INVESTOR PRESENTATION

NOBINA AB, 4-5 February 2019

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TARGET MARKET

Solely for the purpose of the Manufacture`s (as used herein Manufacturer refer to Skandinaviska Enskilda Banken AB (Publ) and Swedbank AB (publ) product approval processes, the target market assessment in respect of the Bonds has led to the conclusion that (i) the target market for the Bonds is eligible counterparties and , professional clients each as defined in Directive 2014/65/EU (as amended, "MIFID II") and (ii) all channels for distribution for the Bonds are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "Distributor") should take into consideration the Manufacturers target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the Manufacturers target market assessment) and determining appropriate distribution channels.

Placing fee

The Joint Bookrunners will be paid a fee by the Company in respect of the placement of the Bonds.

ANY POTENTIAL INVESTOR INVESTING IN THE BONDS IS BOUND BY THE FINAL TERMS AND CONDITIONS OF THE BONDS WHICH THE INVESTOR ACKNOWLEDGES HAVING ACCEPTED BY SUBSCRIBING FOR SUCH BONDS.

BACKGROUND AND TRANSACTION OVERVIEW

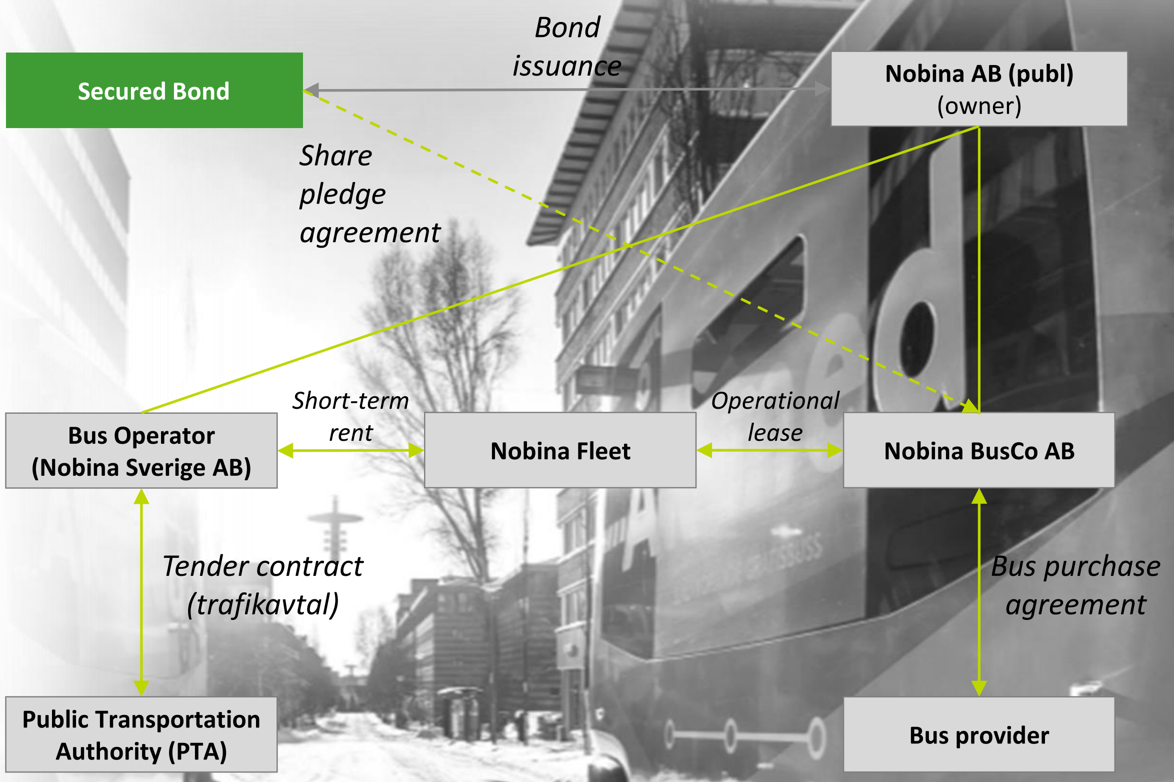
Transaction overview

- Nobina AB (Publ) ("Nobina" or the "Company" and, together with its subsidiaries, the "Company") is considering the issuance of a senior secured green bond in the amount of SEK 500m minimum with a final maturity in [●] 2024
- The use of proceeds will be used for Eligible Green Assets under the Green framework i.e. clean transport, which includes electric buses and buses powered by biofuels and charging infrastructure for buses. A major part of the proceeds will be used for investments in vehicles powered by bio-fuels and electric buses.
- The bond will be secured by a share pledge agreement in Nobina BusCo AB, the bus-owning company. With underlying market dynamics, in the event of default, the buses in Nobina BusCo AB would most likely be acquired by the operator taking over Nobina's currently served traffic lines, improving the recovery value

Key credit metrics - LTM Q3 2018/19 financials (SEKm)

Sales	9,465
EBITDA	1,291
EBT	438
EBT margin	4.6%
Net debt / EBITDA	3.2x
Equity Ratio	18.0%
Interest Coverage Ratio	10.5x
Rating (Fitch)	BBB- (stable)

Group and financing structure



KEY INDICATIVE BOND TERMS

Issuer	Nobina AB (publ)
Instrument	Senior secured green bonds
Volume	SEK 500,000,000. Framework amount of SEK 700,000,000
Denomination	SEK 2,000,000. Minimum investment of SEK 2,000,000
Tenor	Five (5) years
Coupon	Floating rate coupon of STIBOR 3m + [] bps, per annum, with quarterly coupon payments. No STIBOR floor
Use of proceeds	Proceeds to be used in accordance with Nobina's Green Bond Framework to fund or refinance eligible green assets in Nobina BusCo AB
Security package	Share pledge of Nobina BusCo AB and pledge over the intercompany loan from Nobina AB to Nobina BusCo AB
Financial covenants	<u>Fall-away incurrence covenants (if rating falls below investment grade or dispensed)</u> ▪ ICR ≥ 2.5x ▪ Equity ratio ≥ 10%
Undertakings	▪ Not to dispose substantial assets (unless carried out at book value) ▪ Restrictions on financial indebtedness and negative pledge clause ▪ No change of core business
Call structure	@ par 6 months prior to maturity provided refinancing by way of issuance of market loans
Investor put option	101% upon listing failure, a change of control event or de-listing of shares
Listing	Nasdaq Stockholm Sustainable Bond List
Trustee	Nordic Trustee & Agency AB (publ)

TODAY’S PRESENTERS

Per Skärgård

CFO and Vice President

Background:

- CFO of Nobina since 2004, Vice President since 2009
- Previous experience include CFO of DHL Nordic AB, Danzas-ASG AB, NETnet intl.
- Business Administration

Magnus Rosén

President and CEO

Background:

- CEO of Nobina since 2017
- Previous experience include CEO of Ramirent, CEO of BE Group Sverige AB, CEO Cramo Sverige AB
- Other assignments include Board Member of Bonava
- M.Sc. Business Administration

Mattias Gelinder

Group Treasurer

Background:

- Group treasurer of Nobina since 2016
- Previous experience include Group Treasurer (acting) of Autoliv, Inc., Management consultant with Ernst & Young
- M.Sc. Business Administration and Economics

AGENDA

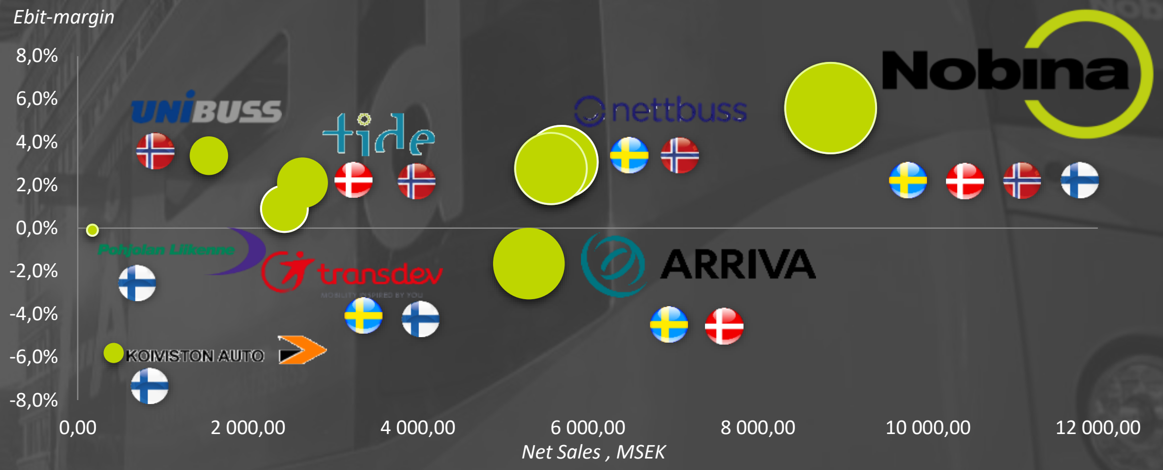
- Company overview
- Business strategy
- Key credit highlights
- Green overview
- Financial overview
- Risk factors
- Appendix

NOBINA IN BRIEF

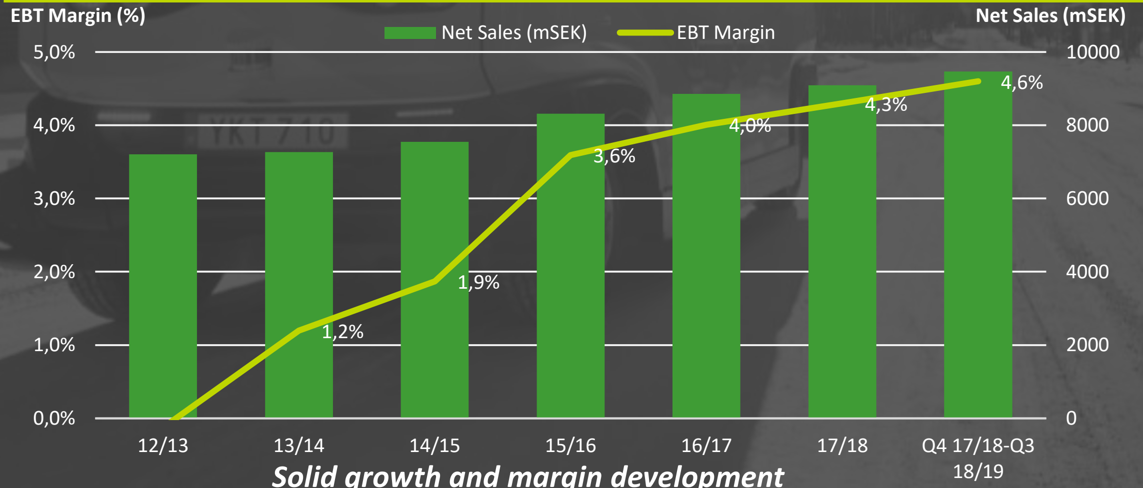
Nobina at a glance

- Largest and most experienced public transport company in the Nordic region – focusing solely on bus transportation. Everyday Nobina transport close to one million people to work, school or other activities in Sweden, Norway, Finland and Denmark
- Headquarter in Stockholm and listed on Nasdaq Stockholm (Mid Cap) with a total market cap of SEK 5.3bn[1]
- Stable operations and growing market, more than 97% of revenues supported by long-term contracts with tier one clients (Public Transport Authorities, "PTAs"), typically lasting 5-10 years (potential 1-2 year extension) – average contract length 8.1 years
- Key competitive advantages include Nobina's economies of scale, market expertise and outstanding fleet management, combined with long-term delivery of quality making Nobina the industry leader in terms of profitability
- Aims to grow profitability through bus solutions, resource efficiency, active contract and portfolio management while increasing value added by delivering benefits to passengers, clients and society

Industry leading profitability in the Nordics



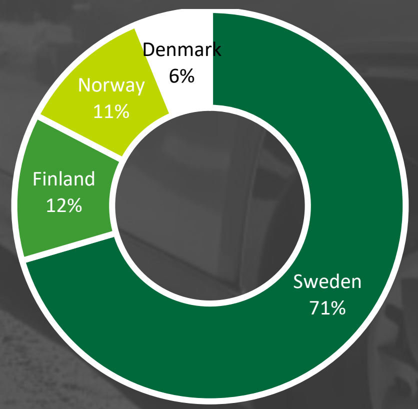
Historical development



Solid growth and margin development

Nobina sales per country and market share

Sales split by country



Market position

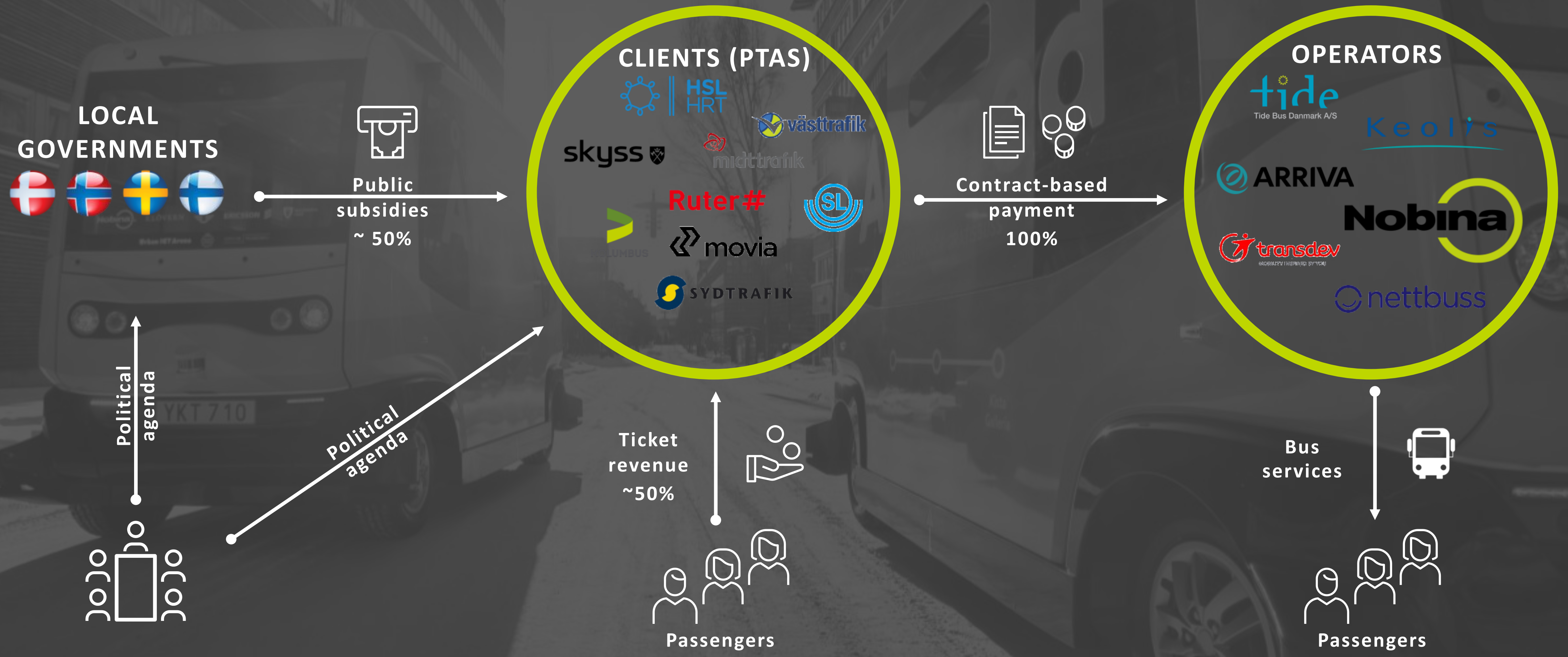
- Market leader in Sweden (27% market share) and in the Helsinki region (40% share in Helsinki and 20% in all of Finland)
- Challenger position in Denmark (8%) and in Norway (7%)

1) Source: Bloomberg 23 January 2019

Nobina.

NORDIC PUBLIC BUS TRANSPORT MARKET DYNAMICS

PUBLIC SERVICES CRITICAL FOR SOCIETY WITH MINIMAL COUNTERPARTY RISK



MARKET DEVELOPMENT

1990 — 2018

- One business model
- Low degrees of freedom
- Operations and cost focus
- Limited customer orientation
- ”Drive the bus” approach by operator
- Resource efficiency

- Customer driven business models
- Operator responsible for traffic planning and local marketing
- Market for bus solutions
- Competitiveness a combination of market- and resource efficiency



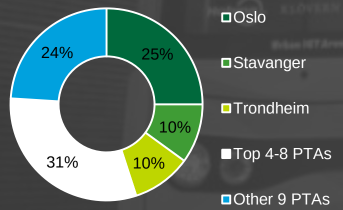

Nobina

THE NORDIC BUS MARKET

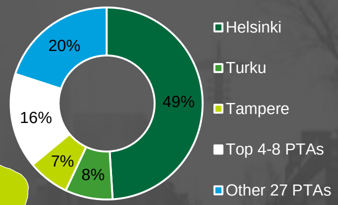
TOTAL MARKET VOLUME APPROXIMATELY 47 BSEK CORRESPONDING TO 20 000 BUSES

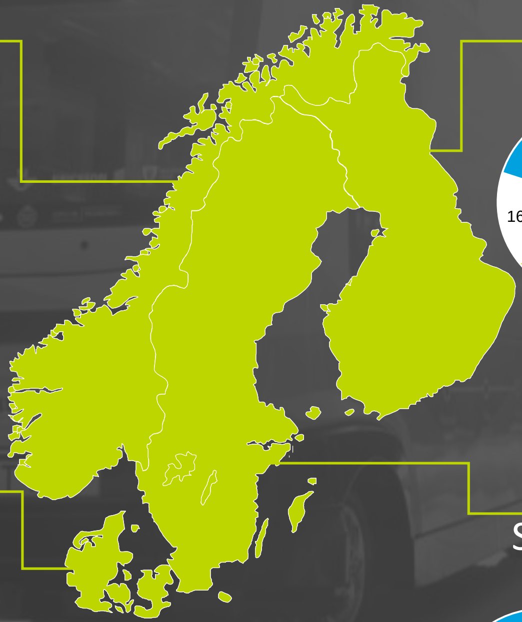
Spending on bus transport

NORWAY
SEK ~9 bn

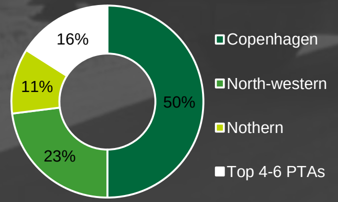


FINLAND
SEK ~7 bn

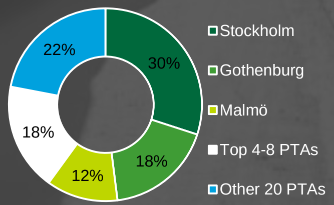




DENMARK
SEK ~9 bn

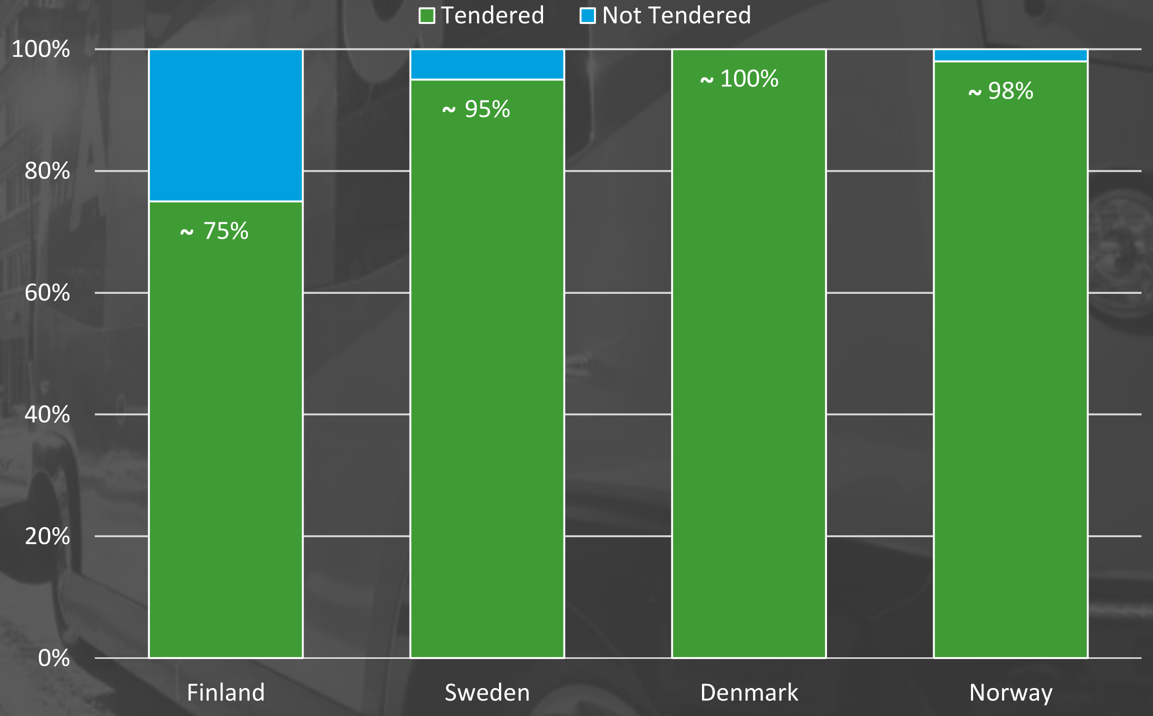


SWEDEN
SEK ~22 bn



Concentration in a few PTAs in big cities, bus market size by PTA 2018

Share of market volume tendered 2018[1]



1) The non-tendered market in Finland might be slightly higher, as some PTAs may not include interregional buses in their budgets

NOBINA IS WELL POSITIONED TO CAPITALIZE ON NORDIC MARKET TRENDS

GROWING URBAN AREAS DRIVE MORE TRAFFIC VOLUME

GOVERNMENTAL SUPPORT FOR INVESTMENTS IN PUBLIC TRANSPORT INFRASTRUCTURE

CUSTOMER DRIVEN BUSINESS MODELS

INTERACTION WITH OTHER SECTORS

ELECTROMOBILITY IS GOING FROM PILOTS TO FULL SCALE SOLUTIONS

OPPORTUNITIES TO CAPTURE AND CAPITALIZE ON TECH SHIFTS

Nobina.

