Simplify Strengthen Succeed

mobico group

Mobico Group
Annual Report for the
15-month period ending 31 March 2026

Company Number: 02590560

Welcome to our Annual Report for the 15-months ending 31 March 2026

Mobico Group PLC is a leading diversified transport business with operations spanning coach, rail, bus, shuttle and paratransit in Europe, the US, North Africa and the Middle East.

Shared mobility plays a vital role in global efforts to decarbonise our planet while ensuring people are connected to what matters most: work, education, healthcare, family and tourism. We are committed to serving millions of customers across diverse communities each day.

Operational turnaround underway with a focus on de-risking

Simplify | **Strengthen** | **Succeed**

Our ambitions have not changed. However, we recognise and embrace the challenges and opportunities of today's transport industry. We are committed to building on what works, simplifying where we must and building a sustainable business for the benefit of all stakeholders.

Mobico has taken decisive steps to reset its future by simplifying its operations, strengthening its core and creating a culture that ensures we succeed in our objectives. Key among these is to reduce debt and strengthen the balance sheet.

Read more on pages 06 and 07

Our Vision

Our Vision is to be the world's premier shared mobility operator

Our Purpose

Our Purpose is to lead the modal shift from cars to mass transit

Our Values

Our Values lead every aspect of our business operations and decision-making

Countries we operate in:

11

Employees across offices:

>30,800

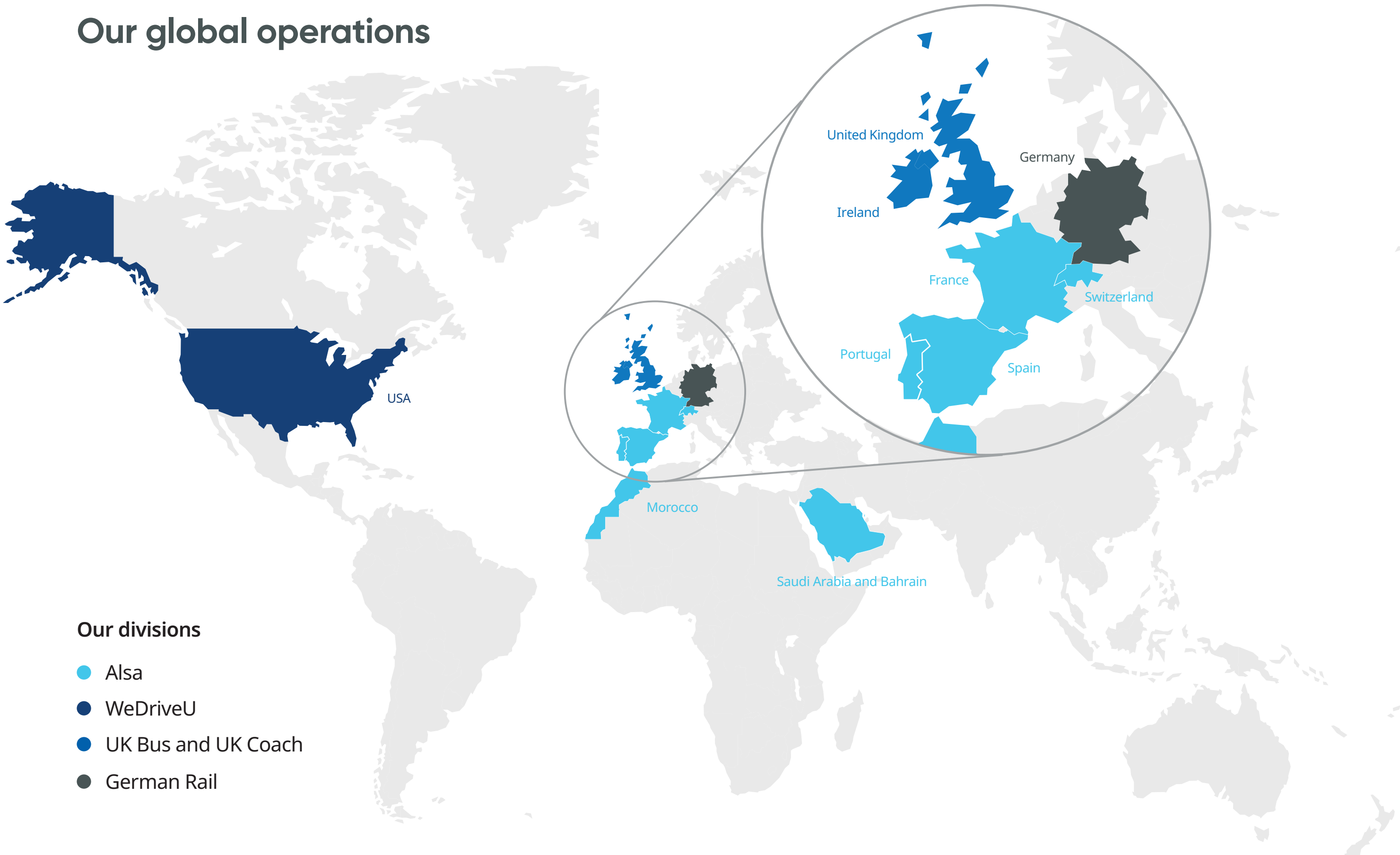
Number of passenger vehicles we operate:

