of the Transaction

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Following the Transaction, the Retained Group (defined below) will have greater concentration risk, holding fewer asset classes, and will therefore be more susceptible to adverse developments in the remaining markets, asset classes and segments in which the Retained Group operates. Therefore, should any part of the Retained Group underperform, this may have a larger relative impact on its financial condition, results, profitability, and/or future prospects than it would have had on the entire Group before the Transaction.

The geographical distribution of the Retained Group's revenue after the Disposal will also be different to that of the Group's as at the date of this announcement. This means that adverse financial market movements or economic conditions in the region and/or in one of the markets in which the Retained Group operates may have a larger relative impact on the financial condition, results, profitability and/or future prospects of the Retained Group than they would have done prior to the Transaction.

The Transaction includes an earn-out of up to 70 million, payable by I Squared to Mobico, contingent on School Bus meeting certain financial performance thresholds over a 3-year period post-completion of the Transaction. There is a risk that these thresholds may not be met for one or more of the relevant years, which would result in Mobico not receiving the earn-out payments for the relevant year.

The Transaction has also required, and will continue to require, substantial amounts of time and focus from the management teams and employees of the Group which could otherwise be spent operating the Group in the ordinary course. Key managers and employees may become distracted by the Transaction and, accordingly, decision-making by the Group may be delayed, deferred or otherwise impacted. This disruption could be prolonged if completion of the Transaction is materially delayed.

Current Trading for the Group

Since 30 June 2024, the Group has continued to deliver good revenue growth and expects to deliver FY24 Group Adjusted Operating Profit in line with, albeit at the lower end of, guidance. The Group expects to deliver a significant statutory loss as a result of goodwill write-offs, derecognition of deferred tax assets and further Onerous Contract Provisions relating to its German business.

ALSA has delivered another strong result for 2024, continuing to grow across a diverse portfolio. WeDriveU, newly separated and strengthened, continues to make encouraging progress with several important contract wins. Whilst revenue remains stable, performance in the UK & Germany continues to reflect the challenges faced in both of these businesses and, in particular, by the continuation of industry-wide challenges in German Rail, with discussions with the local PTAs ongoing and remaining constructive, though not yet completed. As a result, UK & Germany is expected to deliver a negligible Adjusted Operating Profit/Loss for FY24, with a further approximate £85 million charge to the Group's FY24 statutory result relating to an increase in the German Rail onerous contract provision.

School Bus has delivered improved growth in 2024, reflecting the first net-positive route outcome for this school year bid season in over a decade. As set out in Appendix I, School Bus is expected to contribute approximately £9.0 million to FY24 Group Adjusted Operating Profit. The Group's FY24 statutory result will include a non-cash impairment to the carrying value of School Bus of approximately £550 million. Following completion of the Transaction and the detailed exercise to be completed following finalisation of the customary closing accounts process, the Transaction may result in a further non-cash exceptional charge in FY25 as a loss on disposal.

The Group's FY24 statutory result after tax will also include a non-cash write-off of deferred tax assets of approximately £200 million. This will not affect the Group's ability to utilise those tax losses in future years.

Further details of the FY24 financial performance will be shared during the Annual Results presentation.

Trading in the first few months of the current year across the Group is in line with the Board's expectations.

Board Approval of the Transaction

The Mobico Board has unanimously approved the Transaction and believes the terms of the Transaction are in the best interests of Mobico shareholders as a whole.

Additional Information and Timing

The Transaction is a significant transaction for Mobico for the purposes of the Listing Rules of the Financial Conduct Authority and is therefore notifiable under UKLR 7. The Transaction is also conditional on certain customary conditions, including regulatory and antitrust approvals. Completion of the Transaction is expected early in the third quarter of 2025.

The person responsible for arranging the release of this announcement on behalf of Mobico is Simon Callander, Group General Counsel and Company Secretary.

About Mobico

Mobico is a leading international transport operator, diversified internationally and by business area, with operations in North America, continental Europe, the UK, Middle East and North Africa. Mobico provides safe, efficient, clean and reliable shared mobility solutions to cities, businesses, and education and healthcare customers.