NEW FINANCIAL TARGETS

NOBINA FULFILLED ITS FINANCIAL TARGETS SET AT THE IPO (2015) AND RELEASED NEW TARGETS IN OCTOBER 2018

Growth:
5%

Nobina's target is 5% accumulated annual average net sales growth with 18/19 as base year

Profit margin:
5%

Nobina's target is to achieve an EBT-margin of 5% at average contract age being 50% of average contract length

Net debt/EBITDA:
3-4x

Under normal circumstances, Nobina aims to maintain a net leverage ratio of 3.0x to 4.0x EBITDA including strategic debt financing

Dividend policy:
≥75%

Nobina expects to, under normal circumstances, pay a Dividend of at least 75% of Earnings after tax paid

AGENDA

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- Business strategy
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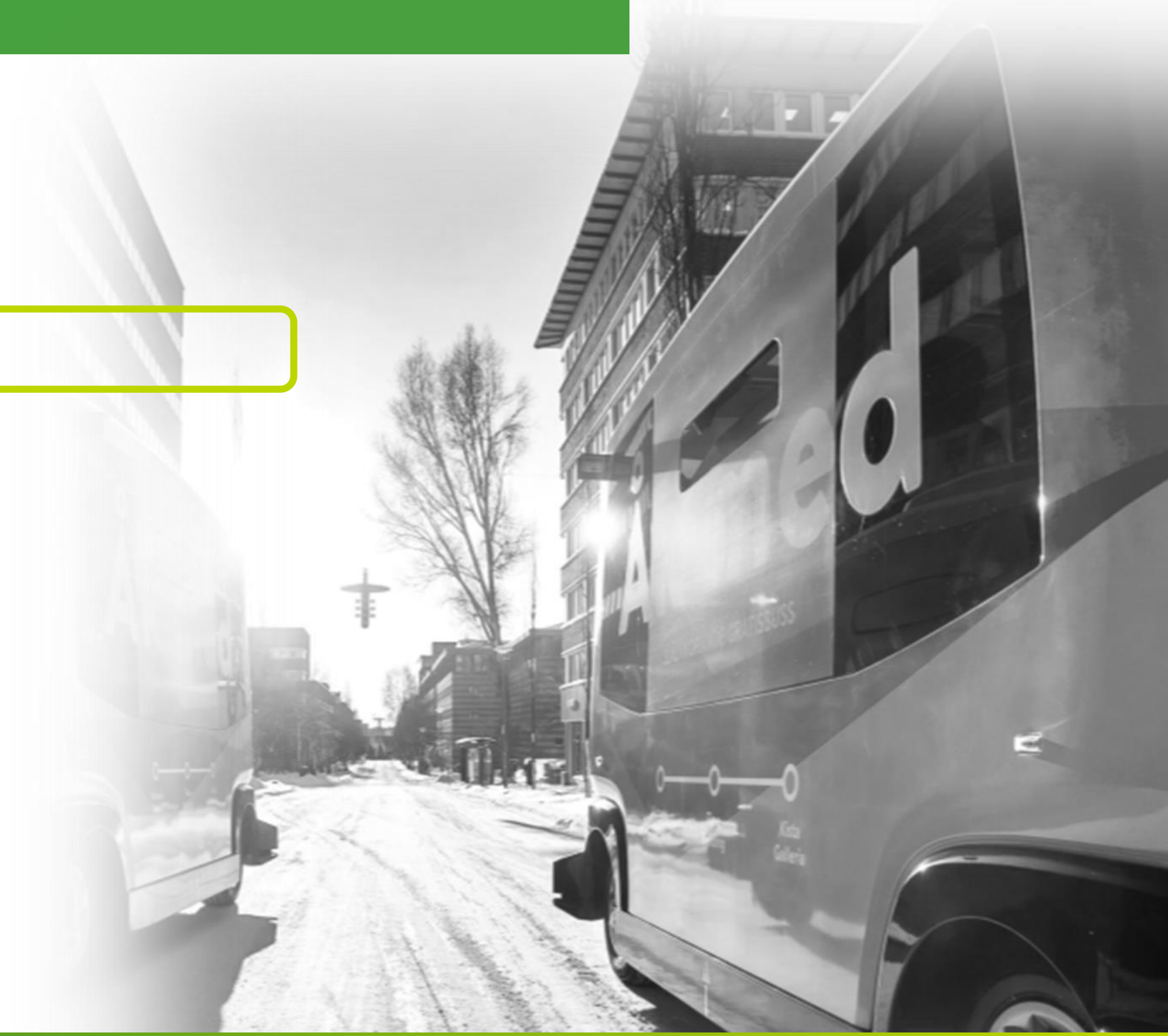

Nobina.

OUR STRATEGY IS BUILT ON FOUR FOCUS THEMES

Bus Solutions

"we develop bus solutions for growth, competitiveness and our long term relevance"

Contract Management

"we are a proactive partner to our customers and strive to develop contracts and conditions through the whole lifecycle"

Resource Efficiency

"we focus on ensuring resource efficiency and operational excellence to be competitive and to contribute to a sustainable society"

Employees in Development

"we attract and develop people to ensure efficient delivery and development of our business"

BUS SOLUTIONS

- Maintain our focus on organic growth in the Nordic bus market but with an actively opportunistic approach to acquisition opportunities
- Develop complementing business opportunities where we can leverage on our capabilities and strengths in our core business - Contracted Bus Traffic
- Leverage on our strong position in conceptualizing “Complete Bus Solutions” and new technology

CONTRACT MANAGEMENT

- Proactively influence PTAs to develop attractive and fair contract models
- Solid delivery according to contract terms
- Suggest and negotiate traffic improvements in contracts to create benefits for all parties
- Allocate resources and support to succeed in the coming years intensive contract migrations (close down and start ups)

RESOURCE EFFICIENCY

- Additional focus to ensure profitability by cost efficiency in delivery; implementation of methods and tools to improve speed in execution
- Continue high focus on execution of energy saving and sustainability initiatives to improve competitiveness and contribute to a sustainable society
- Development and execution on a technology roadmap to proactively manage impact from technology shifts on our full operation
- Through "The Green Journey" software, Nobina promote conservative driving and thereby lower fuel consumption

EMPLOYEES IN DEVELOPMENT

- Focus on securing long term supply of drivers and mechanics in all countries while maintaining high competence requirements
- Drive equality, diversity and inclusion to be a relevant employer
- Prepare for the technology shift from a competence perspective

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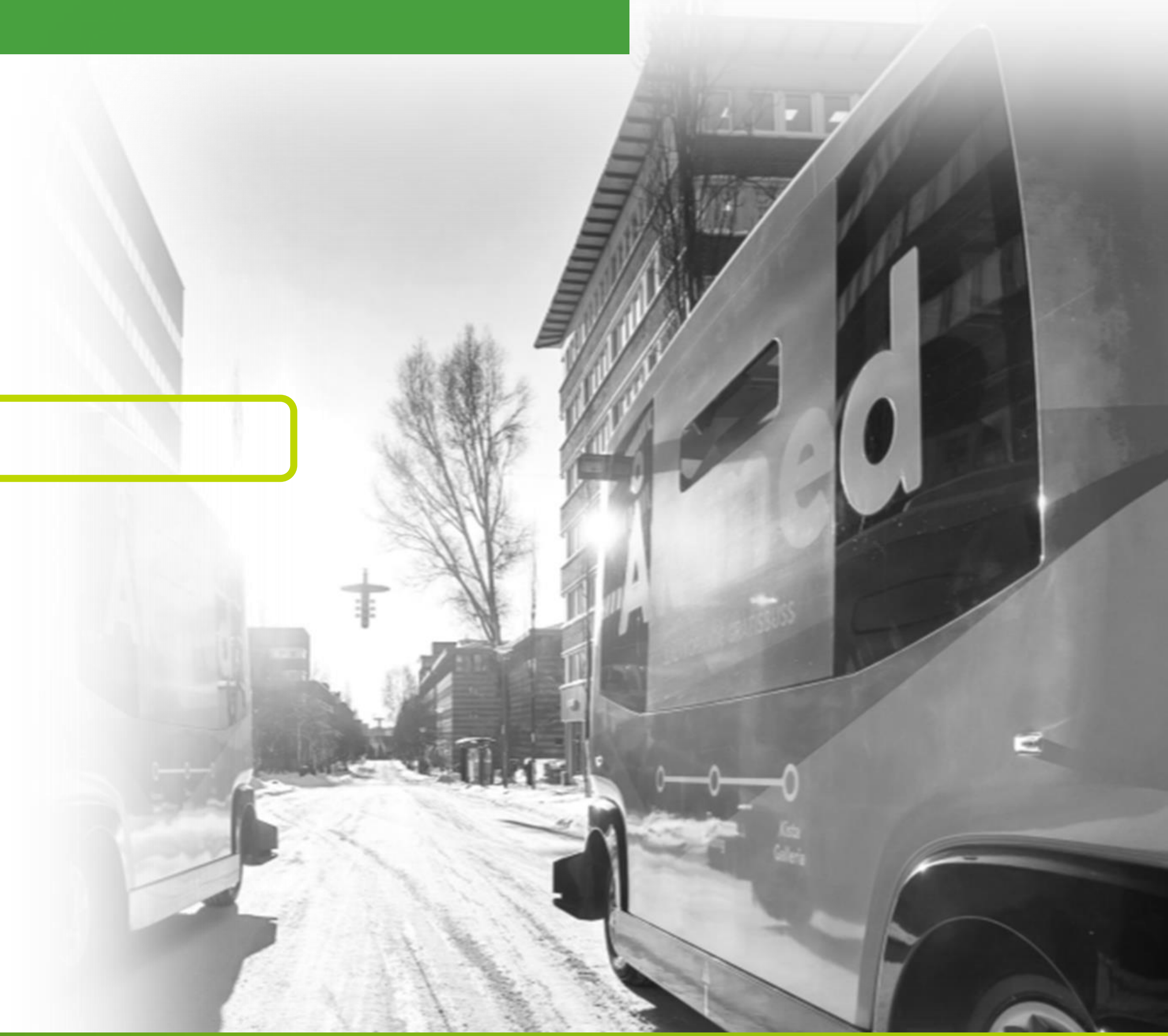


KEY CREDIT HIGHLIGHTS

1. Non-cyclical business model with high earnings visibility and stable cash flow generation based on a strong underlying contract portfolio
2. Leading market position in the Nordic public transport sector enabling economies of scale and market-leading profitability
3. Strong underlying market fundamentals with political support for public transport to increase mobility and connectivity while minimizing environmental footprint
4. 14 years of continuous improvement
5. Highly attractive security given Nordic market dynamics

NON-CYCLICAL BUSINESS WITH HIGH EARNINGS VISIBILITY AND STABLE CASH FLOW (1/3)

Contractual revenues with limited market risk…

Net Sales
97%

Net Sales
75%

97% FROM LONG-TERM CONTRACTS AND 75% FROM PRODUCTION CONTRACTS

Profitable Contracts
100%

…from long-term contracts with publicly owned entities…

8.1y[1]

AVERAGE WEIGHTED CONTRACT LENGTH

skyss
midttrafik
Ruter#
KOLUMBUS
SL
movia
västtrafik
HSL HRT
SYDTRAFIK

…implies high earnings visibility and stable cash flow generation

- **97%** of revenues from more than 100 long-term contracts with PTAs who are **publicly funded entities**, resulting in very low counterparty risk
- **No individual contract represents more than 8% of the total revenues**, and the second largest represents 6%
- Current **average contract length of 8.1** years – typically contracts last 5-10 years
- **75% of revenue from production contracts** – meaning no market risk i.e. price or volume related risk
- 20% of the contracts are incentive based and carries some volume risk but **no direct price risk**

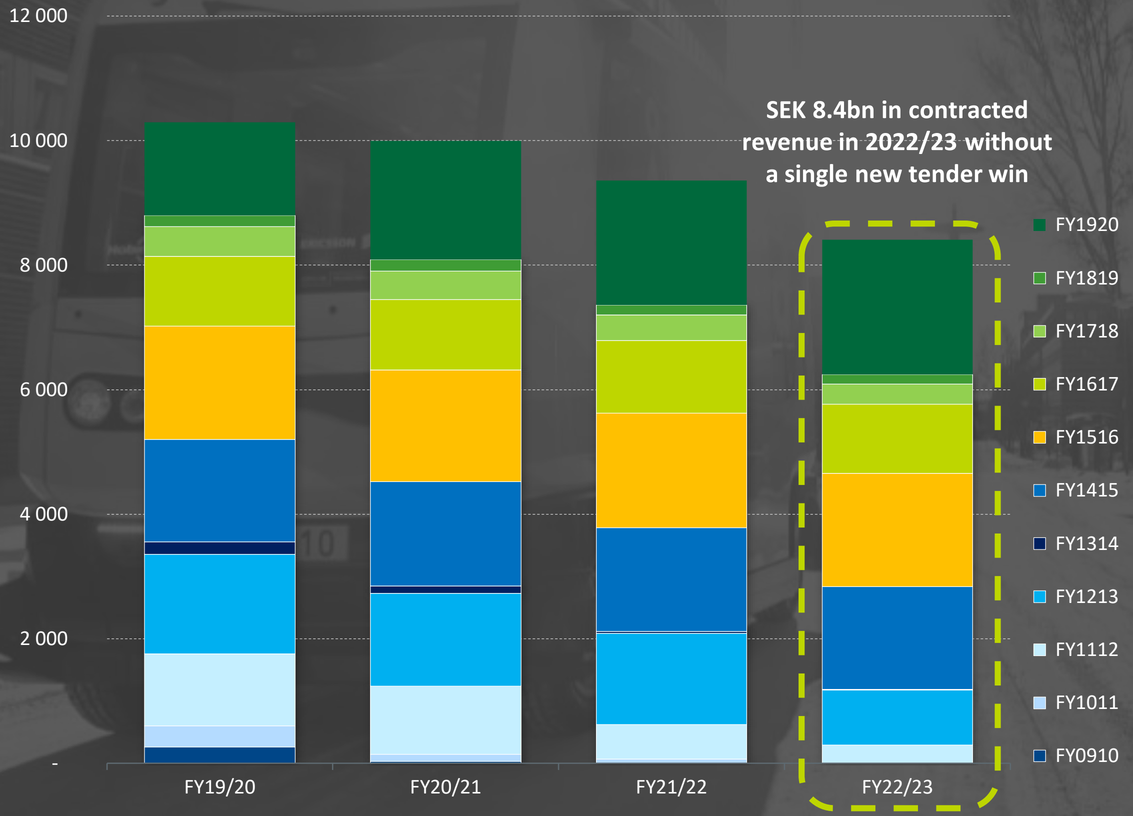
1 2 3 4 5

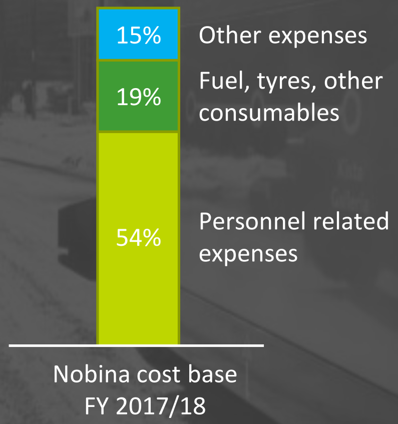
1) 50% of the potential extension option is included in the calculation

NON-CYCLICAL BUSINESS WITH HIGH EARNINGS VISIBILITY AND STABLE CASH FLOW (2/3)

Exceptional earnings visibility

REVENUE RUN-OFF EXISTING CONTRACTS, PER START YEAR





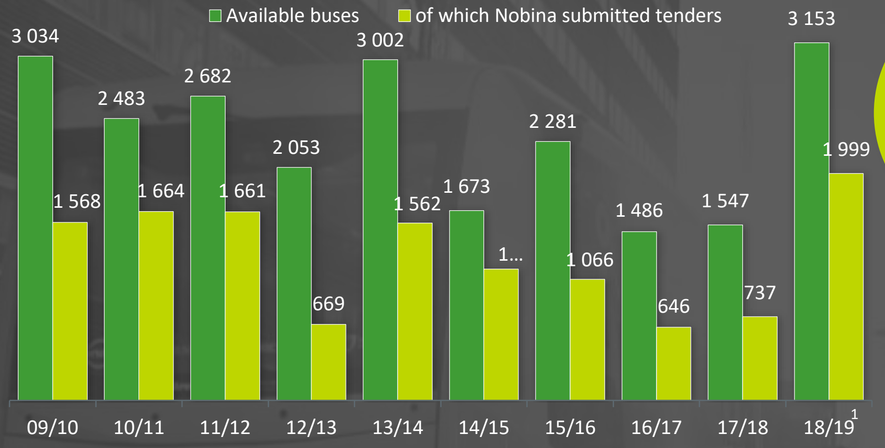
- **Nobina's revenue visibility** is further supported by the low cyclical aspect of the public transport business
- Without any new tender wins, Nobina has contracted revenues of SEK 8.4bn in 2022/2023 (not adjusted for inflation)
- This revenue has inherently low counterparty risk and historically Nobina has never suffered a credit loss
- In case of expiring contracts, the industry customary is to take over the personnel[1] operating the lines why **personnel related costs are more flexible. This together with fuel, tyres and consumables make up 75% of Nobina's cost base**

1 2 3 4 5

1) Bus drivers

NON-CYCLICAL BUSINESS WITH HIGH EARNINGS VISIBILITY AND STABLE CASH FLOW (3/3)

Consistent level of large market volumes



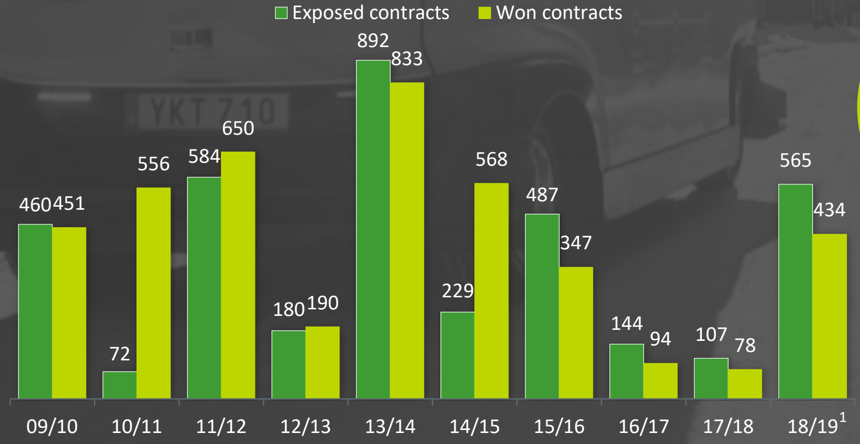
Nobina bidding on approximately 50% of the available volume

Announced and won tenders

March 2018 - November 2018	Tenders during the period (Number of buses) Announced	Won
Sweden	682	162
Norway	879	127
Finland	296	145
Denmark	20	0
Total	1,877	434

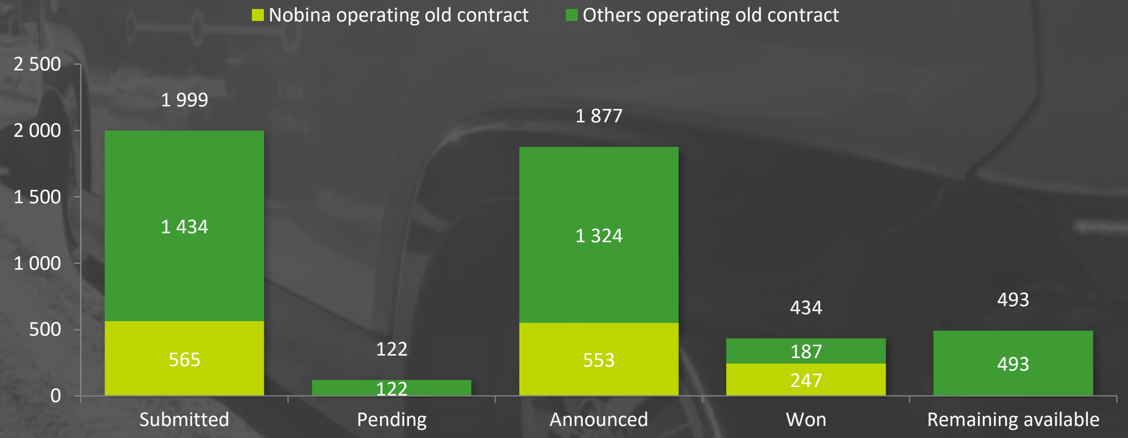
- During March 2018 – November 2018, Nobina has submitted tenders for 1,877 buses and won 434

Successful historic net contract wins



Average renewal rate[1] 113%

Tender update per Q3 2018[2]



1) *After three quarters*
2) *Renewal rate defined as number of buses in Nobina's won contracts / Nobina's exposed contracts*

Definitions: Available - Remaining buses available in tenders this year , Submitted – Number of buses in tenders submitted by Nobina, Pending – Submitted less announced, Announced – Submitted tenders, results are announced , Won – Nobina's wins out of announced tenders , Announced – Tenders that has been announced which Nobina submitted for

LEADING MARKET POSITION AND ECONOMIES OF SCALE (1/2)

- **Efficient operations with support from economies of scale gives Nobina a competitive advantage through fleet management and traffic planning of its bus fleet**
- **Most competitors sign operational leases back to back to contracts, implying shorter utilization of bus lifetime and more expensive leases since competitors pays for not carrying residual value risk. Nobina uses its economies of scale and fleet management to optimize its capital usage by relocating buses between countries and contracts**
- **By being able to use its top quality central fleet and relocate buses Nobina can stay relevant for different contracts in all Nordic countries while optimizing profitability across its contract portfolio**