13,400

Our passengers travelled a combined total of

26.8 billion km

Our global operations



www.mobicogroup.com

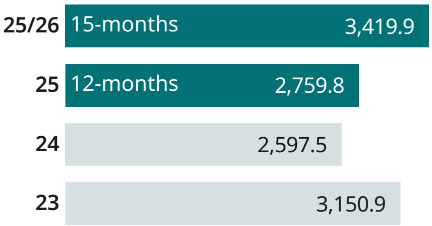
15-months ending March 2026 highlights

Financial highlights

Adjusted Revenue (£m)[1]

£3,419.9m

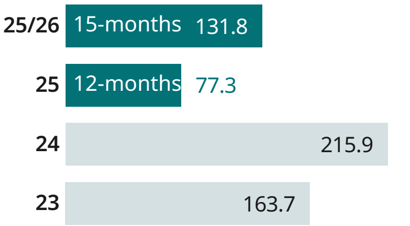
2024 restated [3]: £2,597.5m



Free Cash Flow (£m)[1]

£131.8m

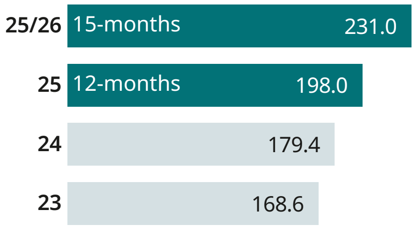
2024 restated [3]: £215.9m



Adjusted Operating Profit (£m)[1]

£231.0m

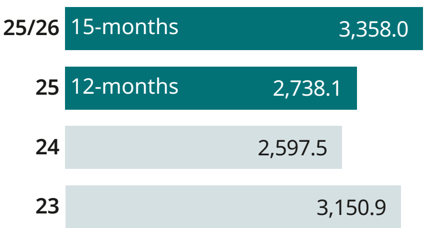
2024 restated [3]: £179.4m



Revenue (£m)

£3,358.0m

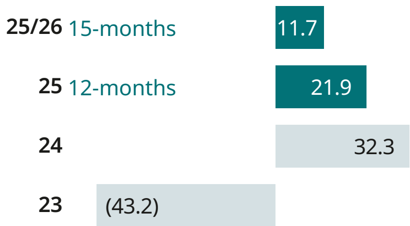
2024 restated [3]: £2,597.5m



Operating Profit (£m)

£11.7m

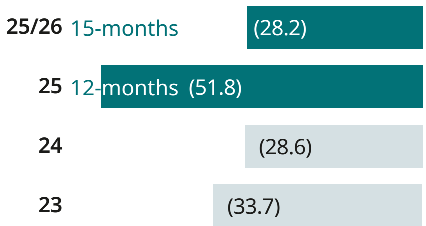
2024 restated [3]: £32.3m



Earnings Per Share (p)

(28.2)p

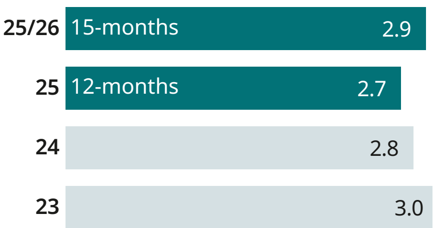
2024 restated [3]: (28.6)p



Covenant Gearing[1,2]

2.9x

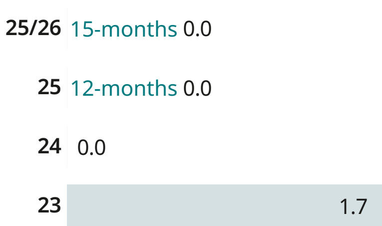
2024: 2.8x



Dividend

0.0p

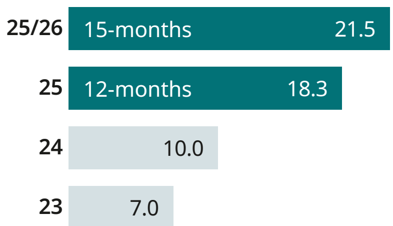
2024: 0.0p



Adjusted Return on Capital Employed[1]

21.5%

2024 restated [3]: 10.0%



1 Alternative Performance Measure. For more information, please refer to pages 243 to 245

2 A key bank covenant test is <3.5x test for gearing

3 2024 restated for discontinued operations and prior period restatements; please refer to Note 2 of the Financial Statements. 2023 not restated for discontinued operations as this was prior to the separation of the School Bus business

Q&A with Phil White

PHIL WHITE
Executive Chair

Q What brought you back to Mobico?