Mobico is internationally diversified with a balanced portfolio of high-quality contracts and market-leading customer brands.

Legal Entity Identifier: 213800A8IQEMY8PA5X34.

About School Bus

School Bus is the second largest player in the North American School bus market with a 10% share of the growing outsourced market, operating approximately 14,135 vehicles.

About I Squared

I Squared is a leading global infrastructure investor managing over 45 billion in assets. I Squared builds and scales essential infrastructure businesses that deliver critical services to millions of people worldwide. Its portfolio includes over 90 companies operating in more than 70 countries and spanning sectors such as energy, utilities, digital infrastructure, transport, environmental and social infrastructure. Headquartered in Miami, a team of over 300 professionals is based across offices in Abu Dhabi, London, Munich, New Delhi, São Paulo, Singapore, Sydney and Taipei. Learn more at www.isquaredcapital.com.

Investor and Analyst Briefing

The management of Mobico will host a presentation for analysts and institutional investors at 9am BST on Tuesday 29 April 2025 to discuss today's announcement as part of the Group's results for the year ended 31 December 2024.

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Slaughter and May is acting as UK legal adviser and Foley & Lardner LLP is acting as US legal adviser to Mobico in connection with the Transaction.

IMPORTANT NOTICE

Certain statements contained in this announcement may constitute "forward-looking statements" with respect to the financial condition, performance, strategic initiatives, objectives, results of operations and business of the Group. All statements other than statements of historical facts included in this announcement are, or may be deemed to be, forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "anticipates", "estimates", "projects", "will", "may", "would", "could" or "should", or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of the Group's operations. Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results, performance or achievements to differ materially from those projected or implied in any forward-looking statements. The important factors that could cause the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, economic and business cycles, the terms and conditions of the Group's financing arrangements, foreign currency rate fluctuations, competition in the Group's principal markets, acquisitions or disposals of businesses or assets and trends in the Group's principal industries. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur. The forward-looking statements contained in this announcement speak only as of the date of this announcement.

Cautionary Statement

This announcement is not intended to, and does not constitute, or form part of, any offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. Mobico shareholders are advised to read carefully the formal documentation in relation to the Transaction once it has been despatched. Any response to the Transaction should be made only on the basis of the information in the formal documentation to follow.

Important Notices Relating to the Financial Advisers

Merrill Lynch International ("BofA Securities"), a subsidiary of Bank of America Corporation, which is authorised by the Prudential Regulation Authority (the "PRA") and regulated by the Financial Conduct Authority (the "FCA") and the PRA in the United Kingdom, is acting exclusively for Mobico in connection with the matters referred to in this announcement and for no one else and will not be responsible to anyone other than Mobico for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this announcement. Neither BofA Securities, nor any of its

affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of BofA Securities in connection with this announcement, any statement contained herein or otherwise.

Goldman Sachs International ("Goldman Sachs"), which is authorised by PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for Mobico and for no one else and will not be responsible to anyone other than Mobico for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this announcement. Neither Goldman Sachs, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Goldman Sachs in connection with this announcement, any statement contained herein or otherwise.

HSBC, which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as financial adviser to Mobico and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Mobico for providing the protections afforded to clients of HSBC, or for providing advice in connection with the matters referred to herein. Neither HSBC nor any of its group undertakings or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of HSBC in connection with this announcement or any matter referred to herein.

Appendix I

Financial Information on School Bus

Underlying measures are reported below as they provide both management and stakeholders with useful additional information about the financial performance of the School Bus Business.