Phase I

RISK ASSESSMENT

Prospecting → Influence and selection → Tender process → Contract win

Phase II

CONTRACT MANAGEMENT

5-10 years with potential for 1-2 years extension

Contract start → Traffic execution → Contract close down

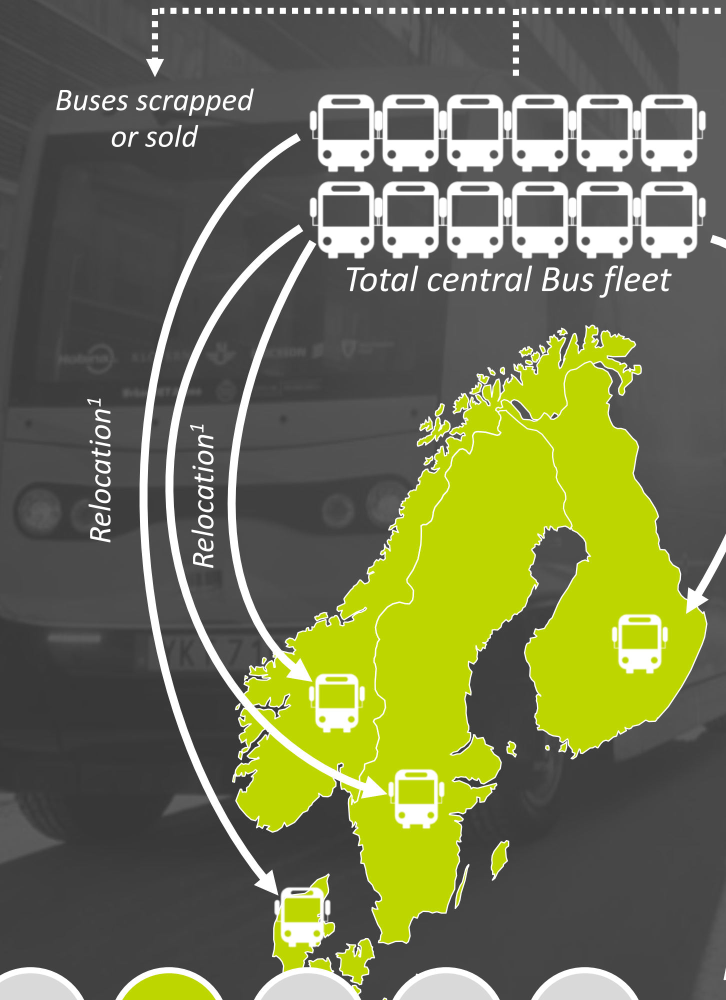
FLEET MANAGEMENT

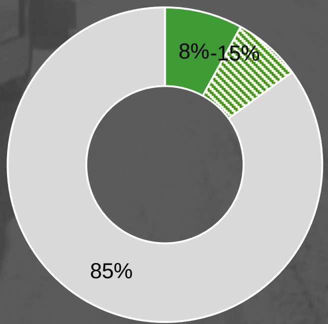
TRAFFIC PLANNING

1 2 3 4 5

LEADING MARKET POSITION AND ECONOMIES OF SCALE (2/2)

Centralized fleet management





Re-allocation rate of total bus fleet 8-15%[1]

1 2 3 4 5

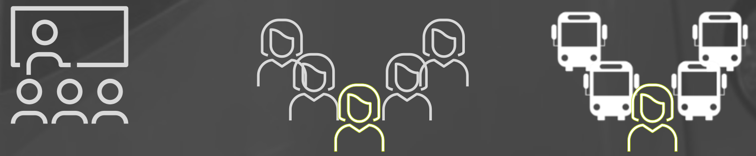
Advanced traffic planning drives efficiency

Five key factors…

1. *Line network planning*
2. *Timetable optimization*
3. *Bus route efficiency*
4. *Driver schedule optimisation*
5. *Traffic management*

99.9% of planned routes executed

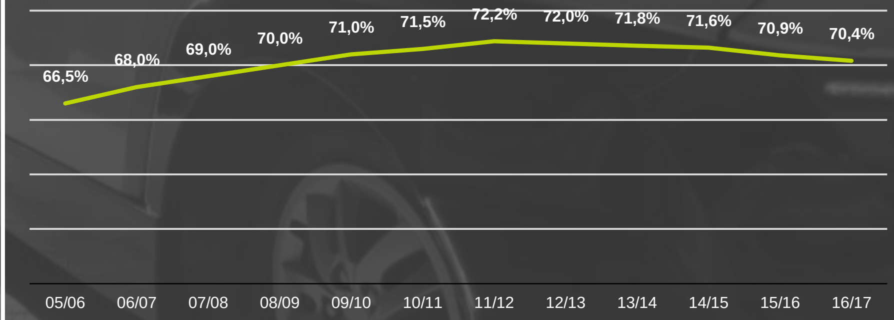
…thoroughly analyzed and planned…



Traffic planning *Team leaders* *Traffic leaders*

…to enable reliable and efficient services

Paid time in traffic ratio



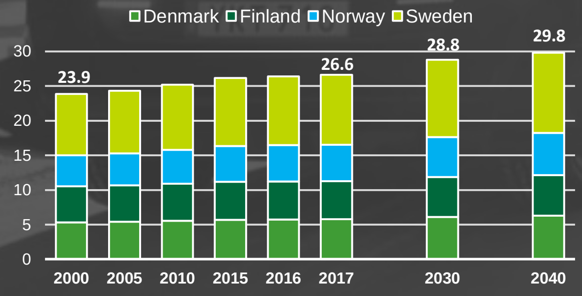
1) Approximate annual reallocation rate of total bus fleet (dependency on the number of surplus buses being released from expiring contracts from time to time

STRONG UNDERLYING MARKET FUNDAMENTALS (1/2)

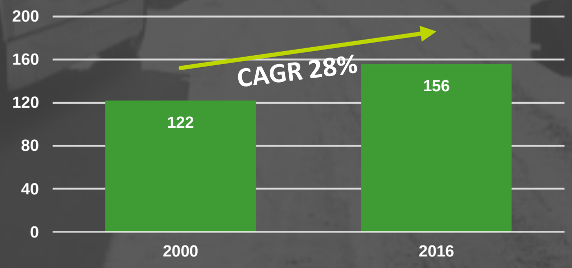
NORDIC TRENDS

- Growing urban Areas drive more Traffic volume
- Interaction with other sectors
- Electromobility is going from pilots to full scale solutions
- Opportunities to capture and capitalize on tech shifts
- Governmental support for investments in Public transport infrastructure
- Customer driven business models

Historic and projected population growth[1]

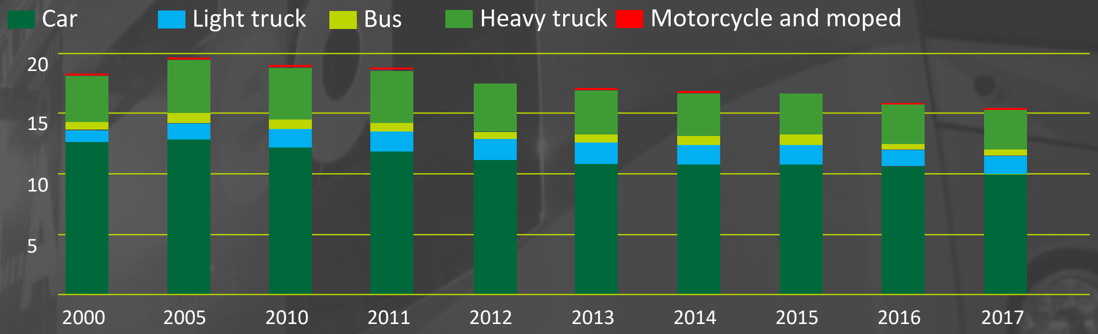


Number of public transport trips per Swedish residents p.a.[2]



GREENHOUSE GAS EMISSIONS FROM ROAD TRAFFIC

(Million tonnes)



Source: The Swedish Transport Administration

Bus traffic will be key to reduced car traffic emissions and will be an important variable in a sustainable society

PUBLIC TRANSPORT IS ESSENTIAL FOR THE SOLUTION

NOBINA IDEALLY POSITIONED

1 2 3 4 5

1) *Source: Nordic Co-operation – Nordic iLibrary*
2) *Traffic analysis report ”Regional Kollektivtrafik 2016” (Statistik 2017:20)*

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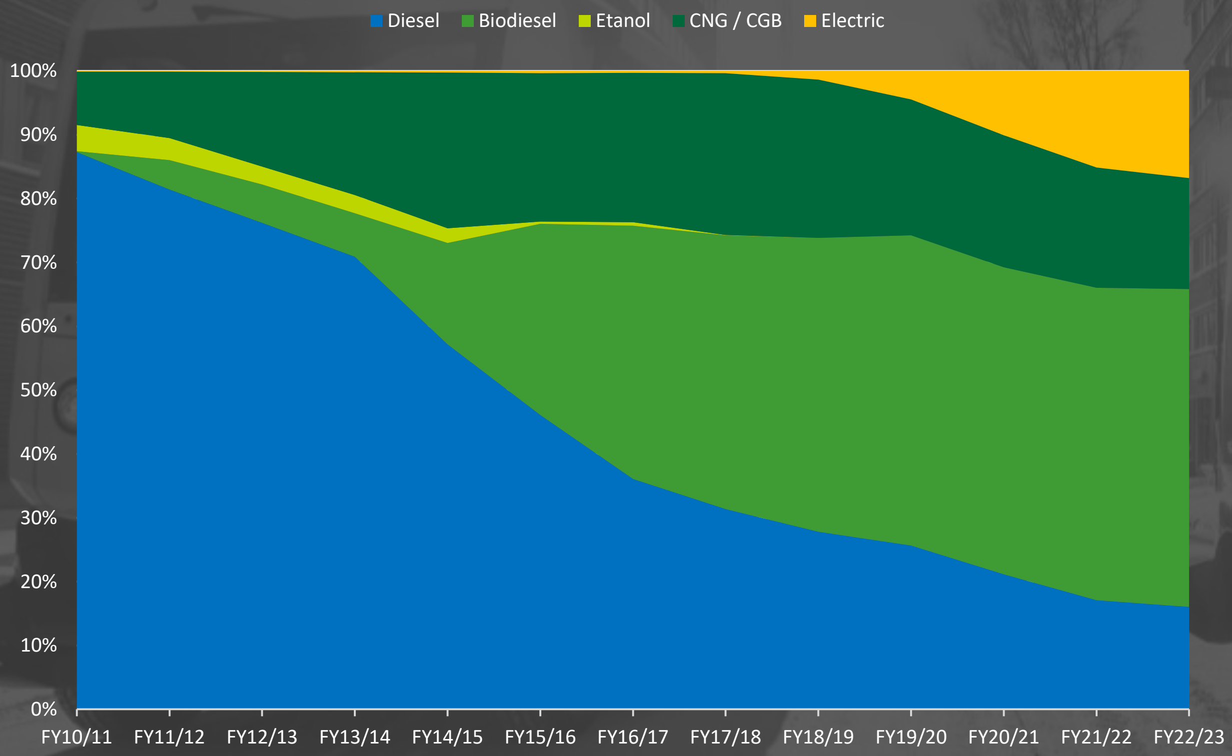
STRONG UNDERLYING MARKET FUNDAMENTALS (2/2)

RAPID MOVE TO SUSTAINABLE ENERGY SOURCES



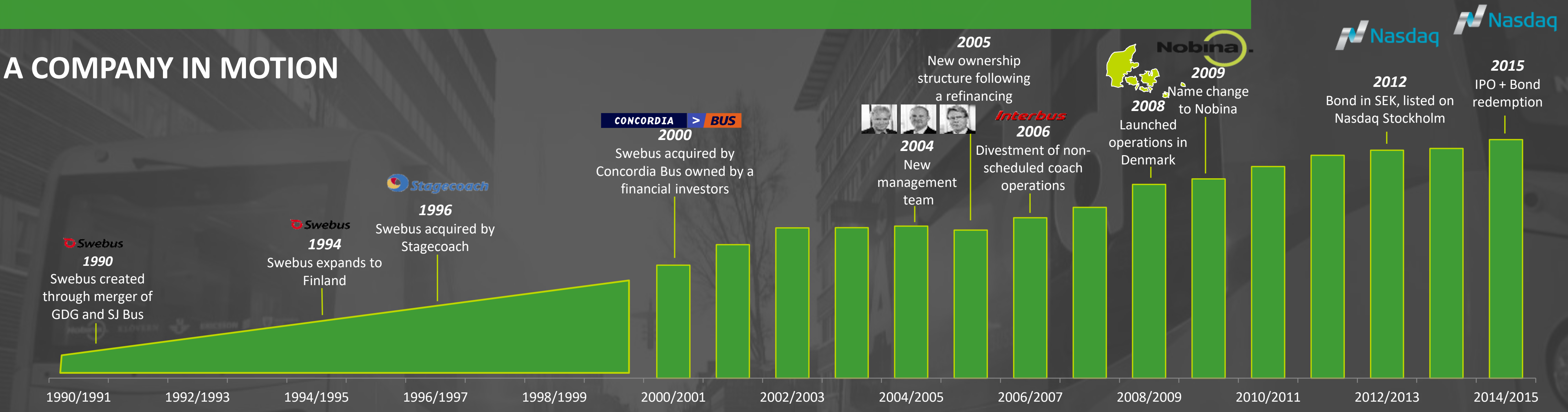
	18-03-01	22-02-28
Diesel	28%	16%
Biodiesel	46%	50%
CNG / CGB	25%	17%
Etanol	0%	0%
Electric	0,3%	17%

1 2 3 4 5

Nobina

14 YEARS OF CONTINUOUS IMPROVEMENTS

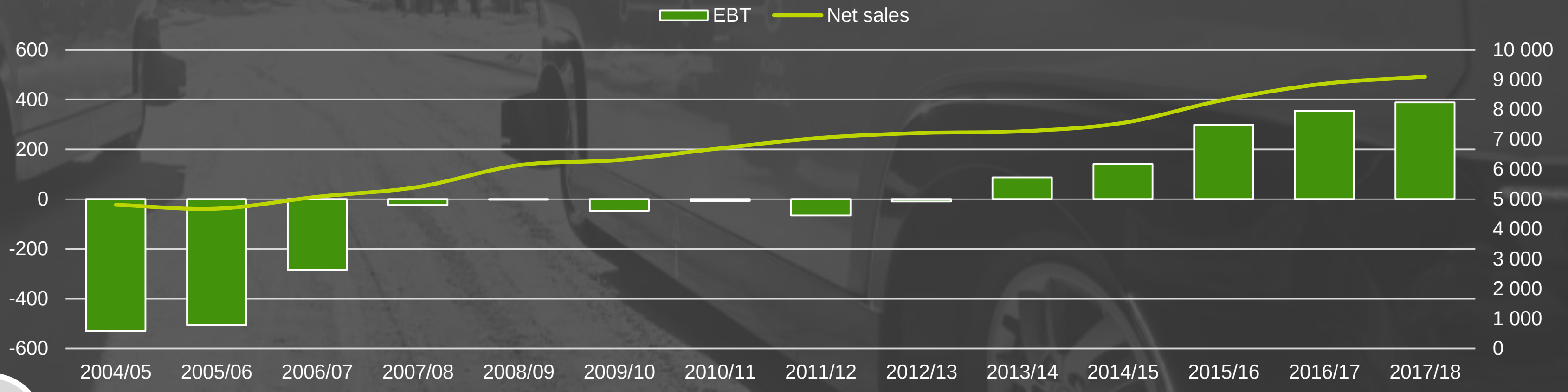
A COMPANY IN MOTION



PROFITABILITY DRIVERS

- Refined capital structure
- Focus on operational control and efficiency improvements
- Centralized tender processing
- Improved traffic planning
- In-sourced fleet management
- Pro-active contract development

GROWTH AND PROFIT IMPROVEMENTS



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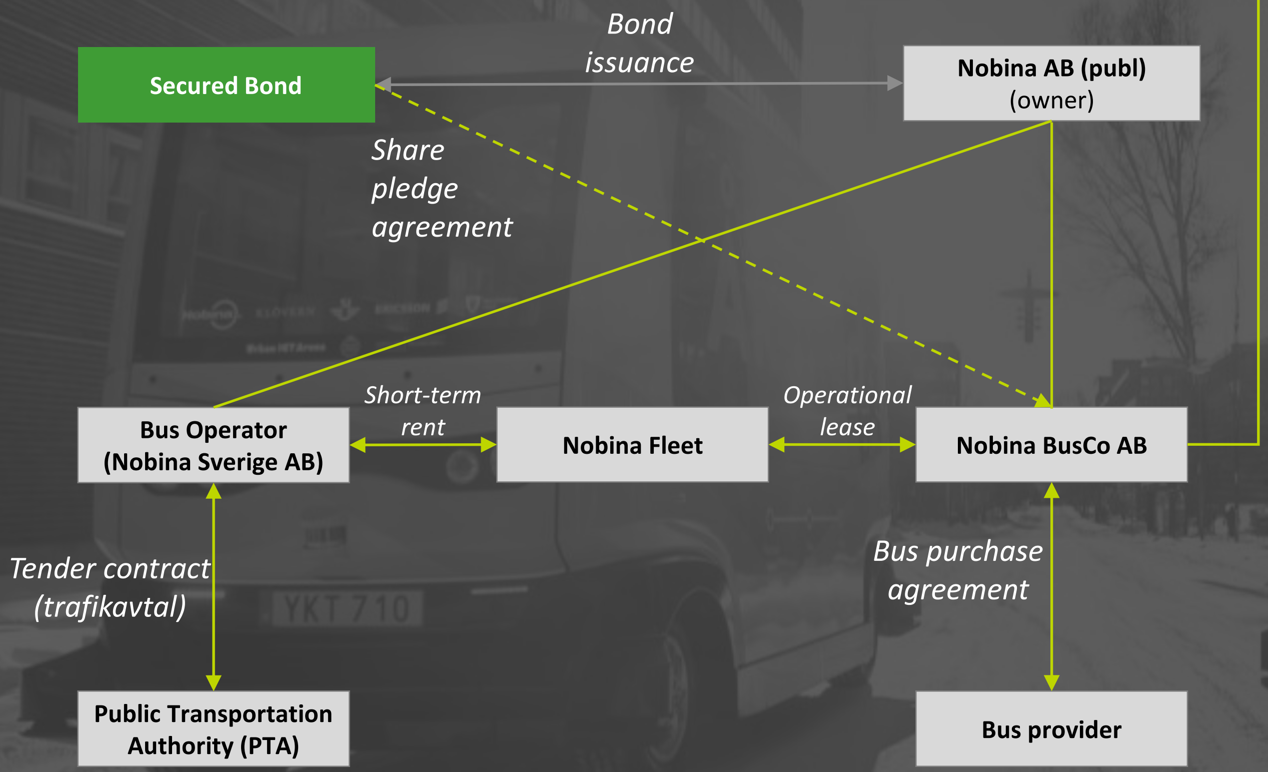
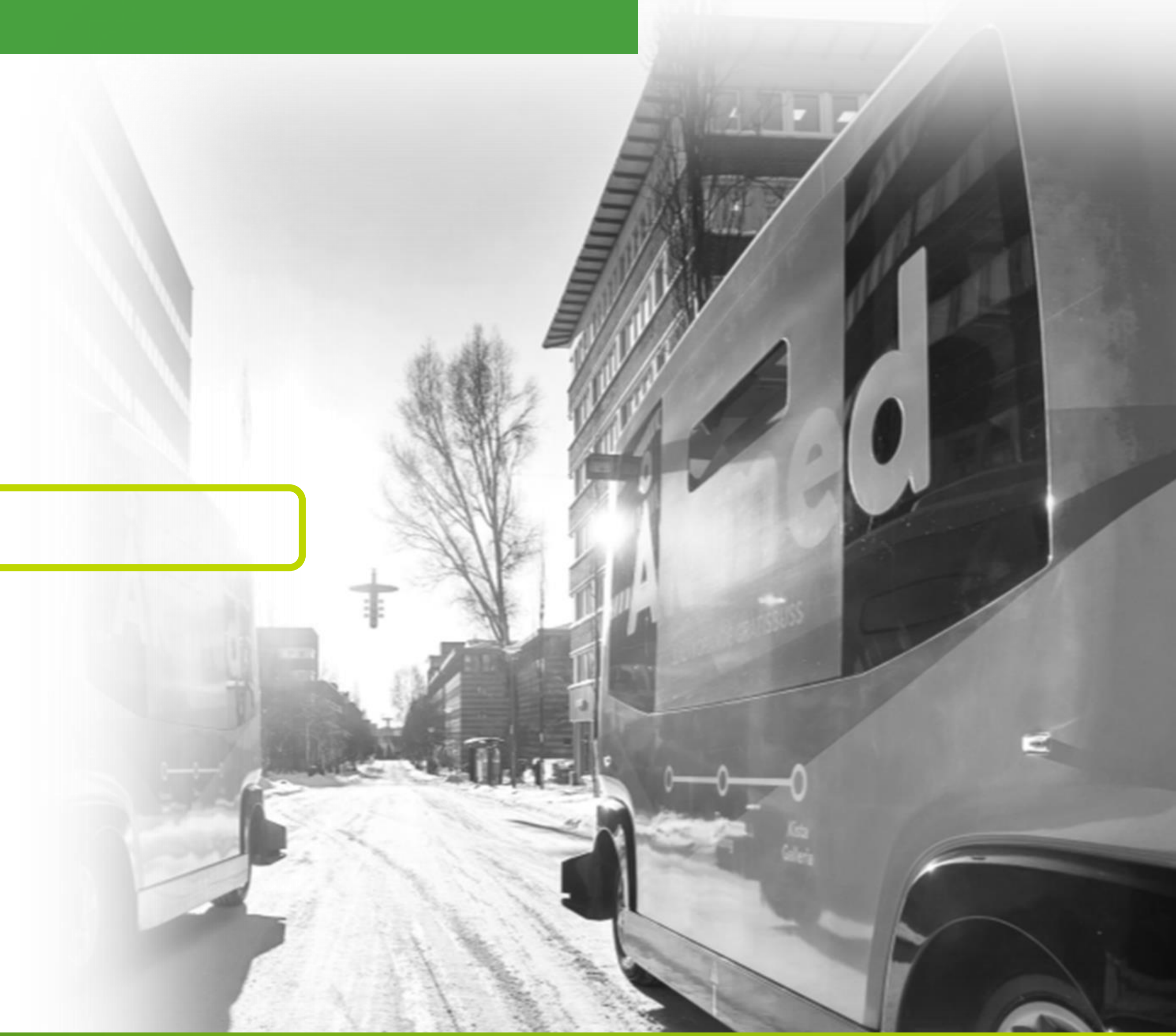
HIGHLY ATTRACTIVE SECURITY GIVEN NORDIC MARKET DYNAMICS