A I had always loved my job as CEO of National Express Group, so was delighted to return when asked by the Board. While the structure of the business and its operating environment have changed significantly since I left in 2006, what remains the same is the valuable role that public transport and the Company play in everyone's lives. The fundamentals of running a public transport business efficiently and ensuring the highest levels of customer satisfaction are still our top priority. We have some great assets and very talented people – but simplifying our organisational structure, sharing best practice and focusing on becoming leaner and more agile is what Mobico needs to take us back to where we once were.

Q What have been your immediate actions since joining the business?

A This business is all about people and it is key to have the right people in place as well as clear reporting and accounting frameworks. My first priority was to recruit a strong Group CFO with turnaround experience. Then it was key to define what we are as a business and where our priorities lay. It was through this that we redefined our strategy as: 'Simplify, Strengthen, Succeed', which is easy to understand and without waffle. Operating across multiple geographies and transport modes has created unnecessary complexity, particularly when this involves several layers of management between the decision-makers and the operations. Our immediate actions revolved around simplifying the Group structure, as well as fixing the challenges within each division, paying particular attention to the underperforming businesses.

Q What are the key changes that will revive the Group's performance and deliver its potential?

A We are now running a much leaner organisational structure, integrating functions to avoid duplication and reduce costs. This is improving our operating efficiency and enabling the transfer of best practice. For example, Alsa's sophisticated digital accounting platform, Ariadna, is enabling UK Coach to become much more competitive by cutting costs and using data-driven decisions to price routes. We must also build strong relationships with central & local governments and our customers, while delivering the highest levels of service to ensure we grow passenger numbers and revenues. However, for us to 'Succeed' – the last part of our strategy – we need to address the high levels of debt in the organisation. To do this, we need to reduce costs and capex right across the Group to ensure we are delivering stronger cash flows.

Q What excites you most about the future of Mobico?

A Once we have successfully streamlined our cost base and reduced our debt, the focus will shift to the immense growth potential inherent in our business. Combining UK Coach and Alsa positions us to build a leading pan-European coach powerhouse. Alsa has also already demonstrated its ability to win key contracts internationally, fending off competition from some of the world's largest transport companies. This enables the business to develop in attractive and growing markets such as the Middle East. There are also huge opportunities in fragmented and high-margin sectors such as paratransit, where Alsa is growing quickly, as well as shuttle services in the US. These markets offer significant potential for organic and asset-light growth.

Q How do you see the role of public transport evolving over the coming years?

Government plays a huge role in public transport provision. We enjoy partnering with both local and central government and being part of the solution not the problem. Better joined-up inputs lead to better outputs. Our aim is to control what we can control, and deliver high quality services which give us happy customers. Technological improvements and AI are already improving efficiencies and safety while predicting demand and increasing the ease of purchasing tickets. More widely, the future of public transport is evolving. Younger generations increasingly favour public over private transport, while there is an immediate need to deliver on emissions targets; not just in terms of reducing our carbon footprint but also in lowering pollution in urban areas. These favourable demographic shifts and the push to reduce pollution are the key drivers that underpin the future of public transport.

Executive Chair's statement

PHIL WHITE
Executive Chair

> **We believe commercial success and our culture are inextricably linked. Our people are the heart of our business. They are at the front line of executing our strategy, ensuring our services are the safest and most reliable and our customers are the most satisfied."**

Strategic and financial performance

This period has been pivotal for the Group. Under a new leadership team, we initiated a clear strategy that has been building momentum in 2026. While our financial performance was underpinned by another record result in Alsa, it was also impacted by an expensive Group structure, legacy liabilities, loss-making contracts and challenges in our UK business.

Our focus has been on simplifying our corporate structure and we have made significant progress in becoming more efficient, while focusing on addressing the underperforming areas of the business.

During the year, we launched our 'Simplify, Strengthen, Succeed' strategy which sets a clear path towards a more smart and sustainable future aimed at delivering value to our stakeholders through a disciplined focus on cash generation and minimising risks. A central component of this strategy is the 'Simplify for Success' cost programme aimed at increasing efficiency throughout the business. As announced in February 2026, we are targeting £75m in cost savings for CY 2026 with an annual run-rate of £100m from CY 2027.

Safety

Safety remains integral to the way we operate and is a non-negotiable priority across every division of the Group. Our focus on safety is reflected in our 2025 Fatality and Weighted Injuries (FWI) index score of 0.0011 that significantly outperformed our 0.0032 target and the achievement of zero preventable fatalities across the year.