Summary Adjusted Profit and Loss Account

£m	Group			School Bus				Group excl. School Bus		
	2022	2023	HY 2024 ¹	2022	2023	HY 2024 ¹	2024 ²	2022	2023	HY 2024 ¹
Revenue	2,807.5	3,150.9	1,653.9	722.8	759.1	418.0	792.6	2,084.7	2,391.8	1,235.8
Operating costs	(2,389.4)	(2,764.9)	(1,470.1)	(593.9)	(658.2)	(368.7)	(697.3)	(1,795.4)	(2,106.7)	(1,101.3)
EBITDA	418.1	386.0	183.8	128.9	101.0	49.3	95.3	289.2	285.1	134.5
Depreciation, amortisation & other non-cash items	(220.8)	(217.5)	(112.6)	(101.9)	(96.2)	(40.7)	(86.3)	(118.9)	(121.3)	(71.9)
Operating profit	197.3	168.6	71.2	27.0	4.8	8.6	9.0	170.3	163.8	62.6

Summary Balance Sheet

£m	Group			School Bus ³				Group excl. School Bus ⁶		
	2022	2023	HY 2024 ¹	2022	2023	HY 2024 ¹	2024 ²	2022	2023	HY 2024 ¹
Tangible assets	1,175.3	1,164.5	1,205.6	469.4	409.8	427.2	444.5	705.9	754.6	778.4
Intangible assets	1,620.9	1,151.8	1,566.6	640.0	599.3	597.8	45.1 ⁵	980.9	552.5	968.8
Other assets	1,365.8	1,758.8	1,271.8	182.9	167.8	131.2	256.2	1,182.9	1,591.0	1,140.9
Total assets (excluding intercompany)	4,162.0	4,075.1	4,044.0	1,292.3	1,177.0	1,156.2	745.8	2,869.7	2,898.1	2,887.8
Total liabilities (excluding intercompany)	(2,788.2)	(3,009.1)	(2,988.3)	(284.3)	(245.5)	(130.2)	(381.8)	(2,505.0)	(2,763.6)	(2,858.1)
Net assets (excluding intercompany)	1,373.7	1,066.0	1,055.7	1,009.1	931.5	1,026.0	364.0	364.7⁶	134.5⁶	29.7⁶

Summary Cash Flow

£m	Group			School Bus				Group excl. School Bus		
	2022	2023	HY 2024 ¹	2022	2023	HY 2024 ¹	2024 ²	2022	2023	HY 2024 ¹
EBITDA	418.1	386.0	183.8	128.9	101.0	49.3	95.3	289.2	285.1	134.5
Pension overpayments	(7.4)	(7.5)	(3.8)	-	-	-	-	(7.4)	(7.5)	(3.8)
Maintenance capex	(184.5)	(135.7)	(89.7)	(82.6)	(57.2)	(10.8)	(48.1)	(101.8)	(78.5)	(79.0)
Growth capex	(93.1)	(17.9)	(28.1)	(12.7)	(1.5)	(14.7)	(18.8)	(80.5)	(16.4)	(13.4)
Tax paid	(17.6)	(27.3)	(0.0)	-	-	-	-	(17.6)	(27.3)	(0.0)
Interest paid	(47.0)	(61.0)	(23.6)	(7.1)	(9.3)	(3.4)	(7.0)	(39.9)	(51.7)	(20.2)
Free cash flow excluding working capital⁴	68.6	136.7	38.5	26.5	32.9	20.5	21.4	42.1	103.8	18.1

¹ HY 2024 results are unaudited.

² Full-year results for the year ending 31 December 2024 will be published on 29 April 2025, pending finalisation of the audit.

³ School Bus amounts shown exclude the provision for historical legal claims on the basis that this will be retained by Mobico post sale.

⁴ Working capital movements have been excluded from free cash flow defined above due to the working capital of North America (School Bus and WeDriveU) divisions having been managed on a combined basis historically and because the historical fluctuation in such balances is not considered meaningful with regards to the pro-forma cash flow generation of the School Bus business.

⁵ This 2024 result includes a non-cash impairment to the carrying value of School Bus.

⁶ Figures shown excluding the benefit of the Transaction Net Proceeds.

Sources of information

Unless otherwise stated, all financial information relating to Mobico and School Bus disclosed in this announcement (including the Appendices) has been extracted, without material adjustment (subject to the exceptions noted below), from the consolidated FY22 and FY23 published audited financial statements of the Group and the consolidated unaudited financial statements of the Group for the six-month period to 30 June 2024.

The financial information relating to School Bus for FY24 is based on the FY24 financial statements of the Group, which will be published on 29 April 2025, pending finalisation of the audit.