- There is a constant need for a certain number of irreplaceable buses to run the public transportation in a county due to specifications in the tenders
- There is an established and stable second hand market for express buses and coaches, **not for buses under PTA contracts**
- New requirements from PTA’s have been met with a combination of re-allocation of buses within the group and mix of old and new buses in new tenders
- New requirements do not disqualify buses to be used in existing contracts
- **So far no major Nordic bus operator has gone bankrupt**. There are a few known smaller bankruptcy cases **where the buses have been transferred to new operators due to contract requirements**
- **The service provided is a critical public resource** while the delivery time for new buses is at least 9 months, hence it is not possible to stop bus traffic during such a long time to replace existing buses in a contract
- In case of a default, **the contract specifics would require the new operator to use the same type of buses,** why it is reasonable to assume that the buses in Nobina BusCo AB would be acquired/leased by the new operator
- BusCo will over time use surplus from lease income to buy new buses which will maintain security value

1 2 3 4 5

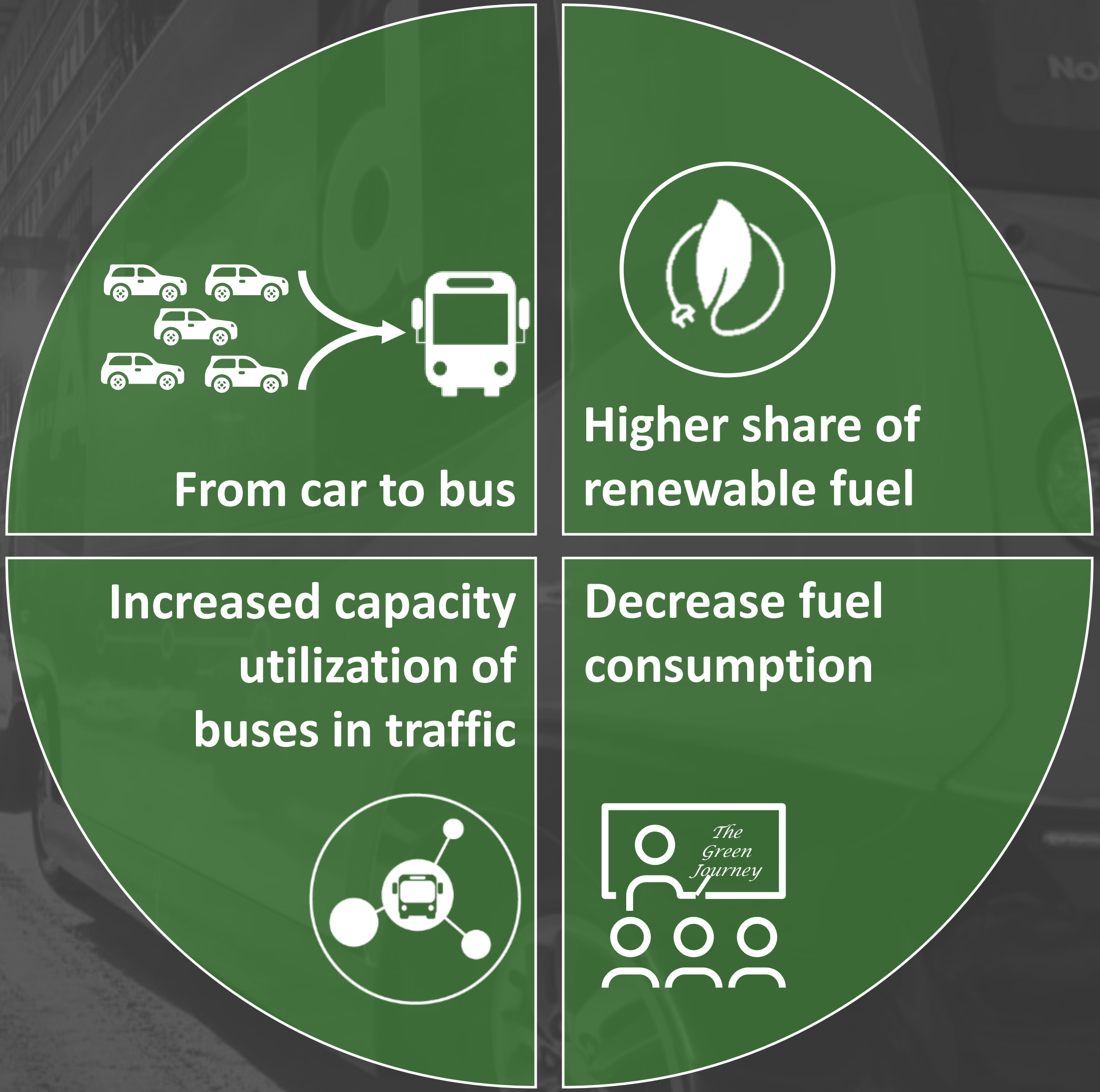
AGENDA



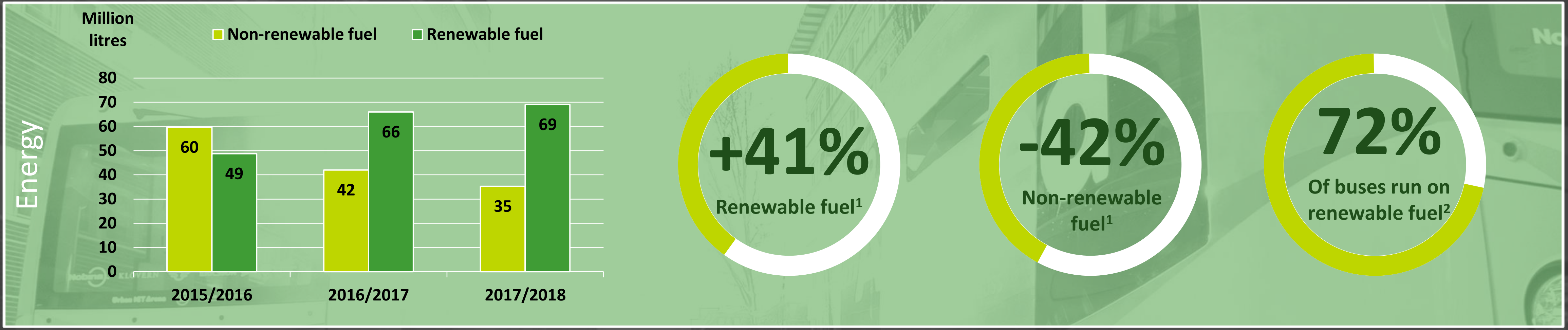
NOBINA CONTRIBUTES TO A SUSTAINABLE SOCIETY

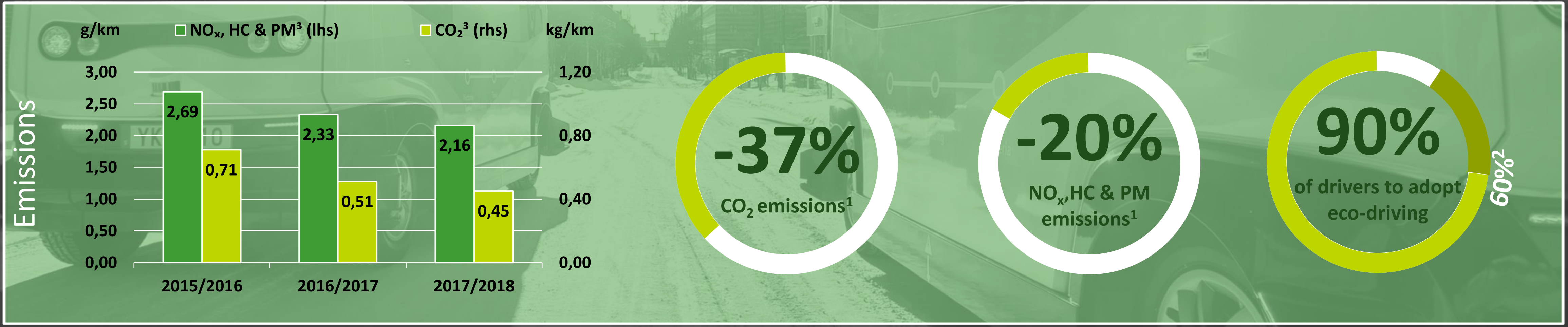
Nobina address today's environmental challenges

- Nobina's business model is aligned to meet and address some of the biggest environmental and political challenges of society
  - Public transport, is and will become an even bigger part of the solution
- Sustainable traffic solutions is a core product and a part of the company DNA in delivering public transport and creating attractive mobility in the society
- Nobina takes an active role in driving regulatory and technological change within electric buses (Nobina Electrical solutions), autonomous buses and initiatives for energy efficiency besides daily operations and efforts to increase attractiveness of public transport
- Sustainability regarding the environment but also in a wider sense is part of Nobina's corporate strategy and values
- Sweden has a political goal to have 90% of all buses in traffic running on renewable fuel in 2020
  - Nobina has already fulfilled this goal, with more than 95% of its buses operating in Sweden running on renewable fuel



SIGNIFICANTLY REDUCED ENVIRONMENTAL FOOTPRINT





1) 2015/2016 – 2017/2018
2) Current data
3) NO_x=Nitrogen oxides, HC=Hydrocarbons, PM=Particles, CO_2=Fossil carbon dioxide

HIGHLIGHTS FROM THE GREEN BOND FRAMEWORK

Use of Proceeds

Bond proceeds

Nobina to finance clean transportation

Investments in fossil free vehicles powered by electricity or biofuels[1]

Charging infrastructure for buses

Process for Asset Evaluation

Head of Treasury & IR

Head of Strategy & M&A

Fleet Financing Manager

Selection of eligible green assets is managed by CFO office

Fleet Financing Manager is responsible for keeping the list of eligible green assets

Management of Proceeds

Net proceeds will be credited to a designated account

Nobina will ensure there are sufficient eligible green assets in the portfolio

Reporting

Annual reporting on use of proceeds and environmental impact, which will be externally audited

E.g. publish a list of eligible green assets incl. allocated amounts and brief description

E.g. publish the related estimated greenhouse gas reduction and the estimated number of passengers travelling by fossil free vehicles

1) *Examples of bio fuels are Rapeseed Oil Methyl Esters/RME or hydrotreated vegetable oil/HVO*

NOBINA'S GREEN BOND FRAMEWORK TOP RATED BY CICERO

CICERO – SHADES OF GREEN

- Dark Green
- Medium Green
- Light Green
- Brown

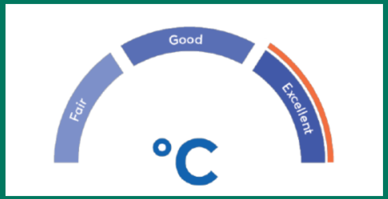
***Dark Green** is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future*

°CICERO
Center for International Climate Research

*Nobina's Green Bond Framework receives a **Dark Green** shading, which is rare among Swedish corporates*

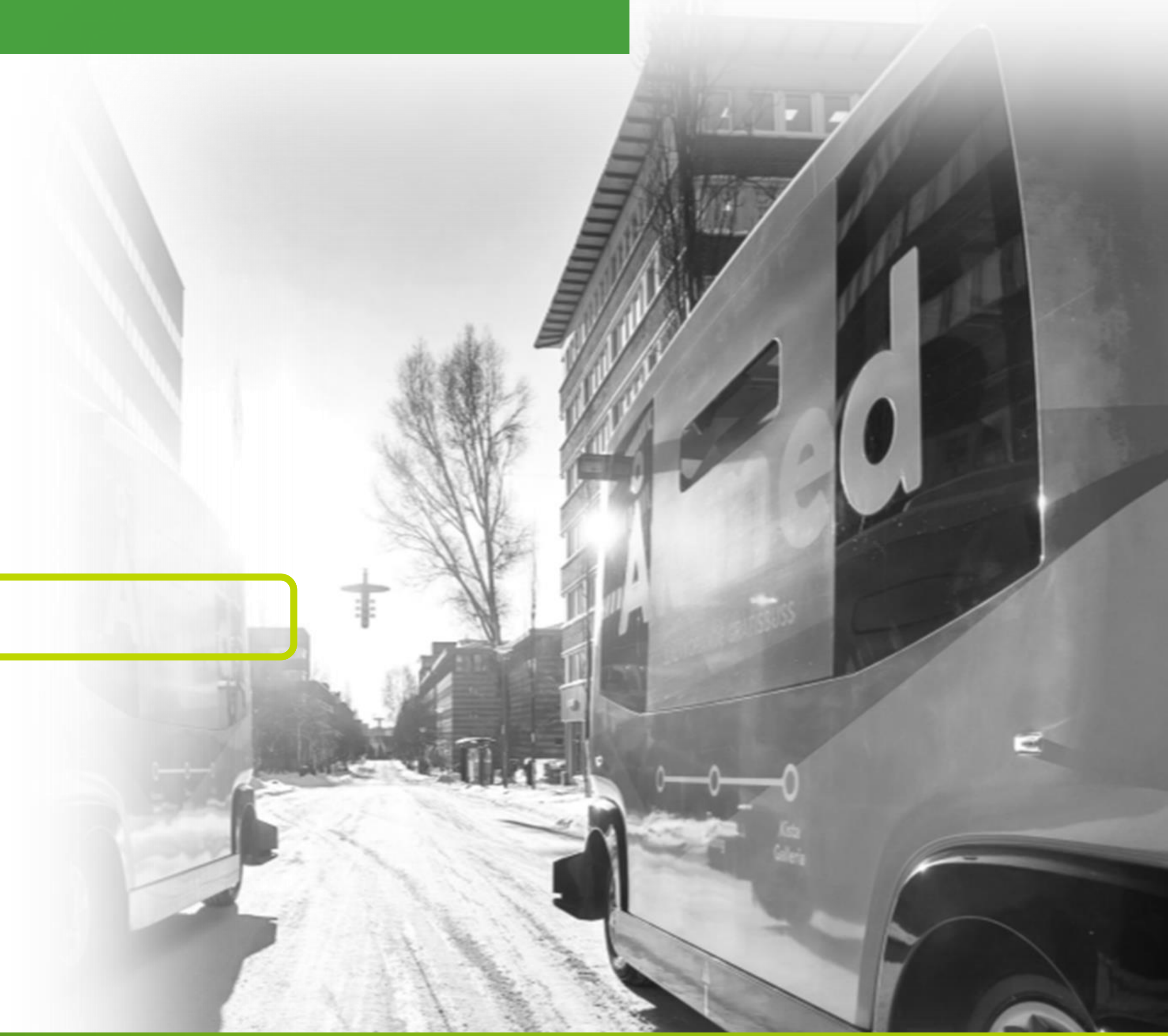
Second Opinions
Dark Green

*CICERO finds the governance procedures in Nobina's framework to be **Excellent***



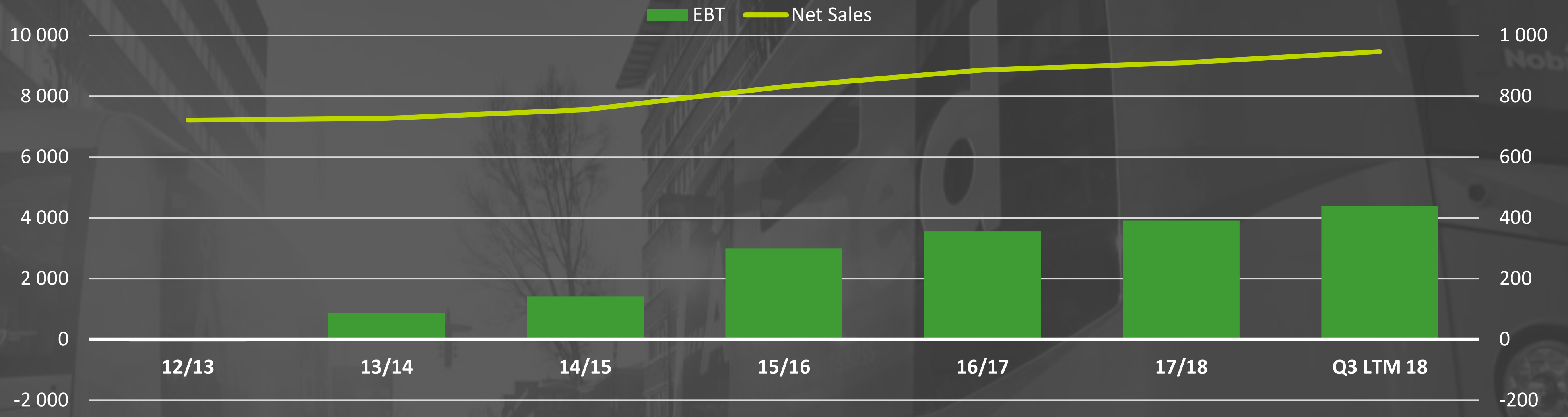
AGENDA

- Company overview
- Business strategy
- Key credit highlights
- Green overview
- Financial overview
- Risk factors
- Appendix



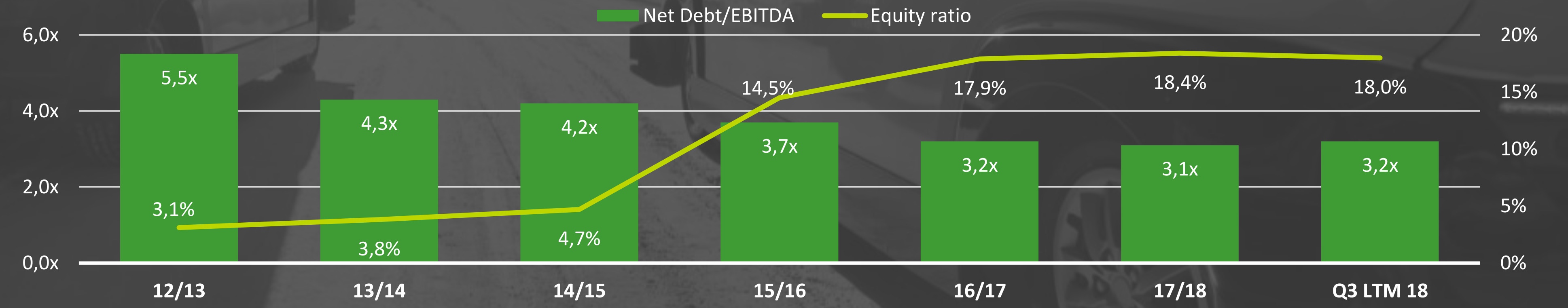
FINANCIAL PERFORMANCE

Growing with improved profitability – financial target of EBT margin 5%



	12/13	13/14	14/15	15/16	16/17	17/18	Q3 LTM 18
Sales growth	2,3%	0,8%	3,9%	10,2%	6,5%	2,7%	4,1%
EBT margin	-0,1%	1,2%	1,9%	3,6%	4,0%	4,3%	4,6%

Decreasing leverage over time - financial target 3-4x



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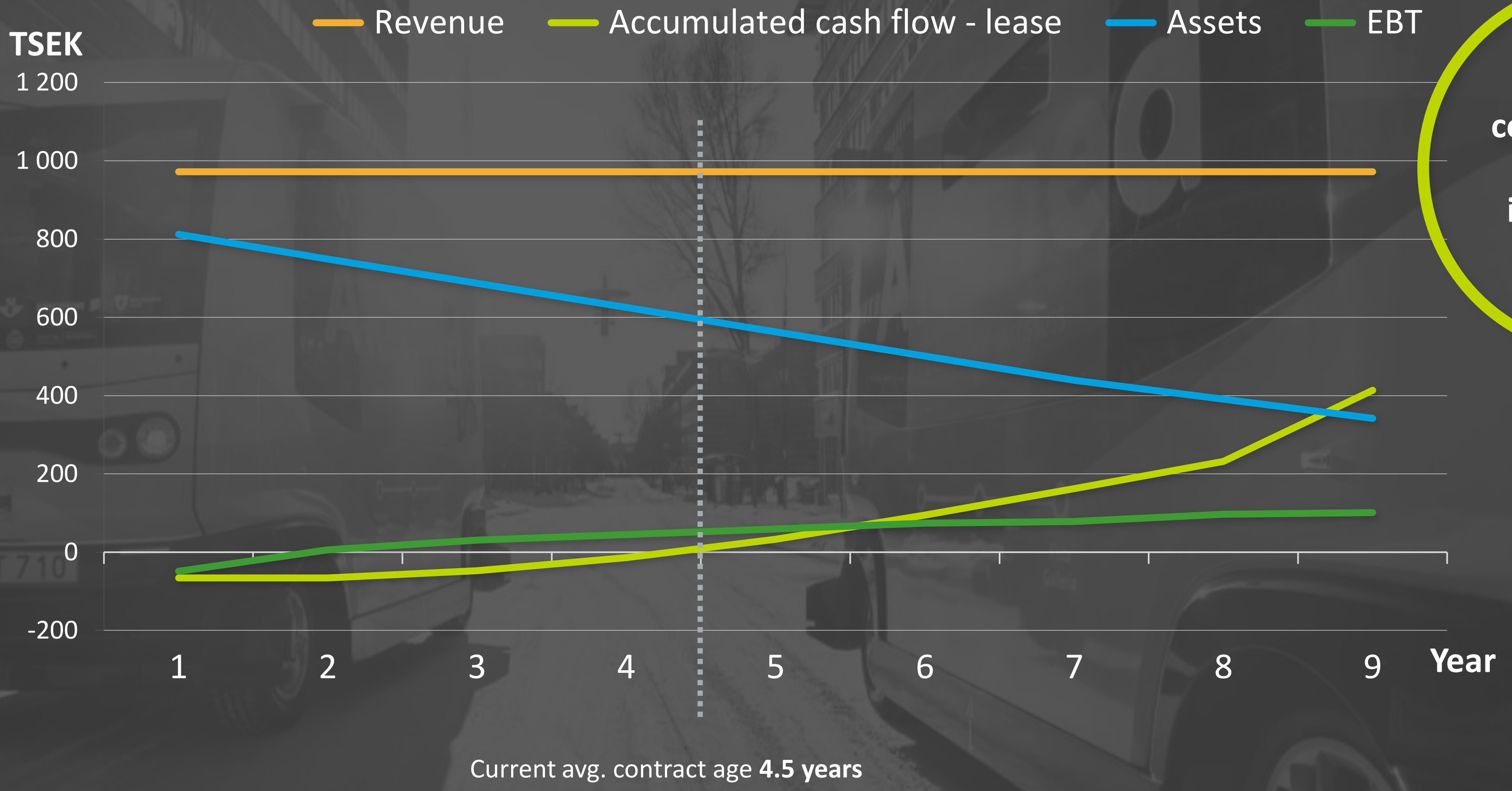
MARGIN AND CASH FLOW IMPROVES WITH CONTRACT AGE