We will always continue to work on improving safety, recently implementing a 13th Global Safety Standard on wellbeing and initiating the development of a new policy for electric vehicle thermal events.

Our commitment to excellence is validated by external recognition; in Alsa we received several prestigious awards, including the 'Ponle Freno' award for road safety innovation. UK Coach achieved ISO 45001 health and safety accreditation, with UK Bus achieving the same last year and German Rail renewed its government safety certificate for a further three-years.

Divisional highlights

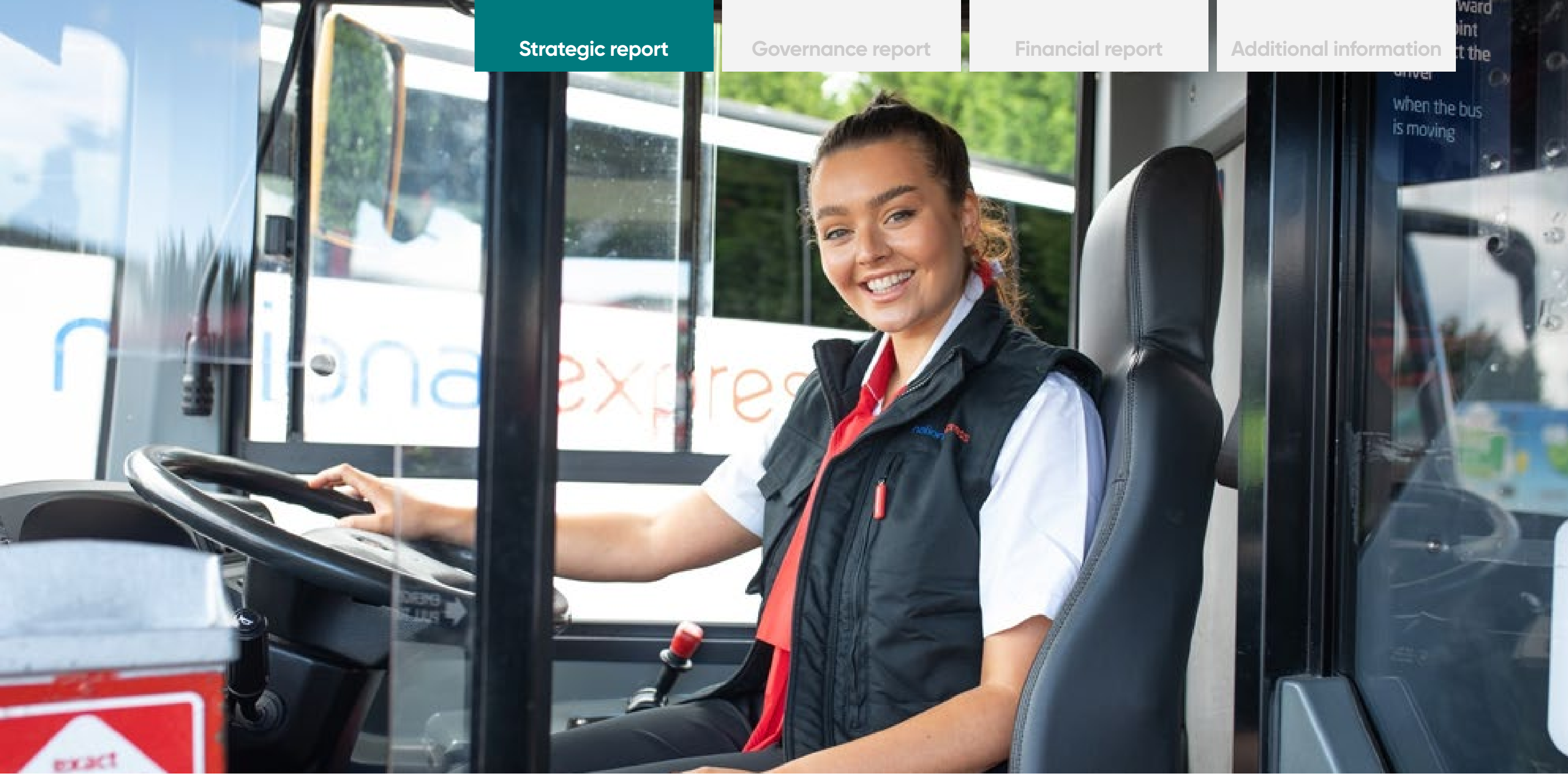
- **Alsa:** We delivered another record result, driven by strong growth in Spain and further revenue diversification. Alsa achieved an exceptional 14% adjusted operating margin and transported 770 million passengers in the period.
- **WeDriveU:** We have applied some hard-learned lessons from the past to improve operational performance and the types of contracts we enter into. As part of our strategy to improve financial performance, we have exited the loss-making CARTA contract and the WMATA contract was terminated post period-end. This allows us to focus on our profitable core operations and the growth potential of the business.
- **UK Coach:** In the face of an increasingly competitive environment, our UK Coach business has been integrated into Alsa with the aim of creating a more cost-efficient and robust business.
- **UK Bus:** Preparations continue in our UK Bus business for the transition to franchising in the West Midlands from 2027.
- **Germany:** We reached a landmark agreement with the five German PTAs to restructure our rail contracts in North Rhine-Westphalia and adjacent regions. This de-risks the business and ensures the long-term sustainability of our rail operations in Germany. We also addressed the driver shortage issue which enabled us to return to full-service levels from late 2025, the first time in two years.