The financial information relating to School Bus disclosed in this announcement has been adjusted to remove intercompany balances between School Bus and the Retained Group. These intercompany balances are expected to be settled or waived prior to or at completion of the Transaction. The financial information relating to School Bus disclosed in this announcement has also been adjusted to remove the School Bus claims provision, which will be transferred to the Retained Group at completion of the Transaction.

The pro forma information reflecting the Group excluding School Bus (the "Retained Group") has been prepared to illustrate the effect of the Transaction on the on the Retained Group's financial position as if the Transaction had taken place on 31 December 2022, 31 December 2023 and 30 June 2024, respectively (the "Unaudited Pro Forma Financial Information"). The Unaudited Pro Forma Financial Information is based on the consolidated FY22 and FY23 published audited financial statements of the Group and the consolidated unaudited financial statements of the Group for the six-month period to 30 June 2024. The Unaudited Pro Forma Financial Information has been prepared in a manner consistent with the accounting policies adopted by Mobico in preparing such information and on the basis set out in the notes above. The Unaudited Pro Forma Financial Information does not constitute statutory financial statements within the meaning of section 434 of the UK Companies Act 2006, as amended from time to time.

Appendix II

Related Party Transactions

Other than those matters disclosed in previously published Annual Reports and Financial Statements of the Group and/or otherwise disclosed in this announcement (including its Appendices), there were no related party transactions (within the meaning ascribed to that term in UK-adopted international accounting standards) entered into by Mobico during the period commencing on 1 January 2022 and terminating on the date of this announcement which are relevant to the Transaction.

Appendix III

No Significant Change

1. Mobico

Save as disclosed in the Current Trading for the Group paragraph above, there has been no significant change in the financial performance or financial position of the Retained Group since 30 June 2024, being the end of the last financial period for which financial information of Mobico has been published.

2. School Bus

Save as disclosed in the Current Trading for the Group paragraph above, there here has been no significant change in the financial performance or financial position of School Bus since 30 June 2024, being the end of the last financial period for which financial information of School Bus has been published.

Appendix IV

Legal and Arbitrational Proceedings

1. Mobico

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering the 12 months prior to the date of this announcement which may have, or have had in the recent past, significant effects on the financial position or profitability of Mobico.

2. School Bus

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering the 12 months prior to the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of School Bus.

Appendix V

Material contracts

1. Interest Purchase Agreement

Parties and structure

The transaction is governed by the interest purchase agreement ("IPA") entered into between the Company and ISQ Bus BidCo, Inc. and ISQ Bus Holdings, LP (the I Squared acquisition entities) (the "Purchasers") on 24 April 2025. Pursuant to the IPA and subject to the Conditions (as defined below) the Company has agreed to procure the sale of the entire issued share capital of the Company's indirect wholly-owned subsidiaries holding all of the Company's interests in School Bus to the Purchasers.

Conditions

The Transaction is subject to the satisfaction of certain antitrust, transportation (including receipt of approval of the United States Surface Transportation Board) and other regulatory conditions applicable to the Transaction ("Regulatory Approvals"). Completion is also conditional on completion of a pre-signing reorganisation and a material adverse change condition in respect of School Bus.

Consideration

Mobico expects to receive approximately 365-385 million (~£275-290 million^{1,2}) of upfront consideration for the Transaction, after deductions for IFRS 16 leases, other debt-like items within School Bus including deferred capital expenditure, other items and transaction fees. The final amount of consideration for the Transaction will be subject to customary completion adjustment by virtue of the completion accounts mechanism agreed with I Squared and dependent on the timing of completion. The Transaction also includes an earn-out of up to a maximum aggregate amount of 70 million, payable by the Purchasers to the Company where certain financial performance thresholds are met in respect of School Bus over a 3-year period post-completion of the Transaction.

Warranties and indemnities

The Company has given customary fundamental warranties, including in relation to title and capacity. The Company has also given business and tax warranties that are customary for a transaction of this nature. The Purchasers have given customary fundamental warranties, including in relation to capacity and solvency. The Purchasers have also given warranties in relation to its financing arrangements, including as to sufficiency of funds.