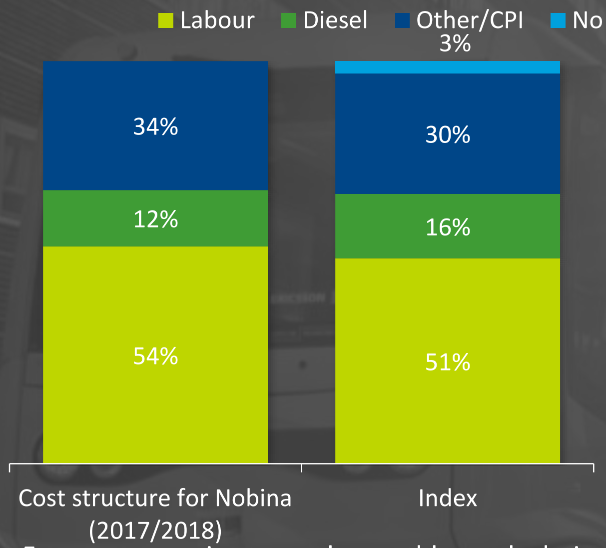
Example of typical 7-year contract with a 2-year extension



Renewed contracts come with a slight initial margin compression

NOBINA PROTECTED AGAINST INCREASED COSTS VIA CONTRACT INDEXATION CLAUSE

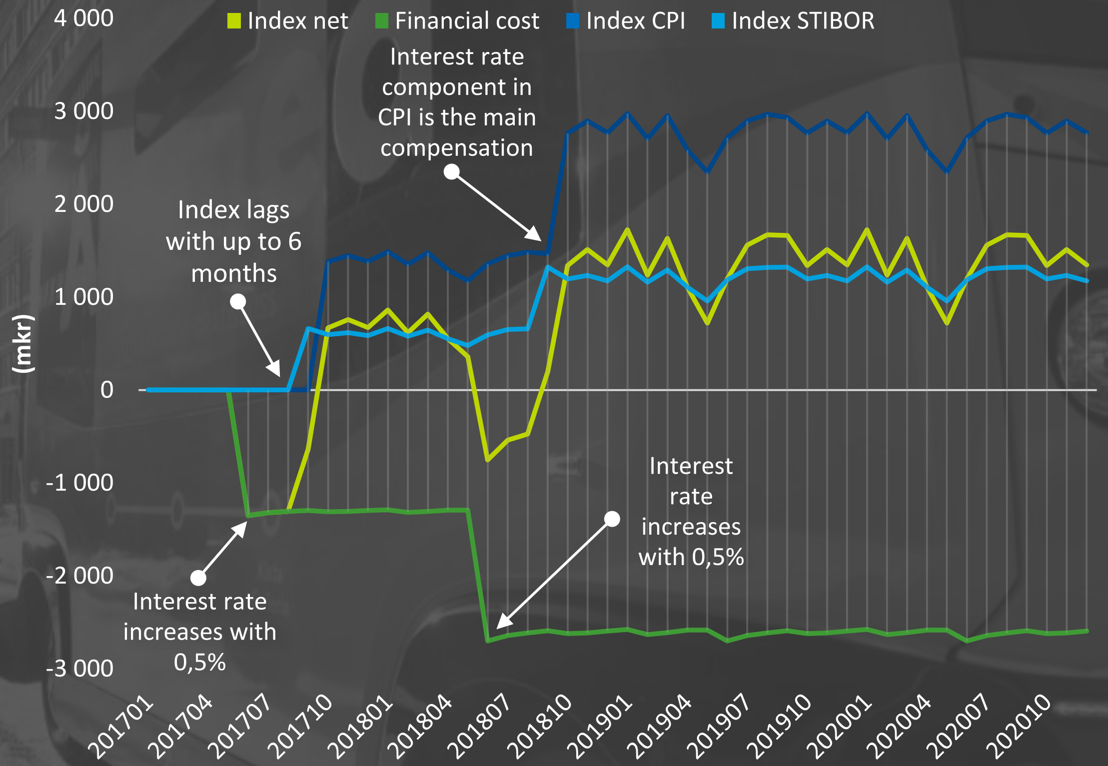
Cost inflation well covered by index



Nobina's cost structure mirrors index

- Frequency moving towards monthly recalculation of revenue – currently average frequency is every 2-3 months
- Labour salaries trending in line with market behind index
- Fuel index diversified by fuel source
- Interest primarily contains fixed margins, while the small market rate is covered by CPI
- **The contract indexation clauses in accordance with the industry norm largely protect the service providers against input cost increases**

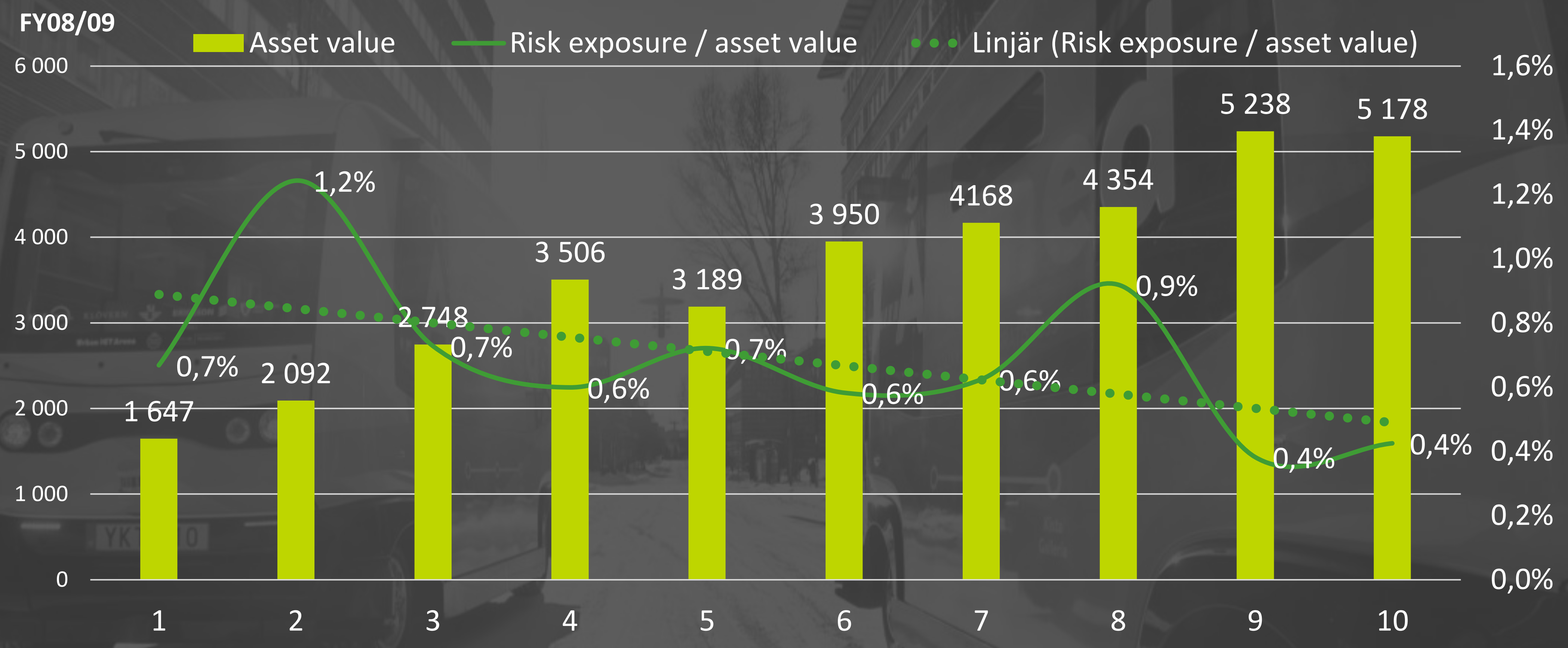
Impact from increasing interest rate over time



- **Analysis indicates full compensation, but with some delay**

Nobina.

RISK EXPOSURE VS ASSET VALUE <1%



- Average risk exposure 0,7% of total asset value [1] over the last 10 years
- 1 year depreciation of assets equal 7% of start value
- Depreciation schedule supported by the historically low difference between booked value and realised values

1) Actual asset value is higher due to operational lease. The last operational leases have just expired – exception is app. SEK 120m in special projects with full buy back guarantee

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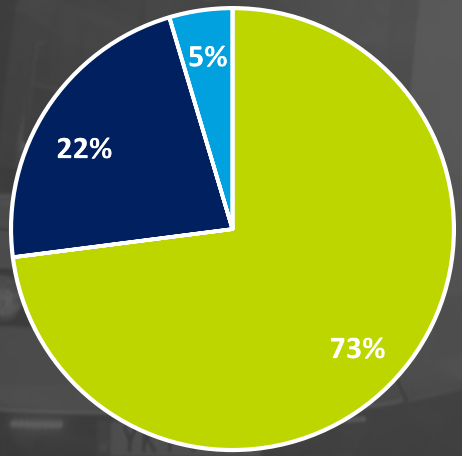
INCREASED DIVERSIFICATION AMONG FUNDING SOURCES

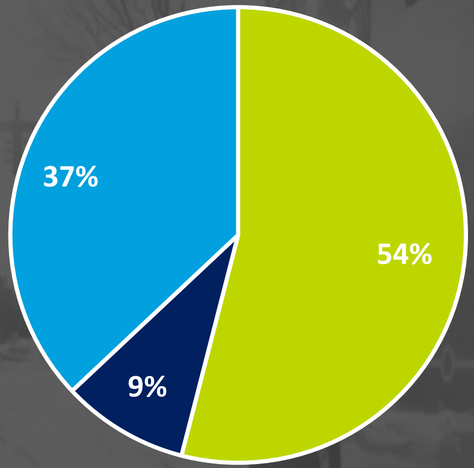
Share of lease portfolio

2012/2013



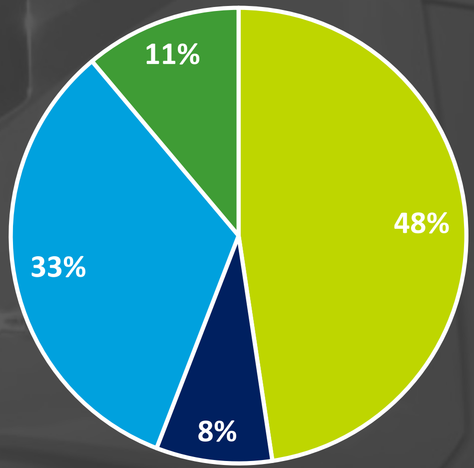
Share of lease Portfolio

Q3 2018



Share of lease Portfolio

Pro-forma bond issue[1]



- Bus manufacturers
- Independent with residual value guarantees
- Independent
- Green bond

Financing terms

- Financial lease[2]
- 100% financing at start
- 10 years duration
- 10% residual value
- Nobina buy-out at end date

1) *Based on Q3 2018 numbers and 500msek*
2) *Asset backed loans in Denmark due to VAT*

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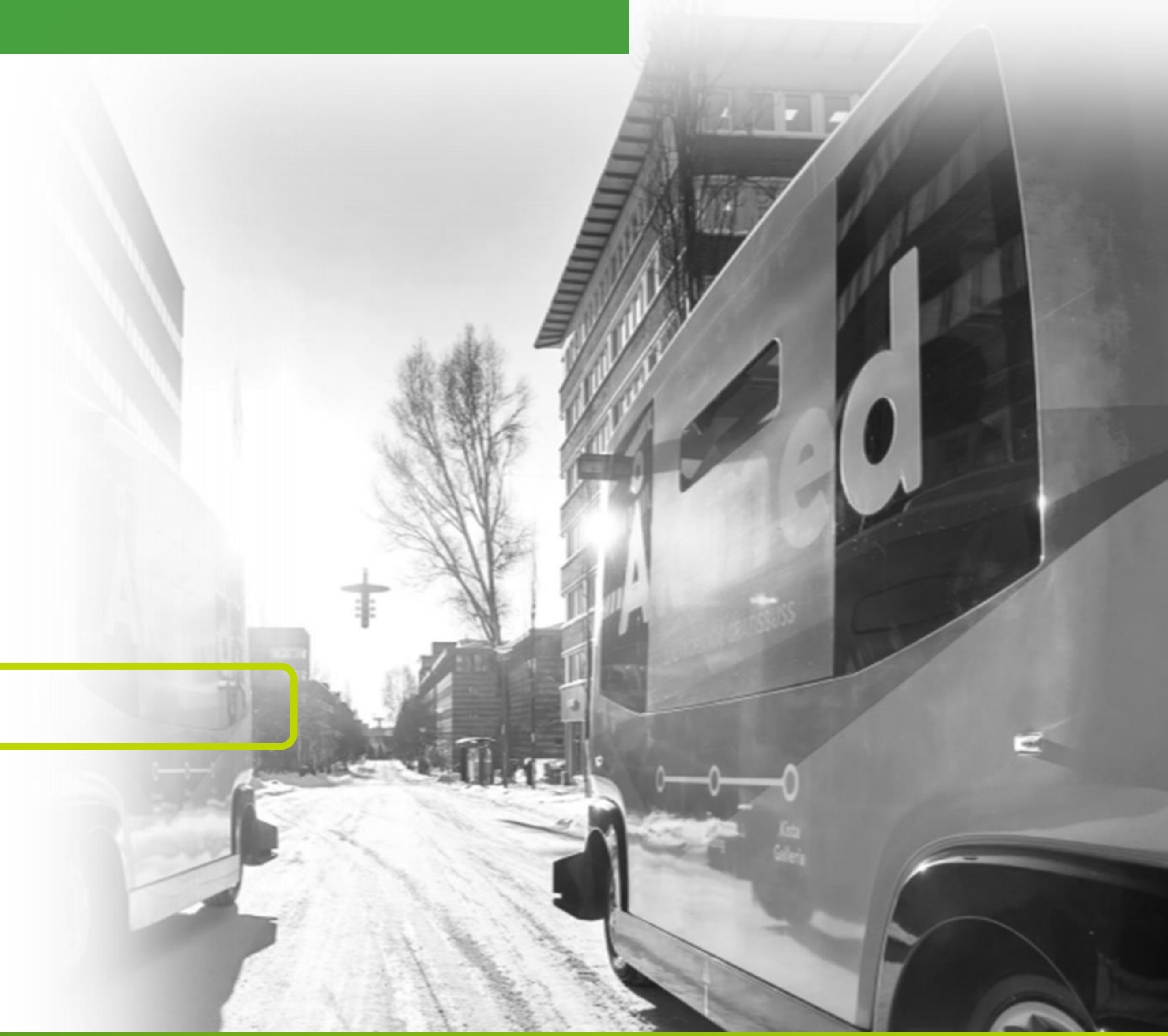


RISK FACTORS

IMPORTANT INFORMATION

*Investing in bonds always involves inherent risks. The financial performance of Nobina AB (publ) (the “**Company**”) and its subsidiaries (together with the Company, the “**Group**”) and the risks associated with its business are important when making a decision on whether to invest in the Bonds. A number of risk factors and uncertainties may adversely affect the Group and/or the Bonds. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely affected, which ultimately could affect the Company’s ability to fulfil its obligations, to make payments of interest and repayments of principal under the terms and conditions for the Bonds.*

In this section, a number of risk factors, both general risks pertaining to the Group’s business operations and material risks relating to the Bonds as financial instruments, are illustrated. The risks presented below are not exhaustive and other risks not discussed herein may also adversely affect the Group, the price of the Bonds and the Company’s ability to service its debt obligations. Further, the risk factors are not ranked in order of importance or probability. Potential investors should carefully consider the risk factors stated below and make an independent evaluation before a decision of acquisition of the Bonds is made. An investor in the Bonds should possess adequate knowledge in order to be able to evaluate the risk factors, as well as sufficient financial power in order to be able to bear said risks.

Risks associated with the Group, the industry and the market

Global economic and market conditions

The Group operates mainly as a provider of tendered public bus transportation and supplementary bus services in Sweden, Norway, Finland and Denmark.

The transportation market is to a large extent affected by macroeconomic factors such as the general state of the economy, national and regional economic developments, the employment rate, infrastructural development, population growth, urbanisation demographic developments, inflation, environmental and climate concerns as well as interest rates. As employee costs constitute a large cost item for the Group, political change and negotiations in relation to collective bargaining agreements may impact the Group’s earnings and cash flow.

Furthermore, a negative development of certain major infrastructure projects may lead to that the Group cannot exploit the public transportation possibilities of certain areas at all or only on less favourable terms, which in turn may result in decreased profit.

If one or several of these factors would have a negative development, it could have a material adverse effect on the Group’s business, financial condition and results of operations.

Contracts with PTAs

The Group's contracts with public transport authorities (individually a “**PTA**” and collectively “**PTAs**”) accounts for a substantial part of the Group’s total sales. Contracts with PTAs are awarded following a competitive tender process. As these contracts are generally fixed-term contracts, they need to be re-tendered at the end of their respective terms, according to applicable law. While the Group does not expect to renew and win all contract tenders, the Group’s prospects and financial and operational performance are dependent on its ability to continue to win a proportion of them over time. If the Group is unable to win new PTA contracts over time or to secure extension options under its existing contracts when they expire, or wins contracts at a level below what it expects or has been able to achieve in the past, it would have a material adverse effect on the Group’s business, financial position and results of operations.

Price is typically the deciding factor in awarding PTA contracts. The Group's pricing, in turn, depends largely on its ability to conduct an accurate risk assessment, evaluate and secure the efficiency of its operations and realize potential economies of scale. The Group's competitiveness and ability to win PTA contracts is therefore closely linked to the efficient management of its fleet of buses and operation of existing PTA contracts. Any deterioration in the Group's competitiveness could affect its ability to win new PTA contracts, which could, in turn, have a material adverse effect on the Group's business, financial position and results of operations.

Competition

The public and private bus transportation markets are highly competitive. The Group faces competition from multinational competitors, entities owned and operated by municipalities and counties as well as from local, independent entrepreneurs. In addition, some of the Group’s competitors, in particular state-backed entities, are much larger in certain markets and have significantly greater financial and other resources than the Group. These competitors may also have lower financial return expectations allowing them to reduce their prices to win contracts at levels not profitable to the Group. As price historically has been, and typically is, the determining factor in contracts awarding, some of the Group's competitors, especially small operators, may be inclined to underbid on tenders in an effort to gain market shares even if it means winning contracts on pricing terms that are below their actual costs. Sustained or increased price competition could hinder the Group's ability to win contracts with PTAs and could decrease its market share. If the Group is forced to significantly reduce its prices or if it fails to win new PTA contracts, this could have a material adverse effect on its business, financial condition and results of operations. The Group’s future ability to successfully compete is also, among other things, dependent upon the Group’s ability to anticipate future market changes and trends, and to rapidly react to existing and future market needs, which may result in increased costs or require price reductions or changes of the Group’s business model. Should the Group fail to react to such market needs to the benefit of the Group’s competitors, the Group’s ability to win contracts may deteriorate, which could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

RISK FACTORS

Competition from other modes of transport

Bus ridership levels depend on passenger preference. Automobile travel is the largest competitor for ridership for the Group's business. There is a risk that customer preferences for automobile travel will remain strong, due to, among other things, improved environmental performance in the automobile industry, lowered fuel prices, and passenger comfort demands. If environmental concerns, traffic and price considerations do shift passenger preference away from automobiles, there can be no assurance that passengers will increasingly demand for public bus services over public train services where these services overlap. In the area of public transportation, the Group faces competition from other means of transportation, such as rail, metro and trams. Should demand for bus services decrease or fail to increase in the future, the scope of new PTA contracts may be adversely affected and the Group may not be able to maintain or expand its operations. Should any of these developments occur, it could have a material negative impact on the Group's revenue, operations, profitability and financial position.