Management changes

On 24 June 2025, Brian Egan was appointed as Group CFO bringing considerable experience working as a CFO for a number of international businesses.

On 1 April 2026, Paco stepped up from his joint-role as Group COO and CEO of Alsa to become Group CEO of Mobico and joined the Board. We also announced that I would continue in my current role, before resuming as Non-Executive Chair of Mobico from 1 October 2026, ensuring an orderly transition of executive duties.

As seen in these results, Alsa represents the majority of Group profitability. Paco has been CEO of Alsa for the past decade and has done a tremendous job of driving the strong performance of the business. He is therefore the best person to lead Mobico over the coming years and this appointment represents a natural evolution of his role.



Organisational streamlining

We have implemented a number of organisational changes aimed at streamlining the business and ensuring the transfer of best practice. This includes the integration of the UK Coach business into Alsa.

Building on our 'Simplify, Strengthen, Succeed' strategy, we have recently introduced a refined organisational model to drive operational improvements and enhance efficiency across our divisions and support functions.

The realigned structure introduces a new Global Operations function to drive profitability, and facilitates planned senior leadership transitions that leverage Alsa's proven leadership across the wider Group.

Environmental progress

Our long-term target is to be net zero for Scope 1 and 2 emissions and to operate a zero emission fleet by 2040.

Our Scope 1 and 2 emissions were reduced year-on-year by 5.2%, despite an overall increase in passenger miles.

As at 31 March 2026, we had 1,329 zero emission vehicles in use or on order. We continue to monitor the changing market environment in the UK, specifically the potential for franchising in UK Bus in the West Midlands and consider the implications for our vehicle procurement in the short to medium-term.

'People and Culture' strategy

I have worked in the transport industry for over 50 years and have always believed that people are absolutely the key to success.

In March 2026, the Board approved a new 'People and Culture' strategy led by Ruth Hernandez following her appointment as Group CPO in January 2026. This work is critical to ensuring we deliver on our strategy.

Under the banner of 'Going further. Being close', this strategy ensures we are an employer of choice, attracting the best talent – recognising that people drive our organisation and staying close to them is how we go further. You can read more about this in the section on our people on pages 38 to 40.

Concluding remarks

It is now 16-months since I rejoined Mobico and we are starting to move beyond past challenges and to rebuild the business to deliver long-term, profitable growth.

For the current calendar year ending December 2026, we are targeting an Adjusted Operating Profit of £215m to £230m which includes the positive impact of the revised German Rail contracts.

Our future has its clear challenges and addressing leverage remains our highest priority. The Company will continue to explore all options to accelerate debt and leverage reduction.

Finally, in my time as Executive Chair, it has been great to see the dedication of all our teams as we navigate this period of transition. I would like to thank all my colleagues for their hard work and our Shareholders and other stakeholders for their continued support.

Phil White
Executive Chair

28 July 2026

Simplify, Strengthen, Succeed ....

Our priorities

Our primary goal is to reduce debt. To achieve this, we need to focus on operational excellence and disciplined cost control. Managing legacy liabilities that have continued to impact our ability to reduce debt is also a key focus. We aim to improve cash generation from our profitable divisions and address underperforming units, while proactively seeking opportunities to de-risk the business, including strengthening the balance sheet.

Approved by the Board in September 2025, these priorities form the basis of, and are underpinned by, our 'Simplify, Strengthen, Succeed' strategy. This strategy aims to streamline our business, improve efficiencies, remove costs, while sharing best practice across our organisation.