Representation and warranty insurance (the "R&W Policy") is in place in respect of warranties given by the Company. The Company and the Purchasers are responsible, in equal proportions, for the premiums under the R&W Policy.

The Company has given certain indemnities, including in respect of third party claims arising prior to completion and in relation to the pre-signing reorganisation.

Restrictive Covenants

The Company and the Purchasers have agreed to certain restrictive covenants, including non-compete provisions and non-solicitation provisions in relation to employees of School Bus for a period of 4 years after completion of the Transaction.

Termination

If Completion has not occurred by 90 days after signing of the IPA (the "Long Stop Date") then either party is entitled to terminate the IPA, provided that the proximate cause for completion not occurring by the Long Stop Date is not a failure by that party to fulfil its obligations under the IPA, except in circumstances where receipt of Regulatory Approval is delayed due to extraordinary events outside the control of the parties, in which case the Long Stop Date will automatically be extended on a day-by-day basis by up to 30 days, and can be extended further by either the Purchasers or the Company up to a maximum of 60 days from the Long Stop Date.

Other grounds for termination of the IPA include the Company or the Purchasers' failure to perform and comply with its obligations under the IPA or a breach of warranty that would cause a condition to close to not be satisfied, subject to a 30-day grace period.

Financing

The Purchasers will receive both equity and debt financing in order to fund payment obligations in connection with the Transaction and delivered agreed form debt and equity commitment letters to the Company at signing.

Governing law and jurisdiction

The IPA is governed by the laws of the State of Delaware. Any United States District Court located in the State of Delaware (or if the United States District Courts located in the State of Delaware decline to accept jurisdiction, any state court of the State of Delaware) will have exclusive jurisdiction to settle any dispute arising out of or in connection with the IPA.

2. Revolving Credit Facility

On 11 July 2023, the Company (as borrower) and West Midlands Travel Limited (as guarantor) entered into a revolving credit facility agreement with National Westminster Bank plc (as agent) and the financial institutions party thereto (as lenders) (the "Facility Agreement") pursuant to which a £600,000,000 revolving credit facility was made available to the Company (the "RCF").

Purpose

The RCF was originally drawn down in part for the purpose of refinancing the Company's then existing revolving credit facility and is currently able to be drawn down for the general corporate and working capital purposes of the Group.

Term and Maturity

The RCF was originally due to expire on 11 July 2028. Certain lenders whose aggregate commitments equal £571,000,000 have agreed to extend such commitments until 11 July 2029 and the Company may request that the lenders extend the current termination date by a further year (such extension being at the discretion of the then lenders under the Facility Agreement).

The RCF has been made available from and including the date of the Facility Agreement to the date falling one month prior to the termination date. The lenders will be obliged to make RCF utilizations available to the Company during that period.

to the termination date. The lenders will be obliged to make RCF utilisations available to the Company during that period provided that:

- (a) no event of default (in the case of a rollover loan) or no default (in the case of any other loan) is continuing or would result from the proposed utilisation; and
- (b) all repeating representations are true in all material respects.

Interest

Interest will be charged on each loan advanced under the RCF at the applicable interest rate which shall be the aggregate percentage rate per annum of the applicable margin and (i) EURIBOR (with respect to loans in Euro), (ii) SONIA (with respect to loans in Sterling) and (iii) SOFR (with respect to loans in US Dollars).

The margin varies depending on the Group's long-term credit ratings assigned by Moody's and Fitch at such time.

Fees

Customary commitment, utilisation, arrangement and agency fees are payable in connection with the RCF and the Company's entry into the Facility Agreement.

General Undertakings

The Facility Agreement contains certain customary restrictions relating to, without limitation, creating security, incurring financial indebtedness, disposals, mergers, changes of business, environmental compliance, insurance coverage and sanctions.

Financial Covenants

The Facility Agreement contains leverage and interest cover financial covenants which are tested semi-annually.