Pricing of PTA contracts

Each one of the Group's PTA contracts is awarded after a formal competitive bidding process. In addition to requiring the Group to invest costs and managerial time, this bidding process presents a number of risks, including the risk that the Group may incorrectly estimate the resources and costs that will be required to service any contract or fail to identify and safeguard itself against certain operational risks. For example, in order to bid on a PTA contract, the Group must first determine the price at which it is prepared to enter into a PTA contract. Determining the price requires a series of assumptions to be made about the future costs of operating the contract so that the contract meets the Group's internal margin and return on investment requirements over the length of the contract, which may extend to five or ten years. These cost assumptions include, but are not limited to, traffic planning and bus allocation, lease payments for depots and parking lots, fuel costs, personnel costs and management expenses relating to operating a PTA contract. While management invests significant employee time and financial resources in reviewing and pricing contract tenders, the process is ultimately subjective and, as such, susceptible to human error. In addition, estimating risks and operational issues that may occur during the life of a contract is inherently difficult and a failure to accurately do so may result in that the Group incorrectly prices a contract or takes insufficient steps to otherwise protect the Group's financial or operational interests, which would have a material adverse effect on the Group's business, financial position and results of operations

Furthermore, PTAs are generally entitled to make changes to the Group's contractual obligations through variation orders, also when the potential consequences, such as cost, may not be fully clarified in advance and therefore not taken into account in the Group's price and risk assessment. The Group normally has the right to demand price adjustments for any extra costs incurred in this situation but the right to such additional remuneration is not always clear and may result in time-consuming negotiations. Furthermore, as the right to request such compensation only is triggered after a certain degree of variation in the contract, the Group may not always be entitled to cost compensation for additional costs that have not been taken into the initial calculation. There is a risk that additional costs are not compensated for and that the implementation of any planned efficiency initiatives hence are impaired. Should any such risks materialise, it could have a material adverse effect on the Group's business, financial position and results of operations.

If any of the Group's assumptions about price and risk are inaccurate, it may win contracts with low profit margins or contracts that must ultimately be operated at a loss. Typically, the Group enters into five to ten year contracts with PTAs where the pricing terms, price indices and scope of operations are determined at the commencement of the contract. The vast majority of the Group's operating costs are hence fixed once such a contract is signed and cannot be reduced to accommodate inaccurate assumptions used in the tender process. Such contracts may therefore be unprofitable for a limited period of time or for the life of the contract. Inaccurate pricing and the resulting entry into unprofitable contracts could have a material adverse effect on the Group's business, financial position and results of operations.

Age of contract portfolio

The Group's PTA contracts typically incur high up-front costs for capital expenditures and a reduction in free cash flow due to the need to make significant investments before commencing a contract, for example, in a new or updated vehicle fleet. This is due to that it may be difficult to run fully cost efficient operations from the outset; at the inception of a PTA contract, the Group typically relies on overstaffing in order to ensure that it may meet its contract obligations, which is rectified once the actual staffing requirements have been fully and clearly established. As the revenue from the majority of contracts is fixed during the life of the contract (although indexed for adjustments in certain expenses), the Group's contracts may be unprofitable during their initial phase. The final years of a contract, particularly the years where contracts are extended past the original term of the contract, are therefore generally the Group's most profitable. Should several older contracts expire simultaneously as the Group commences several new contracts during the same period (*i.e.*, if the average age of the Group's contract portfolio decreases) it would reduce the Group's margins, consume cash and expand fixed assets and liabilities. Furthermore, where contracts are not extended past their original terms, the overall profitability produced by such contracts would decline. Should these circumstances materialise, it would have a material adverse effect on the Group's business, financial condition and results of operations.

RISK FACTORS

Contracts with public sector clients

As a substantial part of the Group's total revenue is generated through contracts with PTAs, the Group is exposed to various risks inherent in government contracts, which are based on commercial terms, or concluded in a contracting environment, that may be different from the terms or contracting environment that may prevail in commercial arrangements with private entities. Terms and conditions of public contracts tend to be more onerous and more difficult to negotiate than those in commercial contracts. The Group typically enters into contracts with PTAs with a five to ten year duration, where the pricing terms, cost indices and scope of operations are determined by the PTA at the commencement of the contract. Operators are generally unable to have bilateral discussions with PTAs and are only entitled to ask questions relating to upcoming tenders, which must be made in writing and formally lodged. These questions, and the written responses provided, are a matter of public record, whereby the Group may choose not to pose certain questions that are not suitable for a public disclosure. Submitted tenders are made public to all other bidders once the contract is awarded and bidders are then given full transparency of competing bids, which gives competitors a view of the Group's current operating models, which may reduce its competitive advantage. This results in that competitors may employ tactics and exposes the Group to challenge from other bidders. Furthermore, the transparency requirements in relation to public sector clients may lead to that the Group may need to disclose information that otherwise would not be disclosed and that constitutes such information that, if disclosed, puts the Group in a less advantageous competitive position. Unwarranted disclosure of such information may hence impair the Group's competitive situation which could lead to economical loss.

In addition, during the tender process, an operator only has access to the key terms of the tender contract. If the Group is successful in making a bid, it is expected to sign the full agreement, whose provisions extend beyond those anticipated in the key terms. Following the award of a contract, the Group must perform the contract as tendered, even if unprofitable, and there is generally no, or only very limited, scope to renegotiate the terms of the contract, which, in turn, may lead to unforeseen losses or competitive disadvantages.

Should any of the aforementioned risks materialise, it could have a material adverse effect on the Group's business, financial position and results of operations.

Dependence on subsidies

PTAs demand for the Group's services depends on the relevant municipality or county budgets and the funds allocated to public transportation. A recession, economic downturn, or change in the political environment may affect government policies, spending, private sector investment or interest rates. If economic conditions lead to long-term shifts in public sector policies, programmes or procurement methodologies, the Group may be unable to maintain its existing levels of contracts or be unable to maintain existing levels of profitability, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks related to breaches of contract

The Group must manage its contracts in accordance with their terms and must adapt to developing and unanticipated circumstances during the life of a contract. Any breach of contract by the Group could result in the imposition of penalties by PTAs. Should any penalties be imposed, it would reduce the operating profit earned by the Group from the relevant contract and could have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, subject to certain provisions, the contracts that the Group is party to PTAs are entitled may be terminated before the end of the contract term. Also, a number of the Group's contracts contain change of control clauses which apply in the event of a change of control. If the Group is unable to replace revenues from any terminated contracts within a reasonable period of time, the Group's revenues and operating income would decline. In addition, the imposition of penalties or the early termination of contracts due to a failure to meet contractual conditions could cause reputational damage, impairing, *inter alia*, the ability to secure future business. Should any of these risks materialise, it could have a material adverse effect on the Group's business, financial position and results of operations.

Risks related to public scrutiny and reputation

Public contracts, and the proceedings surrounding them, are often subject to more extensive scrutiny and publicity than commercial contracts with private entities. The visibility and political nature of the Group's contracts with PTAs, including the public source of their underlying funding, therefore enhances the reputational risk and therefore the Group's relationships with PTAs. Negative publicity related to the Group's contracts, regardless of the accuracy of such publicity, may damage existing and future relationships with PTAs as well as the Group's relationships with private contractual parties. Political and economic factors such as the outcome of pending or recent elections, changes in leadership among local parties and civil servants, changes to tax policies and reduced tax revenue also can affect the number and terms of new contracts tendered and ultimately signed. Should the number of contracts decline due to reputational damage or public scrutiny, it would reduce the Group's revenues, which, in turn would have a material adverse effect on the Group's business, financial condition and results of operations.

RISK FACTORS

Price indices in PTA contracts

PTA contracts provide for a fee to be paid to the Group in return for providing bus operations for the routes and timetables described in the contracts. The amount of the fee the Group receives is adjusted periodically based on several price indices that are intended to compensate for changes in the Group's costs during the term of the specific PTA contract. The price indices used encompass trends in labour costs, fuel costs, consumer price indices and other items, such as interest rates fluctuations. The index weighting in the Group's contract portfolio may deviate from its actual cost structure, so that indexation adjustments do not fully compensate for the Group's cost variations.

Depending on the contract, index adjustment occurs on a monthly, quarterly, semi-annual or annual basis and is generally applicable to the future contract period, and is not applied retroactively to the contract period prior to such adjustment. This means that there is generally a time lag between changes in the Group's costs and the index adjustment. Fee adjustments are not intended to fully reimburse the transport provider, but rather to adjust the fees paid to the transport provider going forward and, as a result, cost indices by their nature may never provide for full, timely compensation of actual costs and cost increases.

The Group is also exposed to the risk that its actual expenses diverge from the macro economic factors that the price indices use to adjust fees. For example, salaries of the Group's drivers may increase more than the market-related index, even though the price trend in transportation industry salaries remain stable. Another example of mismatch between the costs that an underlying index is aimed to address and the costs incurred pursuant to a PTA contract is that the index set forth in the PTA contract tracks diesel prices while the relevant contract requires buses to run on biogas. As a result of such divergences the Group may not be fully compensated under some of its price indices although its actual costs have increased.

Should price indices in current or future PTA contracts fail to reflect its actual cost structures, changes in the Group's costs that are not reflected in the price indices could have a material adverse effect on its operating margins and profitability.

Fluctuation in the price and availability of fuel

The Group's costs for fuel (including, for the avoidance of doubt, renewable fuel such as HVO, RME, biogas and electricity) constitute a major cost item, and consequently, any significant changes in fuel availability or costs could materially impact the Group's business, financial condition and results of operations. Furthermore, as the number of contracts involving renewable fuels are expected to increase, the Group is dependent on availability and efficient cost management particularly for such fuels. Fuel availability and prices are affected by a number of factors, including general electric power supply, power plant developments, political decisions, environmental legislation and global economic and political developments, over which the Group has little to no influence. In relation to supply of electricity, the prices may also vary depending on factors such as weather conditions, weather hazards and the overall demand for electricity. Furthermore, unlike the open market for fossil fuels, the transmission and distribution of electric energy on the Swedish energy market is regulated and subject to concession. The availability of electric energy may hence be subject to, *inter alia*, changes in legislation, changes in regulatory practice by relevant supervisory authorities and the general political climate.

The Group's fuel costs may also be affected by annual increases in taxes, which are only partially offset by compensation from price indexation in the PTA contracts. Moreover, there may also be a delay from when the Group incurs the increased costs related to fuel and when its revenue is adjusted. This delay, in turn, could negatively affect the Group's cash flow and the balance between its accounts receivable and accounts payable.

In the event of a shortage in fuel supply resulting from, *inter alia*, disruptions in imports, reduction or shortages in relation to production or distribution, disruptions due to hazards or otherwise, the Group faces significant risk of losses and disruptions in its operations which would pertain costs or damage that could be significant. Should any of the above risks materialise, it could have a material adverse effect on its operating margins and profitability.

Efficiency initiatives

In recent years, the Group has focused its attention on increasing its profitability by delivering its services under existing PTA contracts more efficiently. To that end, it has introduced a number of efficiency initiatives aimed at improving utilisation of resources and reducing costs, primarily by planning its delivery of services more carefully and by centralizing the management of the Group's bus fleet. The Group may be unable to implement its efficiency initiatives for a number of reasons, including, but not limited to, PTA contract limitations, human error, technological error or unanticipated changes to its cost structure.

Replacement of buses earlier than at the end of their useful life

Certain changes to a PTA contract are typically permitted if within a pre-agreed range, but if the requested changes exceed this agreed scope, the Group may be required to commence additional negotiations with the PTA. Such changes to existing contracts, whether within a pre-agreed range or following re-negotiation of the contract, may limit the Group's ability to implement its planned efficiency initiatives. If the Group fails to implement any efficiency initiative, it will not gain the benefit and/or increased profitability associated with such efficiency initiative. Therefore, failure to implement any of its efficiency initiatives may have a material adverse effect its profit, financial condition and results of operations. In particular, PTA contracts typically require that buses used on each contract meet specific environmental and technical standards, including the type of fuel, bus size, bus age, and the number of seats and doors. It may not be possible to retrofit or adapt the Group's existing fleet of buses to meet the requirements of a particular PTA contract, at all, or without first undergoing costly renovations. In addition, where buses with certain specifications for the purposes of fulfilling a particular contract are sourced, the Group may be unable to utilise those buses in other contracts, once the original contract has expired. The Group may therefore be required to replace its buses earlier than at the end of their useful life. An inability to move buses between PTA contracts could limit the efficiencies that the Group could obtain from maximising the use of its existing bus fleets. In addition, this exposes the Group to the increased potential for residual value losses in its bus fleets. If the Group fails to implement any efficiency initiative it will not gain the benefit and/or increased profitability associated with such efficiency initiative. Therefore, failure to implement any of its efficiency initiatives may have a material adverse effect its profit, financial condition and results of operations.

RISK FACTORS

Severe weather conditions
The Nordic region in which the Group operates experience, from time to time, particularly severe weather conditions during the winter months. These adverse weather conditions may result in increased fuel consumption, damage to the Group's buses and increased repair and maintenance costs associated with such damage. Furthermore, the severe winter weather may cause the Group to suspend some of its routes, which could trigger penalties under some of its PTA contracts. The Nordic region may experience severe adverse weather conditions during future winter months, which could expose the Group to increases in its operating expenses. Extreme weather conditions could consequently have a material adverse effect on the Group's business, financial condition and results of operations

The use of incentive contracts
PTAs in the Nordic region have traditionally structured tender contracts as production contracts, pursuant to which the traffic operator is paid a fixed compensation for running a given network and timetable. The industry has experienced a gradual move towards incentive contracts whereby the operator's remuneration is partly or entirely linked to a variable component, such as number of passengers or certain qualitative measurements. Such contracts increases the Group's exposure to certain risks that may be outside of the Group's control. Competition from other modes of transport, seasonality, passenger preference, negative publicity towards the public transport sector and an inability to operate routes due to adverse weather conditions would result in fewer passenger numbers and thus directly impact remuneration. In addition, there is a risk of revenue leakage if passengers fail to present their transport cards when using the transport service, with the result that a number of passengers are not accounted for in an operator's remuneration. Should any of the above factors materialise, it could have a material adverse effect on the Group's business, financial condition and results of operations.

Dependence on fleet companies
The Group's operating subsidiaries rent the majority of their buses from Nobina Fleet AB ("**Nobina Fleet**"). Nobina Fleet, in turn, finances its buses through external providers. If Nobina Fleet would be unable to secure such financing arrangements on favourable terms, or at all, the Group may be unable to tender for new contracts. In addition, if the Group would be unable to continue its sourcing of buses from Nobina Fleet, there is a risk that the operational subsidiaries cannot source their buses directly from external providers on favourable terms, or at all. Should the above risks materialise, it would have a material adverse effect on the Group's business, financial condition and results of operations.

Dependence on suppliers
the Group is relies on its suppliers in order to carry out its operations, in particular in the vehicle and energy sectors, and is therefore exposed to the risk of decreased competition among suppliers, adverse changes to supply terms, price increase and the suppliers' failure to meet supply demand. The Group relies on vehicle manufacturers for the timely delivery of buses suitable to meet PTA contract specifications. Failure to source buses that meet the required specifications could render the Group subject to contractual penalties or failure to win tenders.
In addition there is a risk that existing or future PTA contracts contain penalty provisions where the levels of penalty does not correspond to the reclaimable sums in case of the supplier's breach of contract, and the Group may therefore be unable to fully recoup the losses due to the imposition of penalties. Agreements are also entered into with third parties at Group level in respect of fuel, lubricants, spare parts and maintenance on behalf of the subsidiaries. Individual subsidiaries within the Group may also enter into direct agreements in relation to certain suppliers. Such operating subsidiaries are highly dependent on regular fuel deliveries and other supplies in order to conduct reliable traffic. There is a risk that one or more suppliers fails deliver in accordance with its obligations or otherwise transact with the Group or operating subsidiaries on terms favourable to the Group or at all, which could lead to, *inter alia*, additional costs, indirect profit losses or impaired reputation. Should such risks materialise, it could have a material adverse effect on the Group's business, financial condition and results of operations.

New technology
The group is active in the development of, for example, optimising of transport solutions (*i.e.* integration of various forms of transport services via apps), autonomous buses and sustainable business operations. The Group is also expanding its operations involving electrical buses. The growing market for public transport is driven by more connected, urbanised, and mobile society and the development of the public transportation sector is also furthered by trends such as electrification, sustainability and autonomous driving. In order to meet new and existing demand from PTAs and end-customers driven by such trends, the Group needs to engage in and develop new or improved technologies and solutions. Hence, the Group's future success, and the ability to attract and retain customers, is dependent on its ability to successfully adapt to such trends, especially in relation to services and products that promote sustainability and connectivity. Adaptation to new or improved technology and changing standards may require the Group to commit significant funding to replace, upgrade, modify or adapt its existing services, processes and technology, which could negatively impact the Group's business, financial condition and results of operations. Should the Group fail to adapt to new technologies and changing standards it may have a material adverse effect on the Group's business, financial condition and results of operations.

RISK FACTORS

Dependence on IT systems
The Group relies on the stability, security and availability of its own and external providers' IT systems for all aspects of its business, including its daily operational management, traffic planning and coordination, invoicing, ticket sales and reservations for passengers, and financial reporting. The Group also processes personal, confidential and proprietary data and therefore relies on the secure processing, storage and transmission of such information as well as robust measures and systems for protection of data and information security. The Group is thus dependent on the efficient and uninterrupted operation of the Group's IT systems. Should the group suffer significant disruptions due to failure, loss of data, or any other personal data incidents caused by internal or external factors, whether or not within the Group's control, such as human error, unauthorised access, computer viruses, natural hazards, power loss, security breaches or other similarly disruptive events, it could result in service interruption, misappropriation of confidential information, process failure or other operational difficulties. Should such events occur, the Group it could be held liable towards third parties as well as authorities (such as data protection authorities) and may incur additional costs, which would lead to losses and could result in reputational damage, which, in turn, could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks related to security incidents
As the Group operates in the public sphere being responsible for public transport of large numbers of passengers, the Group is exposed to the risk of operational safety incidents, including acts of terrorism and other acts of violence. Any operational or other safety incident involving loss of life or significant damage to property or assets, or harm to any person relating to the Group's services, could result in a loss of public confidence in the Group. In addition, any such operational or other safety incidents relating to other public transport operators' services, especially of buses, could result in that the Group is associated with conducting similar business operations, which by association, could cause a loss of public confidence in the Group. Any such loss in public confidence, as well as costs incurred due to significant damage to property or assets, or harm to any person, could have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, such events may impact the ability of the Group to win and retain contracts. Safety incidents also give risk resulting in suspension or termination of the Group's operations, which in turn, would have a material adverse effect on the Group's business, financial condition and results of operations.

Maintenance costs and insurance
In addition, the Group's business and operations depend upon the accurate and timely performance of its equipment, in particular its fleet of buses and depots. There is a risk that the Group's buses would be damaged due to accidents caused by its own drivers, third-party drivers, weather conditions or other similar damage. Should the group choose not to utilise its insurance coverage for such loss in order to reduce premium costs, the group may incur substantial additional costs for repairs. In addition, as the Group's buses and facilities age, their performance or effectiveness may weaken, which may lead to decreased productivity, delays or costly maintenance. In the event that the Group is unable to replace, maintain or repair its buses and facilities in advance, the Group will face decreased asset performance, as well as increased maintenance costs, delays and lost revenue due to unscheduled stoppages. Any decrease in the performance of the Group's assets, or significant expenses incurred in repairing damage, could negatively impact its business, financial condition and results of operations.
There is a risk that the Group's insurance will not be sufficient to cover the expected or unexpected maintenance costs or that the Group will be able to renew its existing insurance on commercially reasonable terms, or at all. Any damage caused by the Group that is not materially covered by insurance could have a material adverse effect on the Group's business, financial conditions and results of operation. Any claims the Group makes under its insurance policies, or the occurrence of an event or events resulting in a significant number of claims being made, may also affect the availability of insurance and increase the premiums the Group pays for its coverage, which, in turn, may have a material adverse effect on the Group's business, financial condition and results of operations.

Dependency on management and key employees.
The Group depends on its continuing ability to attract and retain qualified and experienced managers and key employees for its business development and management. The Group relies on its senior managers to execute its operational strategies and to identify and pursue new business opportunities and relies on local managers for its day-to-day operations. The Group's ability to hire and retain qualified employees depends on a number of factors, some of which are outside the Group's control, The loss of a manager or any other key employee may result in a loss of institutional know-how and may significantly delay or prevent the achievement of the Group's development objectives or implementation of its business strategy. If the Group is unable to hire or retain qualified and experienced managers and key employees, this could have a material adverse effect on its business, financial condition and results of operations.

Labour costs
Labour costs represent a major operating expense for the Group. Labour costs vary depending of a number of factors, some of which are outside the Group's control, such as unemployment levels, prevailing wage rates applied by competitors to the Group and collective bargaining arrangements. The Group is to some extent compensated for increased labour costs by way of periodical contract fee adjustments based on macro-economic factors. There is a risk that such index adjustments fail to reflect the actual costs incurred by the Group. In addition, a shortage of qualified employees may require the Group to increase its wages and employee benefits to compete more effectively for employees. An increase in wages would reduce the Group's profitability, which could have a material adverse effect on its business, financial condition and results of operations.

RISK FACTORS

Dependence on availability of bus drivers
The Group is heavily dependent on the availability of bus drivers and may suffer a temporary or long-term shortage of bus drivers. Such shortage may be due to, *inter alia*, competition within the transport sector for trained drivers, a decrease in attractiveness to pursue a career as a bus driver, strikes, changes in unionisation or failure to meet increased demand in the number of bus drivers needed for bus services. During periods of driver shortages, the Group may be forced to pay extra overtime compensation. The Group may also have to increase salaries or benefits to attract additional drivers. In addition, the Group may be forced to reduce its supply of services due to driver shortages, in which case the Group could be subject to penalties and fines by the relevant PTA pursuant to the terms of the Group's contracts. If the Group is unable to provide bus services as a result of a shortage of bus drivers, this could have a material adverse effect on its business, financial condition and results of operations. Furthermore, the Group's reputation as a bus operator could be impaired if it is unable to fulfil its contractual obligations due to driver shortages, which could hinder the Group's ability to win new contracts with PTAs.