Our 'Simplify, Strengthen, Succeed' strategy

Simplify

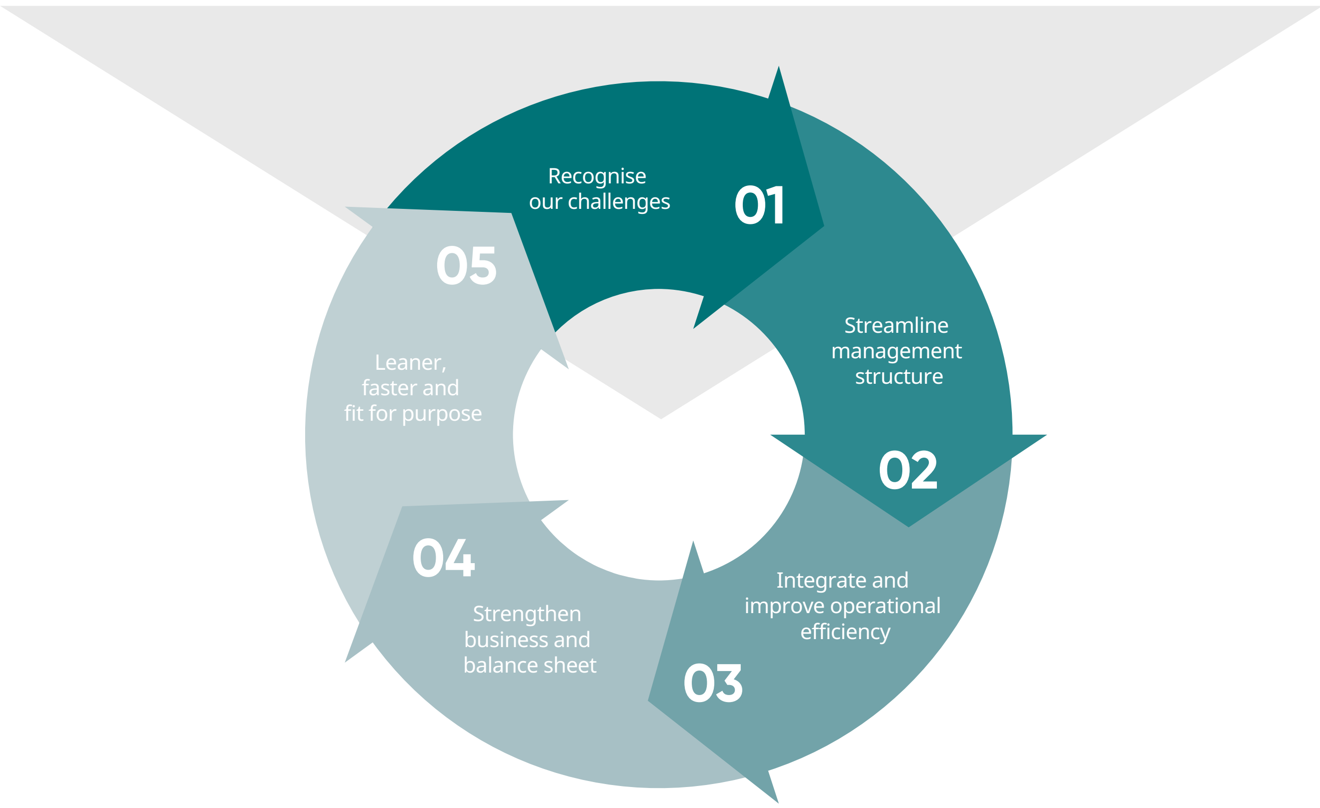
- Streamlined structure (including post-period changes)
- Better integration across the Group
- Drive out inefficiencies

Strengthen

- Cost and capex discipline
- Strengthen balance sheet
- Strong senior executive team at Group level – backed by post-period leadership transitions

Succeed

- Deliver our financial targets
- Be more agile
- Deliver leading operational performance
- Leaner, faster, smarter



Streamlined management structure

…. supported by our new 'People and Culture' strategy

"Our new 'People and Culture' strategy is aimed at boosting long-term competitiveness and performance through strong governance, operational sustainability and leadership which is engaged and aligned."

Ruth Hernandez
Group CPO

In March 2026, the Board approved a new 'People and Culture' strategy which has since been rolled out across the organisation. The new strategy reflects a more connected way of working together and sharing of best practice across the organisation, as well as integrating technology and AI to improve efficiency and competitiveness.

It builds upon our existing culture through defining our DNA, as the 'people' aspect, the way we work as an organisation, as well as four specific priorities to ensure we deliver on our 'Simplify, Strengthen, Succeed' strategy.

A strategy underpinned by four priorities

'People & Culture' strategy

To be an employer of choice, **attracting and developing the best talent, knowing that** people drive our organisation and that staying close to them is how we go further.

Our way of working

Transparency, innovation, continuous improvement and **operational excellence** shape the way we work.

Going further

Being close

Our priorities

1. We are powered by **talent.**
2. **Connection** makes us stronger.
3. **Culture** shapes who we are.
4. Driven by **diversity.**

Read more on page 38 of the Sustainability section.