Events of Default

The Facility Agreement also includes certain customary events of default which are subject to standard grace periods and materiality thresholds, including, without limitation, non-payment, satisfaction of financial covenants, breach of other obligations, misrepresentation, cross-default, insolvency related matters, unlawfulness and repudiation.

Governing law

The Facility Agreement is governed by English law.

3. Euro medium-term note programme

The Company has issued two series of senior notes pursuant to its euro medium term note programme (the "EMTN Programme"), the terms of which are summarised below (together, the "EMTN Notes"). The Company's obligations under each series of EMTN Notes are guaranteed by West Midlands Travel Limited (the "Guarantor").

The EMTN Notes were issued pursuant to the terms of a trust deed originally dated 19 November 2012 (as amended or supplemented) between, among others, the Company, the Guarantor and BNY Mellon Corporate Trustee Services Limited (as trustee) (the "EMTN Trust Deed").

The Trust Deed includes certain customary undertakings and covenants applicable to the Company, the Guarantor and the Group.

The EMTN Trust Deed and the EMTN Notes are governed by English law.

£250,000,000 2.375% fixed rate notes due November 2028

On 20 November 2019, the Company issued EMTN Notes in an aggregate principal amount equal to £250,000,000 with a maturity date of 20 November 2028 (the "2028 Notes").

An interest rate of 3.625% per annum applies to the 2028 Notes with interest payable annually in arrear on 20 November until maturity.

Unless previously redeemed or purchased and cancelled, the Notes shall be redeemed by the Company on their maturity date (or, at the Company's election, any date within 90 days of the maturity date) at par. In addition, (i) the noteholders have the option to require the Company to redeem the 2028 Notes upon the occurrence of a change of control and (ii) the Company shall be permitted to redeem the 2028 Notes (a) at any time at the applicable make-whole amount or (b) at par upon the occurrence of certain tax events (in each case, subject to conditions).

The 2028 Notes include certain customary events of default which are subject to standard grace periods and materiality thresholds, including, without limitation, non-payment, breach of other obligations, cross-default, security enforcement, insolvency related matters, unlawfulness and repudiation.

The 2028 Notes have been admitted to trading on the London Stock Exchange's Main Market and listed on the Official List of the FCA.

€500,000,000 4.875% fixed rate notes due September 2031

On 26 September 2023, the Company issued notes in an aggregate principal amount equal to €500,000,000 with a maturity date of 26 September 2031 (the "2031 Notes").

The interest rate applicable to the Notes is fixed at 4.875% per annum and interest is payable annually in arrear on 26 September until maturity.

Unless previously redeemed or purchased and cancelled, the Notes shall be redeemed by the Company on their maturity date (or, at the Company's election, any date within 90 days of the maturity date) at par. In addition, (i) the noteholders have the option to require the Company to redeem the 2031 Notes upon the occurrence of a change of control and (ii) the Company shall be permitted to redeem the 2028 Notes (a) at any time at the applicable make-whole amount or (b) at par upon the occurrence of certain tax events (in each case, subject to conditions).

The 2031 Notes include certain customary events of default which are subject to standard grace periods and materiality thresholds, including, without limitation, non-payment, breach of other obligations, cross-default, security enforcement, insolvency related matters, unlawfulness and repudiation.

The 2031 Notes have been admitted to trading on the London Stock Exchange's Main Market and listed on the Official List of the FCA.

4. Hybrid Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Notes

On 26 November 2020, the Company issued £500,000,000 perpetual subordinated fixed rate reset notes) (the "Perpetual Notes") pursuant to the terms of a trust deed dated 26 November 2020 between the Company and BNP Paribas Trust Corporation UK Limited (as trustee) (the "Perpetual Notes Trust Deed").

Ranking

The Perpetual Notes constitute subordinated obligations of the Company and shall, upon a winding-up of the Company, rank junior to rights and claims of the holders of all senior obligations of the Company (including, without limitation, the Company's obligations under the RCF, the EMTN Notes and the Private Placement Notes (as defined below)) and senior to the rights and claims of the holders of the Company's ordinary share capital.

Purpose

The net proceeds from the Perpetual Notes may be used for general corporate purposes and the repayment of existing debt.