Collective bargaining agreements and trade unions
The Group's workforce is largely unionised, and in all of the Group's geographical segments, collective bargaining agreements are applied in relation to the Group's employees. The Group's is therefore dependent on well-functioning and healthy relationships with works councils and trade unions. The prevalence of works councils and trade unions may limit the Group's flexibility in dealing with its workforce and ultimately lead to increased operating costs. Furthermore, collective bargaining agreements are subject to periodic renegotiation, and there is a risk that strikes, work stoppages and interruptions occur if the Group is unable to renew the collective bargaining agreements on satisfactory terms or if the Group's industrial relations deteriorate. A lengthy strike or other work stoppage by the Group's employees could substantially affect the Group's ability to conduct its operations and complete its contractual obligations, which could result in deterioration of revenues and profits earned under contracts as well as result in delays that could incurring penalties. The terms and conditions of existing or renegotiated agreements could also increase the Group's costs or otherwise affect its ability to fully implement future operational changes to enhance its efficiency and performance. This could have a material adverse effect on the Group's business, reputation, financial condition and results of operations.

Regulatory risks
The Group's operate in several jurisdictions and local areas, and as such involves a number of complex, demanding and evolving legal, administrative and regulatory requirements relating to, *inter alia*, criminal and civil laws, public procurement, tax laws, building laws, land use, environmental law, health and safety regulations, competition law and employment law. In relation to this regulatory environment, the Group is required to obtain certain operating permits, including transport permits. The Group incurs capital and operating expenditures and other costs in the ordinary course of business in complying with applicable laws and regulations, including taking part in minor disputes. Violations of, or changes in, relevant law, regulations or policies, or the interpretation thereof, or delays in such interpretations being delivered, may delay or increase the cost of ongoing contracts or may result in unexpected fines, damages, prohibition on operations and other penalties. In particular, as the Group interact with public authorities, it is subject to various anti-bribery, anti-competition and anti-corruption laws. If a person discharging certain managerial responsibilities in the Group is found to have violated such regulatory regimes, such as bribery or corruption, the Group might be prohibited from taking part in tender processes in one or several countries. Should any of the above risks materialise, it could have a material adverse effect on the Group's business, financial condition and results of operations.

Environmental laws and regulations and environmental damage
The Group is subject to extensive and constantly evolving international and local environmental laws and regulations in the jurisdictions in which it operates, including laws and regulations governing air emissions, waste water discharge, the storage, handling and transportation of chemicals and hazardous substances and the remediation of environmental damage. Such regulations may vary between the Group's different geographical segments as well as between various local traffic areas within one certain jurisdiction in which the Group operates. Any new, amended or changes environmental regulations, whether or not of international, domestic or local character, may require the Group to modify its operations, to incur unbudgeted costs in order to comply, or incur fines or penalties in case of violations, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.
The vast majority of the Group's depots and other facilities are leased from third parties. If environmental damage is discovered during the time that the Group operates such facilities, it may be difficult or impossible to establish whether the damage was caused by the Group or by a previous operator of the property. As a result, there is a risk that the Group may be jointly and severally liable for the costs associated with environmental damage caused by previous operators. Any expenses relating to repair of the Group's facilities and environmental clean-up could have a material adverse effect on the Group's business, financial condition and results of operations.

Claims, litigation and third-party challenges in tendering processes
In its ordinary course of business, the Group are from time to time involved in disputes with PTAs and other parties, such as disputes over contract interpretation, tender awards, personal injury and employment matters, some of which result in litigation. It is also generally common in the tendering business to be involved in legal disputes in terms of public procurement processes that are challenged either by the competitors in the tendering process. Disputes of this kind may be time consuming and involve considerable costs and could, in turn, have a material adverse effect on the Group's business, financial condition and results of operations. Litigation proceedings could result in the Group being subject to penalties or damages, the payment of which, or the reputational damage resulting thereof, could have a material adverse effect on the Group's business, financial condition and results of operations.
Furthermore, awards under public tender processes may be subject to challenge or rescission based on actual or alleged procedural deficiencies in the tender process, even after the Group has made significant expenditures associated with winning such tenders. Moreover, public sector and utilities contracts awarded in breach of EU public procurement rules may be cancelled, according to law. There is a risk that the Group will face challenges of tender awards won by the Group. If the Group would fail to successfully secure a contract in any re-tendering process, this could have a material adverse effect on the Group's business, financial condition and results of operations.

RISK FACTORS

Exposure to legislative changes, tax changes and tax disputes

Changes in the legislation governing any aspect of the Group's business and legislation governing acquisitions, taxes or the environment, or changes in case law applicable to the Group's business, could result in unexpected costs or losses and could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business may also be affected by changes in the accounting rules applicable from time to time, including for example IFRS and other international accounting standards. This might entail uncertainty regarding the Group's accounting, financial reporting and internal control and might affect the Group's accounted profit, balance sheet and equity, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Changes in tax legislation as well as other governmental levies, may affect the conditions for the Group's business and may adversely and unexpectedly affect the Group's financial results. Legislative work is continuously ongoing with regard to laws and regulations and established practice concerning the taxation of companies. On 14 June 2018, the Swedish Parliament adopted the Swedish Government's proposals for a new tax legislation with regard to, *inter alia*, interest deduction limitations. The proposals for the new tax legislation follow from the Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market. In brief, the new legislation implies the following:

- A general interest deduction limitation rule in the corporate sector will apply meaning that net interest expenses, i.e. the difference between the taxpayer's interest income and deductible interest expenses, is to be deductible only up to 30 per cent. of the taxpayer's EBITDA for tax purposes.
- As an alternative rule, interest deductions of up to a limit of SEK 5 million will always be deductible for tax purposes.
- The corporate income tax rate will be reduced from 22 per cent. to 21.4 per cent. for the financial years commencing after 31 December 2018 and to 20.6 per cent. for the financial years commencing after 31 December 2020.
- It will be possible to offset a taxpayer's net interest expenses against net interest income of an affiliated group company with which the company may exchange group contributions for tax purposes.
- In relation to interest deduction limitation rules for interest costs on loans between affiliated companies, interest costs on loans to affiliated companies will only be deductible if the affiliated company is either a resident in the EEA, in a country with which Sweden has a concluded double tax treaty or is subject to a tax rate of at least 10 per cent. on the interest income. No deduction is allowed if the primary reason for the debt is for the group to receive a substantial tax benefit.

The new rules entered into force on 1 January 2019 and are to be applied in relation to the financial year starting on or after 1 January 2019. The proposals have been adopted but the manner in which the new legislation will be interpreted and applied is still uncertain. Similar tax regulation amendments, subject to certain differences, are also being implemented in Denmark, Finland and Norway.

Any aforementioned tax regulation amendments could limit the Group's ability to make interest deductions for financial costs. Depending on the Group's capital structure at the time for application of the new regime could have a material adverse effect on the Group's business, financial condition and results of operations.

Changes in current or future tax regulations may imply limitations to the possibilities of making interest deductions or utilising the Group's tax loss carry-forward. Changes in the ownership of the Group's subsidiaries may also result in restrictions, wholly or in part, on the right to use tax losses carried forward. Changing conditions for depreciations for tax purposes or possibilities to be able to utilise tax losses carried forward could bring about a future change in the Group's tax position. An increased tax burden or other possible changes in regulations concerning ownership, operation and lease of real estate property could have a material adverse effect on the Group's business, financial position and results.

From time to time, the Group's tax payments may be subject to review or investigation by tax authorities of the jurisdictions in which the Group operates. If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain jurisdictions, or if the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, the effective tax rate on its earnings could increase substantially and the Group's earnings and cash flows be materially adversely affected. In addition, the Group is subject to possible retroactive adjustments to its previously assessed taxation. A challenge to the Group's tax position by the relevant authorities could lead that the Group incurs additional taxes, reassessments and, potentially, fines. Should any of these risks materialise, it could have a material adverse effect on the Group's business, financial condition and results of operations.

Financial risks

Credit and counterparty risk

The term credit and counterparty risk means the risk of loss if the other party to a contract should not meet its obligations. The Group's financial transactions give rise to credit risks in relation to financial counterparties. The Group's finance policy states that credit risk shall be limited by only accepting counterparties with high credit ratings and through established limits. Insofar the Group's counterparties do not comprise of clients with high credit ratings, such as municipal and county council-owned PTAs, there is a risk that the Group's counterparties fail to meet its payment obligations vis-à-vis the Group, which, in turn, could have a material adverse effect on the Group's business, financial condition and results of operations.

Liquidity risk

Liquidity risk is defined as the risk that cash and cash equivalents are not available or that financing cannot be obtained when required. The Group has a working capital facility expiring on 31 December each year. The credit facility is of a 364 days nature, when it is generally extended by the bank after credit approval. Furthermore, the Group conducts its liquidity management via intra-Group receivables, liabilities and the Group's cash pool. If cash and cash equivalents cannot be raised by financing through extension of the working capital facility, by utilising the cash pool, cannot be raised at all, or cannot be raised on reasonable terms or only at a materially increased cost, this could have a material adverse effect on Group's business, financial condition and results of operations

RISK FACTORS

Refinancing risks
The Group sources its material assets, buses, through external financing arrangements. Since the financing contracts are entered into for a duration of ten years and the Group acquires the buses as the financing agreement expires, there are no refinancing risks in relation to buses. The group has historically, and may in the future, in addition to the Bonds, seek financing or refinancing of outstanding debt at such time. The Group's ability to obtain necessary financing on reasonable terms depends on a number of factors, including the prevailing conditions of the capital and credit markets, interest rates, the Group's creditworthiness and credit rating, and its capacity to assume more debt at such time. As a result, there is a risk that the Group may be unable to secure financing on reasonable terms, or at all, at any particular time, and the Group's inability to do so could have a material adverse effect on its business, financial condition and results of operations.

Interest expense risk
Interest rate risk refers to the risk that fluctuations in market interest rates will negatively affect the Group's net interest income. The rate at which interest rate fluctuations affect net interest income depends on the fixed interest period of the financing agreements, which is generally 90 days. The Group is primarily exposed to interest rate risk through the Group's arrangements for bus financing, since these financing agreements are based on a variable market rate of interest plus a fixed interest rate margin. Interest rate risk is partially compensated by the inflation component of revenue indexation in the traffic contracts, and also via a specific interest rate component in the index basket of some traffic contracts. An increased level of interest rates and increased interest costs could have a material adverse effect on Group's business, financial condition and results of operations. Furthermore, should the Group fail to properly estimate current or future fluctuations, fail to effectively mitigate any risks associated with interest rate fluctuation such as the wrongful implementation of the Group's hedging policy, it could render additional costs and losses, which, in turn could have a material adverse effect on Group's business, financial condition and results of operations.

Currency and exchange rate risks
Currency exposure arises in connection with payment flows in foreign currency (transaction exposure) and with the translation of foreign subsidiaries' income statements and balance sheets to SEK (translation exposure). Several of the Group's operating subsidiaries, prepare their financial statements in currencies other than SEK (the Group's reporting currency). The subsidiaries receive all revenues and pay all major expenses in local currency, including payments under lease agreements, which are entered centrally, on behalf of the subsidiaries, but in local currency. the Group translates the income statements of its operating subsidiaries into SEK in accordance with the average exchange rate during the relevant financial period. Consequently, the Group's results of operations and financial condition are affected by fluctuations in the exchange rate between the several currencies. The Group's finance policy states that currency exposure may be hedged. Furthermore, the Group is exposed to exchange rate fluctuations through its purchases of diesel, which is traded in the international commodities markets in USD. This currency risk can be hedged by entering into diesel derivatives in local currency.
The Group's currency exposure on translation of foreign subsidiaries is normally not hedged, but the Group may wish to hedge such risks in the future. Should the Group fail to estimate the effects of, or fail to, as applicable, implement any hedging initiatives, the Group may incur additional costs or other losses, which, in turn, could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks related to the Bonds

Credit risk
An investment in the Bonds carries a credit risk relating to the Company and the Group. The investor's ability to receive payment under the Terms and Conditions of the Bonds is therefore dependent upon the Company's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Company's and the Group's financial position is affected by several factors, a number of which have been discussed above.
An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively. Furthermore, a weakened financial condition could reduce the Company's creditworthiness and thereby limit its scope for financing its debt when the Bonds mature.

Refinancing risk
The Company may desire to refinance certain or all of its outstanding debt under the Bonds. The Company's ability to successful refinance its debt obligations is dependent on the conditions of the capital market and the Group's financial condition at such time. Furthermore, the Group's access to financing sources may not be available on acceptable terms, or at all. The Group's inability to refinance its debt obligations on acceptable terms, or at all, could have a material adverse effect on the Company's and the Group's business, financial position and results of operations and on the bondholders' recovery under the Bonds. An investor would thus face the risk of not receiving full payment at the relevant maturity of the Bonds, with the claim on the Company remaining. Furthermore, a weakened creditworthiness defined as a Rating Downgrade in the Terms and Conditions for the Bonds, meaning a rating below Investment Grade rating (as defined in the Terms and Conditions for the Bonds), results in that the Company must meet certain conditions in order to fulfil the Incurrence test (as defined in the Terms and Conditions of the Bonds) which is necessary in order to incur certain debt. Should a Rating Downgrade occur, the Group may not be able to seek such financing to refinance outstanding debt obligations.

Interest risk
The value of the Bonds depends on several factors, one of which the most important is the level of market interest rates. Investments in the Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates.

Risks related to the security package
The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer. This means that in the event of bankruptcy, re-organisation or winding-up of the Issuer, the bondholders normally receive payment after any priority creditors have been fully paid, to the extent that the bondholders' claim is not secured by the transaction security for the Bonds (the "**Transaction Security**").

The Transaction Security consists of (i) a pledge agreement in respect of all shares in BusCo and (ii) a pledge agreement in respect of the intra-group loans made from the Issuer to BusCo with the net proceeds of the Bonds and (if an Intercreditor Agreement (as defined below) is entered into) the net proceeds of certain other market loans and may be shared with certain other creditors of the Issuer (as further described under "*Risks relating to a shared security package*" below).

Further, there is a risk that the proceeds from any enforcement of the pledged assets would not be sufficient to satisfy all amounts then due on or in respect of the Bonds. Certain of the pledged assets may be illiquid and have no readily ascertainable market value. For example, the shares that are secured for the benefit of bondholders may provide for only limited repayment of the Bonds, in part because these shares may not be liquid and their value to other parties may be less than their value to the Group. It is not certain that the secured assets will be saleable, or, even if saleable, that there will not be delays in the realisation of the value thereof. As a result, the bondholders may not recover full or any value in the case of an enforcement sale of such pledged shares. Moreover, if the Issuer issues additional Bonds, the security position of the current bondholders may be impaired. If the proceeds from an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the remaining assets (if any), which may have a material adverse effect on the bondholder's recovery under the Bonds.

Moreover, the Transaction Security will be subject to laws protecting debtors and creditors generally, including restrictions on fraudulent conveyance or voidable preference and hardening periods applicable under relevant bankruptcy laws. These restrictions may give an insolvency receiver or other creditors a right to challenge or void the Transaction Security, which may have a material adverse effect on the bondholder's recovery under the Bonds.

Each investor should be aware that there is a risk that an investor in the Bonds may lose all or part of their investment if the Issuer, BusCo or any other material subsidiary of the Issuer is declared bankrupt or otherwise subject to insolvency proceedings.

Risks relating to a shared security package
The Transaction Security may be shared with other parties. If the Issuer issues a new market loan, the proceeds of which are applied towards financing BusCo, the Issuer may request that the Issuer, the Security Agent (as defined below), the Agent and the agent in respect of such new market loan (the "**New Bonds Agent**") enter into an intercreditor agreement (the "**Intercreditor Agreement**") providing for *pari passu* ranking and *pro rata* sharing of the Transaction Security between the Bonds and such new market loan.

The bondholders (and the other secured creditors) will be represented by a security agent in all matters relating to the Transaction Security (the "**Security Agent**"). The Security Agent will take enforcement proposals and instructions primarily from the Agent (representing the bondholders) and the New Bonds Agent. However, if the Agent wishes to enforce the Transaction Security, the Agent may first have to consult with the other secured creditors for a certain time period after which the Agent may propose (but not immediately instruct) the Security Agent to take such action. This also means that other secured party may give enforcement instructions to the Security Agent and the Security Agent may be obliged to enforce the security without the prior consent of the bondholders. Furthermore, the Security Agent may act in a manner that the bondholders believe is to their detriment; there is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Transaction Security.

Moreover, although the Intercreditor Agreement contains provisions for the sharing of the Transaction Security between the secured parties, if a secured party receives enforcement proceeds or other payments in excess of what is stipulated by the Intercreditor Agreement, such secured party is obligated to share such proceeds or payments. However, it is not certain that such provision is enforceable or that a bankruptcy administrator of such secured party would respect the Intercreditor Agreement which potentially could adversely affect the other secured parties.

Security over assets granted to third parties
The Group may, subject to limitation in the Terms and Conditions, incur additional financial indebtedness and provide security for such indebtedness. In the event of bankruptcy, re-organisation or winding-up of the Issuer, the bondholders will be subordinated in right of payment out of the assets being subject to security. In addition, if any such third party financier holding security provided by the Group would enforce such security due to a default by any Group Company under the relevant finance documents, such enforcement could have a material adverse effect on the Group's business, financial position and results of operations and on the bondholders' recovery under the Bonds.

RISK FACTORS

Risks related to green bonds
The Company intends to use the Net Proceeds of the Initial Bond Issue as well as the Net Proceeds of any Subsequent Bonds for the purposes described in the Company's green bond framework (the "**Green Bond Framework**") in force as at the relevant Issue Date. As such, Bonds are issued to comply with the Green Bond Framework as it appears on the Issue Date for the relevant Bonds and any changes made to the Green Bond Framework after the initial issuance of the Bonds will not influence the Bonds issued in the Initial Bond Issue. However, the Company's Green Bond Framework as well as the prevailing market practices and market standards for green bonds may develop or change after the issuance of the Bonds, which may entail changes in the Green Bond Framework applicable in relation to any Subsequent Bonds and may also entail changed conditions for the Company.
There is currently no clear definition of, whether legal or otherwise, or market consensus as to what constitutes, a "green" or an equivalently-labelled project or what is precisely required for that a particular project may be defined as "green" or equivalently labelled. Accordingly, there is a risk that any projects, asset or uses defined in the Green Bond Framework will not meet current or future investor expectations regarding such "green" or other equivalently-labelled performance objectives. There is also a risk that future developments in the definitions of "green" projects, towards which proceeds may be applied in accordance with the Green Bond Framework, render the eligible projects for the Bond Issue, as described in the Green Bond Framework, obsolete.
The proceeds from the Bond Issue are to be applied in accordance with the Green Bond Framework. There is a risk that such use of proceeds cannot satisfy present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor is required to comply, whether according to applicable law or regulations or by such investor's own by-laws, other governing rules or investment portfolio mandates, (*inter alia* with regard to any direct or indirect environmental, sustainability or social impact of any projects, assets or uses that are described in the Green Bond Framework). Furthermore, the Bonds categorise as a different type of bond investment than such debt instruments that a presumptive bond investor may have invested in historically. There is a risk that the Bonds issued in accordance with the Green Bond Framework do not correspond to, or otherwise meet, the expectations of investors, the current request for such investments on the market for bonds in general or green bonds in particular or that investors may lack the mandate to invest in green bonds.
A failure by the Company to meet the Green Bond Framework does not constitute an Event of Default under the Terms and Conditions for the Bonds. Bondholders do not either have a put option or any other right to prepayment in case of the Company's failure to comply with the Green Bond Framework. Hence, there is a risk that the expectations of investors, insofar such expectations are related to the compliance with the Green Bond Framework, are not met.

Risks related to third party certification
The Company has appointed CICERO Center for International Climate Research ("**CICERO**") for an independent, research-based evaluation of the Company's Green Bond Framework to determine its environmental robustness. The evaluation has resulted in a second opinion dated on [•] 2018 ("the "**Second Opinion**"). CICERO is neither responsible for how the Green Bond Framework is implemented and followed up by investors, authorities (as applicable) or other stakeholders, nor is CICERO responsible for the outcome of investments in projects described as eligible projects in the Green Bond Framework. There is a risk that the suitability or reliability of any opinions issued by CICERO or any other third party, which may be made available in connection with the Bond Issue or the issue of Subsequent Bonds, may be questioned by the Company, a potential investor, the bondholders or any third party. As any such opinion or certification only is current as of the date that opinion was initially issued, there is a risk that such opinion or certification may be deemed irrelevant at a later stage or by any investors in the Bonds. Furthermore, the providers of such opinions and certifications are currently not subject to any specific regulatory or other regime or oversight, and there is a risk that such providers will be deemed as not being reliable or objective in the future.

Risks related to listing on the Sustainable Bond List of Nasdaq Stockholm
The Company intends to seek for listing of the Bonds on the Sustainable Bond List of Nasdaq Stockholm. In order to be eligible for such listing, certain commercial criteria have to be met, including the filing of the Green Bond Framework and any external review, such as the Second Opinion. The Bonds are not de-listed if the Company fails to comply with such requirements, but there is a risk that the Bonds are removed from the Sustainable Bond List of Nasdaq Stockholm and are instead listed on the Corporate Bond List of Nasdaq Stockholm. Should such removal of the Bonds from the Sustainable Bond List of Nasdaq Stockholm occur, there is a risk that the expectations of investors, insofar such expectations are related to the listing on the Sustainable Bond List of Nasdaq Stockholm, are not met, which in turn could impair the secondary trading in the Bonds.

European Benchmarks Regulation
The process of the calculation of STIBOR and other interest rate benchmarks are subject to certain regulatory initiatives, whereof some have been implemented and others are to be implemented. The most important initiative is the Benchmarks Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) (the "**Benchmarks Regulation**"). The Benchmarks Regulation regulates the provision of benchmarks, contribution of input data for the purpose of determining a benchmark and the operation of benchmarks within the EU.
Since the Benchmarks Regulation has only been applicable for a limited period of time and certain provisions are still subject to transitional periods, the effects of the regulation cannot be fully assessed. There is a risk that the Benchmarks Regulation may affect how interest rate benchmarks are calculated and developed. This, in turn, may give rise to increased volatility for some interest rate benchmarks. In addition, the increased administrative requirements and associated regulatory risks may decrease the incentives to participate in the determination of interest rate benchmarks or may result in that the publishing of certain benchmarks will cease. Should this occur in relation to the interest rate benchmark applied to the Bonds, it could adversely affect the bondholders' ability to assess their investments in the Bonds.