Streamlined management structure

To translate our 'People and Culture' strategy into immediate performance, the Board has approved a streamlined management structure designed to deliver on our 'Simplify, Strengthen, Succeed' strategy.

Strategic focus	Key structural actions	Strategic impact
Operational excellence	Creation of a unified Global Operations function led by the Group COO.	Drives long-term operational improvement across all divisions.
Organisational streamlining	Integrating Alsa leadership across our divisions.	Deploys proven expertise and successful commercial models to standardise best practice Group-wide.
Support functions	Centralising Digital teams, introduced a dedicated Legal function, and enhanced financial controls.	Cost reduction and improved controls.

Our business model

The resources we rely on

Colleagues
We have a diverse workforce and employ over 30,800 colleagues across our businesses around the world, the majority of whom are drivers. Together, our employees deliver excellent customer service and bring extensive technical skills and expertise in areas including operational excellence, route optimisation and vehicle technology.

Vehicles
At March 2026, we operate around 13,400 vehicles of varying sizes, from sedans, minivans, cars and minibuses, to double-decker buses and long-haul coaches. The fleet is predominantly internal combustion engine (ICE) powered. As we strive to reach net zero, we also operate using alternative fuel technologies such as electric and hydrogen. We have 1,329 Zero Emission Vehicles (ZEVs) in operation or awaiting delivery and we have well-developed plans to adopt increasing numbers of ZEVs.

Sites
Our services operate from over 100 depots across 11 countries and more than 40 key cities. These depots are where we deliver training, embed our safety practices and manage the fleet, with many of those depots equipped to support ZEVs.

Financials
Mobico is focused on delivering long-term sustainable returns through margin improvement, enhanced return on investment, with a strong focus on cash generation and a disciplined approach to costs.

Intellectual property
We continually develop and refine critical intellectual property, which allows us to design, mobilise and operate transport solutions.

Our relationships
Our connection with our customers is fundamental to our success. We have extensive, long-term relationships at local and national levels of government, with city or regional transport authorities and with our local emissaries. We work with them to find solutions and improvements, to address their transport needs. We also enjoy productive relationships with our suppliers to develop innovative solutions for improvements to safety, reliability, customer satisfaction and our environmental impact.

How we do it

Our global diversified contract models
60% of the Group's revenue is generated from contracts where customers pay us a fee to operate routes. The remaining 40% of revenue is from passengers purchasing tickets from Group companies. 75% of contracted revenue has high or medium level of certainty. Medium levels of certainty could include a fixed component or revenue or include a minimum volume level. High levels of certainty are contracts where revenue is broadly the same regardless of passenger numbers, volumes, or services operated. 71% of our contracts have a high or medium level of cost inflation protection. Medium levels of cost protection are contracts that include CPI escalators which provides good protection, but carry the risk that costs such as wage or fuel inflation are above CPI. High levels of cost protection are contracts that pass costs through to the customer or specify that wage and fuel costs are passed through.

60%
of Group revenue is contracted

75%
of contracted revenue has high or medium level of certainty

71%
of contracted revenue has high or medium level of cost inflation protection

Our wide range of products

Urban bus
Single and double-decker bus services in cities and their suburbs.

Private hire
The provision of buses or coaches to individuals, employers, schools or other organisations for field trips, days out and holidays.

Rail
We operate a number of lines in the west of Germany.

Corporate shuttle
A range of services for transporting employees to work, often funded by the employer. Includes full home-to-work service as well as filling the 'last mile' gap from mass transit hubs to the place of work.

University shuttle
A range of services for transporting students across university campuses.

Long-haul coach
Intercity routes, tourism and airport transfer services, providing a cheaper, and in many cases, a more convenient form of transport.

Healthcare
Flexible and accessible solutions for passengers less able to use regular public transportation, including direct medical transportation and emergency services.

Benefits to Mobico

Sustainable long-term growth
Our business is a key provider in the global shift to cleaner, more efficient and more affordable social mobility. Our strong relationships with customers, suppliers and government bodies, combined with experienced colleagues, in-depth knowledge, and considerable scale in terms of resources and geographical spread, enable us to capture sustainable long-term growth. We take a long-term view on the planning and utilisation of our resources for growth.

Financial returns
By targeting revenue growth, as well as improved profit and cash conversion, we aim to strengthen our balance sheet, invest for growth and provide value to Shareholders.

Key differentiators

Our processes and systems

Successfully managing complex transport networks requires robust, flexible processes that ensure reliability and efficiency. A key driver of this capability is Alsa's specialised expertise in tendering and advanced IT systems, which include bespoke accounting software, dynamic pricing models and sophisticated safety frameworks. Developing and operating these assets takes time and deep expertise.