Maturity

The Perpetual Notes are perpetual securities in respect of which there is no fixed redemption date. However, the Company may (subject to conditions) redeem the Perpetual Notes (in whole but not in part) on (i) 26 November 2025 and on any day thereafter to (and including) 26 February 2026 (the "First Reset Date"), (ii) 26 February 2031 or (iii) 26 February in each year thereafter, in each case at par (along with any accrued but unpaid interest and any outstanding Arrears of Interest (as defined below)).

In addition, the Company may redeem the Perpetual Notes in whole but not in part upon the occurrence of certain accounting, tax or ratings events at the applicable redemption price.

Interest

The interest rate applicable to the Perpetual Notes from the date of issue to (but excluding) the First Reset Date is fixed at 4.250% per annum. From (and including) the First Reset Date, the interest rate will be a rate determined by BNP Paribas Securities Services (as calculation agent), being the aggregate of the applicable gilt rate and the margin. Interest is payable annually in arrears on 26 February each year until maturity.

The Issuer may, at its discretion, elect to defer (in whole but not in part) any payment of the applicable interest amount due on any interest payment date (a "Deferred Interest Payment"). If the Issuer elects not to make any payment of interest on an interest payment date, then it will not have any obligation to pay such interest on the relevant interest payment date.

Any Deferred Interest Payment shall itself bear interest (such further interest, together with each Deferred Interest Payment, being "Arrears of Interest"), at the prevailing interest rate. Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Notes or for any other purpose, unless such Arrears of Interest otherwise becomes due and payable in accordance with the terms of the Perpetual Notes.

As the Group has the unconditional right to avoid transferring cash or another financial asset in relation to the Perpetual Notes, it is classified within equity for accounting purposes.

Events of Default

As is customary for perpetual instruments of this nature, the only event of default under the Perpetual Notes shall be the non-payment of any principal or interest (including Arrears of Interest) which has become due and payable for a period of 30 days or more.

Governing law

The Perpetual Notes Trust Deed and the Perpetual Notes are governed by English law.

5. Private Placement Notes

The following series of unsecured senior notes issued by the Company pursuant to the terms of a note purchase agreement dated 29 October 2019 between the Company and the note purchasers party thereto (the "Note Purchase Agreement") remain outstanding:

- (i) £134,000,000 fixed rate Series A Senior Notes due 10 June 2027;
- (ii) £43,000,000 fixed rate Series B Senior Notes due 7 May 2027;
- (iii) £137,000,000 fixed rate Series C Senior Notes due 7 May 2030;
- (iv) £60,000,000 fixed rate Series D Senior Notes due 7 May 2032; and
- (v) 81,000,000 fixed rate Series E Senior Notes due 10 June 2027,

(collectively, the "Private Placement Notes").

Purpose

The proceeds from the Private Placement Notes may be used for general corporate purposes and the repayment of existing financial indebtedness.

Interest

The Private Placement Notes have an effective interest rate of 1.92% and interest is payable semi-annually in arrear on the applicable interest payment dates for each series.

Repayment

Each series of Private Placement Notes shall be repaid in full at par on the maturity date applicable to such series. The Company shall also be entitled to prepay the Private Placement Notes ahead of their scheduled maturity date (a) at par following the occurrence of a noteholder sanctions event or certain tax events and (b) at the applicable make-whole redemption price at any other time (in each case, subject to conditions).

General Undertakings

The Note Purchase Agreement contains certain customary restrictions and undertakings relating to, without limitation, transactions with affiliates, mergers, sanctions, creating security and disposals.

Financial covenants

The Note Purchase Agreement contains leverage and interest cover financial covenants which are tested semi-annually.

Events of Default

The Note Purchase Agreement includes certain customary events of default which are subject to standard grace periods and materiality thresholds including, without limitation, non-payment, breach of other obligations, misrepresentation, cross default, insolvency related matters, litigation with a material adverse effect, breaches of employment law and any subsidiary guarantee becoming invalid, void or unenforceable.

Governing law

The Note Purchase Agreement is governed by English law.

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