RISK FACTORS

Liquidity risk
The Company has undertaken to apply for listing of the Bonds on Sustainable Bond List on Nasdaq Stockholm. There is a risk that the Bonds will not be admitted and remain admitted to trading, and even if the Bonds are admitted to trading on a regulated market, active trading in the Bonds does not always occur. This may result in that a bondholder is unable to sell its Bonds at the desired time or at prices yielding a return comparable with similar investments for which there is an existing and effective second market. A lack of liquidity in the market may therefore adversely affect the market value of the Bonds.
It should also be noted that during certain periods it may be difficult or impossible to sell the Bonds due to e.g. severe price fluctuations, closure of the marketplace in question or trading restrictions imposed for a certain period of time.
The market price of the Bonds may be volatile
The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group's and its competitors' operating income, adverse business development, changes to the regulatory environment in which the Group operates, changes in financial estimates by security analysts and actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Bonds.

Currency risk
The Bonds will be denominated and payable in SEK. If investors in the Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign exchange-related risks. For example, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Company to make payments in respect of the Bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal.

The Bonds may not be a suitable investment for all investors
Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:
- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this material or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the Terms and Conditions; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Dependence on subsidiaries and structural subordination and insolvency of subsidiaries
All material assets are held by fleet companies and operating revenues are generated in subsidiaries of the Company. The subsidiaries are legally separate from the Company and have no obligation to make payments to the Company of any surpluses generated from their business. The subsidiaries' ability to make payments is restricted by, among other things, the availability of funds, corporate restrictions and local law. Should the value of the business conducted in the subsidiaries decrease, and/or should the Company not receive sufficient income from its subsidiaries, the investors' ability to receive payment under the Terms and Conditions may be adversely affected.
In the event of insolvency, liquidation or a similar event relating to one of the Company's subsidiaries, all creditors of such company would be entitled to payment in full out of the assets of such company before the Company, as a shareholder, would be entitled to any payments. The bondholders are therefore subordinated to any creditors of any subsidiary.

Risks related to early redemption, put option and call option
The Company has reserved the possibility to redeem all outstanding Bonds before the final redemption date. In such an event, the investors would not receive the same return from the Bonds from the same period of time, as opposed to if redemption would not have occurred prematurely. There is a risk that in such case, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to reinvest at a significantly lower interest. Further, the Terms and Conditions include provisions that, in certain events, entitle any bondholders to demand mandatory early prepayment of their Bonds. It is possible that the Company will not have sufficient funds at the time of the mandatory prepayment to make the required redemption of Bonds, which in such case will be impossible to undertake towards the investors.

No action against the Company and bondholders' representation

The Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Company. However, there is a risk that a bondholder could bring its own actions against the Company (in breach of the Terms and Conditions). Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. The actions of the Agent in such matters could impact a bondholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the bondholders.

Clearing and settlement in Euroclear's book-entry system

The Bonds will be registered in the dematerialised uncertificated form with Euroclear Sweden AB ("**Euroclear**"). No global, definitive or other physical notes will be issued. Clearing and settlement relating to trade in the Bonds will be carried out within Euroclear's book-entry system, as well as payment of interest and redemption of principals. Investors are therefore dependent on the functionality of Euroclear's account-based system.

Bondholders' meeting

The Terms and Conditions include certain provisions concerning bondholders' meetings, which may be held in order to decide matters concerning the interests of the bondholders. These provisions allow specified majorities to bind all bondholders, including bondholders who have not attended and voted at the meeting in question, or who have not voted the same way as the required majority for a resolution passed at a duly convened and completed bondholders' meeting. Consequently, the actions of the majority in such matters could impact a bondholder's rights in a manner that would be undesirable for some of the bondholders.

Amended or new legislation

This material as well as the Terms and Conditions are based on Swedish law in effect at the day of these risk factors. Any future changes in legislation, changes of administrative practice or case law may have a negative effect on the market value of the Bonds.

Ability to comply with the Terms and Conditions

The Company will be required to comply with the Terms and Conditions. Events beyond the Company's control, including changes in the economic and business condition in which the Group operates, may affect the Company's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions.

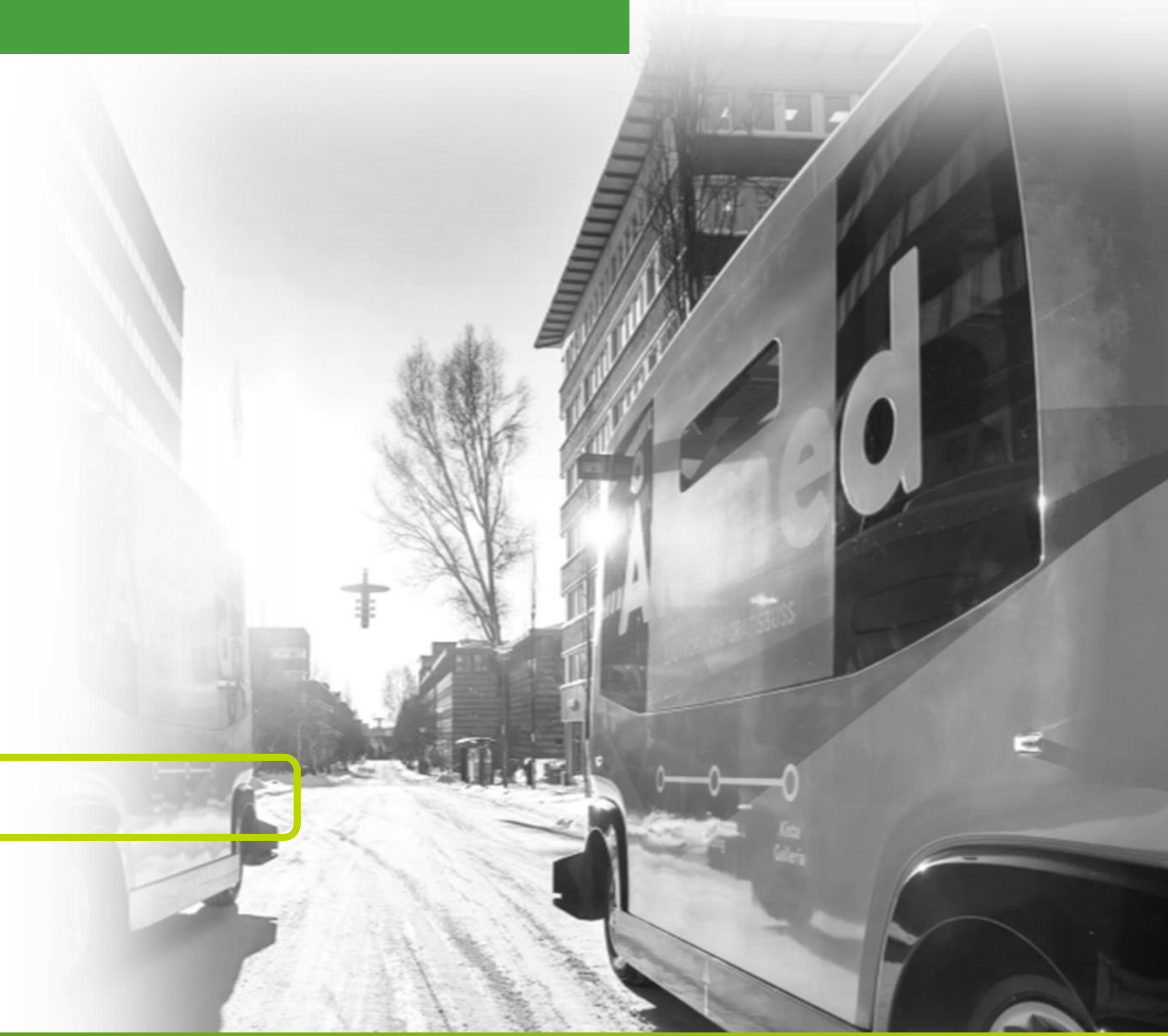
Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the Securities Act, or any U.S. state securities laws. Subject to certain exemptions, a bondholder may not offer or sell the Bonds in the United States. The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country's securities laws. Each potential investor must observe and obey the transfer restrictions that apply to the Bonds. It is each bondholder's obligation to ensure, at its own cost and expense, that its offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired.

Conflicts of interest

The issuing agent has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. The issuing agent may thus in the future have relations with the Group other than those arising from its role in the issue of the Bonds. The issuing agent may, for example, provide services related to financing other than through the issue of the Bonds, such as investment banking services for, or other commercial dealings with, the Group. Consequently, there is a risk that conflicts of interest may arise in the future which could adversely affect the Group's ability to renew or maintain existing financing or obtain further financing and in turn have a material negative effect on the Group's operations, earnings and financial position.

AGENDA



- Company overview
- Business strategy
- Key credit highlights
- Green overview
- Financial overview
- Risk factors
- Appendix

NOBINA GROUP MANAGEMENT TEAM

Magnus Rosén
CEO & President
Nobina AB
Employed 2017

Martin Pagrotsky
Senior Legal Counsel &
Chief Compliance Officer
Nobina AB
Employed 2006

Per Skärgård
CFO, Vice President
Nobina AB
Employed 2004

Anna Jonasson
Director HR
Nobina AB
Employed 2005

Henrik Dagnäs
Managing Director
Nobina Sverige AB
Employed 2003

Jan Bosaeus
Deputy CEO
Nobina AB
Vice President
Nobina AB
Interim MD
Samtrans
and Nobina Finland
Employed 2002

Tomas Hansson
Director of Business
Development & Group
functions
Employed 2015

Niels Peter Nielsen
Managing Director
Nobina Danmark A/S
Employed 2008

Jan Volsdal
Managing Director
Nobina Norge AS
Employed 2017

Petri Auno
Managing Director
Nobina Finland
Employed 2019

BOARD OF DIRECTORS AND OWNERSHIP

JAN SJÖQVIST (1948), Chairman since 2005
- Other assignments: Chairman of the Board of Aditro Logistics AB
- Shareholding: 193,737 shares

LISELOTT KILAAS (1959), Board member since 2017
- Other assignments: Member of the board of DNV-GL, Norwegian Pension fund Nordic and Tiohundra
- Shareholding: - shares

MONICA LINGEGÅRD (1962), Board member since 2017
- Other assignments: CEO of Samhall AB, Chairman of SSC and Board Member of Orio, Almega and Humana
- Shareholding: - shares

JOHN ALLKINS (1949), Board member since 2013
- Other assignments: NED and C of AC Punch Taverns, NED, C of AC and SID Renold, Ned, C of AC and SID of Fairpoint Group
- Shareholding: 54,963 shares

Graham Oldroyd (1961), Board Member since 2014
- Other assignments: NID, C of AC, Henderson Value Trust, NID, PHS Commisioner, Governor, Church Commissioners for England, Senior Adviser, MCF Corporate Finance, Senior Advisor, Downing
- Shareholding: 34,375 shares

BERTIL PERSSON (1961), Board Member since 2018
- Other assignments: Board Member Christian Berner Tech Trade AB, Senior Advsior Odin Fonder and Hjalmarson & Partners
- Shareholding: - shares

As of 31 December 2018	No. of shares	% of votes and capital
JP Morgan Asset Management	8,828,195	10.0%
Invesco	4,969,706	5.6%
Otus Capital Management	2,518,313	2.9%
Third Swedish National Pension Fund	2,332,788	2.6%
SEB Funds	2,233,056	2.5%
Swedbank Robur Funds	2,174,938	2.5%
Artemis	2,069,308	2.3%
Dimensional Fund Advisors	1,879,034	2.1%
BMO Global Asset Management	1,570,271	1.8%
Öhman Funds	1,490,200	1.7%
Sum ten largest shareholders	**30,065,809**	**34,0%**
Board and management	906,871	1.0%
Other shareholders	57,383,002	64,9%
Total	**88,355,682**	**100%**

Source: Monitor och Nobina

1) *Defintions: "NED" = Non Executive Director, "C of AC" = Chair of Audit Committee, "SID" = Senior Independent Director*

All board members are Independent in relation to Nobina, its management and major shareholders

NOBINA THE LEADING PUBLIC TRANSPORT COMPANY IN THE NORDICS

11 000
employees

4
countries

>100
contracts

3 600
buses

319
million passengers per year

12 115
tonnes of CO2 reduction from fuel efficiency initiative DGR in 2017

Net Sales
9,5
Billion SEK LTM

EBT Margin
4,6%
LTM

Equity ratio
18.0%

Net Debt / EBITDA
3.2x

NOBINA'S SOCIAL CONTRIBUTION

Anti-corruption

- Anti-corruption instructions drawn up by the CEO and management team
- Guidance to create secure and transparent tendering process and transactions
- No cases of corruption were reported or identified in internal audits during the year (2017/2018)

Diversity and equal opportunity

Nobina actively work to maximize every employee's potential and wellbeing, on and off work, and offer equal opportunities to all. Nobina grant long-term and newly unemployed possibilities to work and takes great responsibility in integrating people into the Nordic work force

Nobina celebrated 6 year as sponsor and partner to Stockholm Pride in 2018

Example of key activities and actions:

- *Educations in values and equal rights*
- *Cooperation with employment agencies*
- *Actions to improve employee's wellbeing and reduce health-related absence*
- *Language courses to easier integrate non-native speakers into the workforce*
- *Workshops working toward promoting progress and improvement*

11/16

Outcome 2017/2018

Nobina's goal is that at least 12 of the 16 questions in Pulsen (employee survey) are to show good employee motivation

Training and education

33.19

Hours of training per employee 17/18

+2.9%[1]

Nobina Academy

Driver training

Leadership training

Role-specific training

1) *Compared to 2016/2017*

Nobina

SUSTAINABILITY AND QUALITY WORK THROUGHOUT THE WHOLE VALUE CHAIN

Quality, work environment, environment and safety

- Nobina has an integrated approach to quality, work environment, the environment and safety ("KAMS[1]"). There is a group forum that is made up of the subsidiaries' quality, environmental and safety managers. These meet several times per year in order to formulate, communicate and gain support for the goals and promote the implementation of procedures
- The operational activities are evaluated through regular in-house checks and internal sustainability audits. By working through a preventative procedure, due to everyday compliance work and the KAMS method, it helps Nobina to minimize major risks in operations

Supplier assessment

- Suppliers are carefully assessed and monitored to ensure the products and services are produced in a sustainable and responsible way
- Nobina believes that human rights risks are relatively small but is greatest in the supplier chain
- To minimize risk, all suppliers must sign Nobina's Code of Conduct, which is based on the UN's Global Compact and is where Nobina stipulates requirements for suppliers that include the support of for example human rights principles

Certified quality and environmental work

- To manage efforts and to strengthen Nobina's competitiveness, large sections of Nobina's operations, including the head office, are certified in accordance with the ISO 9001 quality management certificate and the ISO 14001 environmental certificate
- In 2017/2018, all units certified in accordance with ISO 9001 and ISO 14001 were certified in line with the new standards released in 2015. However, this did not entail any changes to Nobina's processes as Nobina's procedures already fulfilled the new, stricter requirements
- In 2015, the traffic area Skaraborg was certified in line with the ISO 39001 road traffic safety standard and traffic area Värmland received the same certification in 2017. Nobina is monitoring the development of ISO 39001 and more traffic areas may receive the certificate in the future

Nr. of Nobina's traffic areas certified according to ISO 14001

Sweden[2, 3]	11 of 17
Denmark	4 of 5
Norway[2]	6 of 7
Finland[2]	3 of 3
Total	**24 of 32**

1) *KAMS = Kvalitet, Arbetsmiljö, Miljö och Säkerhet*
2) *Also certified in accordance with the ISO 9001 quality standard*
3) *Two traffic areas in Sweden are also certified in accordance with the ISO 39001 standard*

Q3 RESULTS – WELL ABOVE LAST YEAR

SEK million	**Q3 18/19**	*Q3 17/18*	*Change*	**YTD 18/19**	*YTD 17/18*	*Change*
Net sales	**2 609**	2 260	***349***	**7 205**	6 541	***664***
EBITDAR % of net sales	**436** 16,7%	391 17,3%	***45***	**1 034** 14,3%	958 14,6%	***76***
EBITDA % of net sales	**429** 16,4 %	384 16,9%	***45***	**1 025** 14,4%	932 14,2%	***93***
EBITA % of net sales	**256** 9,8%	221 9,8%	***35***	**487** 6,7%	433 6,6%	***54***
EBIT % of net sales	**243** 9,3%	220 9,7%	***23***	**464** 6,4%	429 6,6%	***37***
Interest income Interest expenses FX net	- -30 1	- -33 2	***-*** ***3*** ***3***	- -94 2	- -100 -4	- *6* *6*
EBT % of net sales Tax	**214** 8,2% -48	185 8,2% -40	**29** -8	**372** 5,2% -87	325 5,0% -74	47 -13
Earnings after tax	**166**	145	**21**	**285**	251	**34**

Key points

- Net sales growth based on added business from Samtrans and growth in existing contracts, where both production and incentive based net sales increased
- EBT margin 8,2% for the quarter with favourable contribution from profit growth in younger contracts, incentives, contract management as well as contract migration

PROFIT IMPROVEMENT DRIVEN BY BUSINESS DEVELOPMENT AND CONTRACT MIGRATION

SEK million	Net sales	EBT
YTD Mar 2017 – Nov 2017	**6,541**	**325**
Price and volume	453	66
Contract migration	15	24
Indexation & operational efficiency	196	-62
Other	-	-20
Items affecting comparability	-	33
Financial net	-	6
YTD Mar 2018 – Nov 2018	**7,205**	**372**

Key points

- Effects of price and volume favourable both regarding Net sales and EBT driven by increase in extra traffic and incentive revenues. Partly offset by negative impact from ending the metro replacement traffic in Helsinki
- Contract migration with minor positive effect on Net sales, and favourable impact on EBT as a result of increased profitability in contracts started in Sweden and contract changes in Norway
- Positive revenue indexation for the period impacts Net sales, coming mainly from Sweden. Higher costs from bus maintenance and damages in Sweden have impacted EBT negatively
- Other represents costs related to M&A activities, acquisition related amortizations and IT
- Items affecting comparability including one-off costs from last year
- Financial net impacted positively by FX effects

CASH FLOW IMPACTED BY ACQUISITIONS IN THE QUARTER

SEK million	**Q3 18/19**	*Q3 17/18*	***Change***	**YTD 18/19**	*YTD 17/18*	***Change***
Cash flow from operations before changes in working capital	**431**	382	*49*	**1006**	914	*92*
Changes in working capital	**50**	-32	*82*	**-129**	-177	*48*
Interest received and tax payment	**-**	-1	*1*	**-1**	-2	*1*
Cash flow from operations after changes in working capital	**481**	349	*132*	**876**	735	*141*
Cash flow from investing activities	**-608**	-15	*-593*	**-663**	-81	*-582*
Cash flow from financing activities	**57**	-206	*263*	**-657**	-892	*235*
Cash flow for the period	**-70**	**128**	***198***	**-444**	**-238**	***-206***
Cash and cash equivalents at the end of the period	**320**	**563**	***-243***	**320**	**563**	***-243***

Key points

- Cash flow from operations before working capital stronger than Q2 previous year as well as YTD following higher result and adjustments for higher amortizations
- Increase in payables had a positive impact on working capital compared to Q3 last year
- Cash flow from investing activities significantly more negative than Q3 last year due to SEK -521 million related to the acquisitions of Samtrans and De Blaa Omnibusser
- Positive cash flow from financing activities in Q3 due to new strategic debt raised related to the Danish acquisition slightly offset by share buybacks of SEK -74 million

LOW LEVEL OF INVESTMENTS WITH FEW TRAFFIC STARTS

SEK million	**Q3 18/19**	*Q3 17/18*	***Change***	**YTD 18/19**	*YTD 17/18*	***Change***
Investments in new buses	**-154**	-44	***-110***	**-232**	-496	***264***
Other investments	**-24**	-15	***-9***	**-53**	-47	***-6***
Total investments	**-178**	-59	***-119***	**-285**	-543	***258***
Lease financing	**90**	19	***71***	**123**	405	***-282***
Capex	**-88**	-40	***-48***	**-162**	-138	***-24***
Whereof: Loan financing of buses	**35**	-	***35***	**35**	4	***31***
Whereof: Cash financing	**-53**	-40	***-13***	**-127**	-134	***7***

Key points

- Low level of total investments YTD due to calm year with few traffic starts
- Investments in new buses also includes residual value purchases of buses in expired leasing contracts
- Lease financing primarily refers to new traffic contracts and the remaining part relates to reinvestments in existing contracts
- All new bus investments are generally finance through financial leasing or loans
- Samtrans and De Blaa Omnibusser acquisitions not included

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BALANCE SHEET IN LINE WITH LAST YEAR

SEK million	**2018-11-30**	*2017-11-30*	*Change*
ASSETS			
Total non-current assets	6 475	6 052	*423*
Trade receivables and other current rec.	1112	871	*241*
Restricted cash on bank accounts	-	-	-
Cash and cash equivalents	320	563	*-243*
Total current assets	**1 432**	1 434	***-2***
TOTAL ASSETS	**7 907**	7 486	***421***
EQUITY AND LIABILITIES			
Shareholders' equity	1 422	1 381	*41*
Total non-current liabilities	3 921	3 842	*79*
Total current liabilities	2 654	2 263	*301*
TOTAL LIABILITIES	**7 907**	7 486	***421***

Key points

- Total non-current assets increased relation to acquisitions of SEK 760m
- Cash position decreased to SEK 320m (663)
- Still high equity ratio of 18.0% (18.4%)
- Interest-bearing liabilities was SEK 4,367m (4,370) including acquisition related loan of SEK 316m
- Net debt / EBITDA was 3.2x (3.3x)

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