Our partnerships

Acting in partnerships – with our customers, the transport authorities, suppliers, colleagues, and with industry and government bodies – is a fundamental tenet of our strategy and philosophy. We strive to develop and maintain strong relationships in all of these areas. By doing so, we ensure our values are aligned with those of our various partners, and that we can deliver to the satisfaction of all stakeholders.

Our knowledge

Our knowledge spans safety, route scheduling, network design, customer service, passenger care and marketing. Further integration and the sharing of best practice and specialised knowledge, will enable continuous improvement across the business.

The value we aim to create

Colleagues

We are an organisation that shares the values of our employees and partners. We provide attractive career opportunities, paying competitive wages and salaries while creating safe, enjoyable and inclusive working environments.

Passengers and customers

We provide best-in-class value for money services that provide compelling, more environmentally friendly, transport options versus a private car. Our services enable passengers to connect with family, friends, leisure and workplaces while facilitating easier access to healthcare.

Suppliers

We support a wide range of suppliers from individuals to large businesses. We develop rewarding partnerships with them, working collaboratively and honourably to deliver market-leading services to our customers.

Communities

Our services facilitate social mobility and promote economic activity. Mobico's capabilities can be critical for those without access to a car and especially where we provide transport for the more vulnerable members of our society. By enabling modal shift from private car to public transport, we also play an important role in improving air quality in our communities.

Equity and debt investors

Ultimately, we aim to provide attractive investment returns for both our equity and debt investors. We aim to have strong long-term relationships with Shareholders and lenders as we use a variety of funding sources.

Governments

We have strong relationships at local and national levels of government, which enable us to help shape public transportation policies. We are also able to bring solutions to local government bodies and transport authorities that can transform the services in their areas. The Group also generates significant tax contributions to public finances through employee, sales, corporation, property and other taxes.

The environment

A significant proportion of the world's CO_2 is generated by transport which makes it a key target for decarbonisation. For every bus journey, up to 70 car journeys are removed from the road. By making such journeys more reliable, more enjoyable and often more convenient than alternatives, we help communities and the world to reduce emissions significantly and greatly improve social mobility.

Benefits to society

Improved social mobility

Our services connect people to each other and to places of work, education, leisure and healthcare.

Moreover, choosing to swap a singular journey from an average diesel car to an average diesel bus can reduce the carbon footprint by up to 45%.

Reduced pollution and improved air quality

Many of our existing diesel vehicles already emit lower emissions than the average family car. By driving modal shift from private car to public transport, as well as transitioning our fleet to ZEVs, we make a significant contribution to society through reducing pollution and improving air quality.

Our markets

Alsa

Alsa is a leading bus and coach operator in Spain with an increasingly diversified portfolio of domestic and international businesses. The company operates Long Haul, Regional, Urban and diversified transport services in Spain, Morocco, Switzerland, Portugal, France, Bahrain and Saudi Arabia. The recent integration of Mobico's UK Coach business adds the UK and Ireland, further strengthening Alsa's international platform and supporting its ambition to become a pan-European coach operator.

Business model

Alsa's consistent strong growth and financial performance is supported by high contract retention rates, a balanced mix of revenue and cost protections in its portfolio, while leveraging financing opportunities in order to reduce capital expenditure.

- **Revenue split:** almost half of revenue is contracted, providing predictable cash flows. The remainder carry carefully assessed commercial risk which can benefit from positive outperformance.
- **Portfolio diversity:** concentration risk is managed through the size and number of contracts. Alsa's top 10 contracts accounted for approximately one-third of its 2025 revenue, a slight decrease from 2024.
- **Contractual protection:** a substantial number of contracts are 'gross cost' which carry no revenue risk. Nearly two-thirds of contracts have high levels of cost protection built in.
- **High retention and win rates:** On an annual basis, between 5% to 10% of contracted revenue is typically renewed. Alsa mitigates this risk through a high retention rate of circa 95% with growth ensured by a high win rate on new bids of circa 25%.

Market share and diversification

Alsa maintains a leading position in its core segments while expanding into high-growth areas like health transport.

Business line[1]	Market position	15m 2026 (Revenue €m)	12m 2025 (Revenue €m)
Long Haul (Spain)	Leading operator	344	284
Regional & Urban (Spain)	Top 5 operator	923	738
Other transport (Spain)	n/a	335	273
Morocco	Leading urban bus operator	177	152
International (PT, CH, FR)	<5% market share	141	111
Diversification	n/a	187	150
Other	n/a	34	30

1 Alsa also has non-consolidated joint venture operations in Bahrain and Saudi Arabia.

Competition:

While competitive pressure exists in the long-haul sector in Spain due to aggressive high-speed rail pricing, Alsa is proactively defending its margins through:

- Implementing a 360º fares project to optimise occupancy and revenue;
- Digital sales have risen to 74.1% (up from 71.3% in 2024), enhancing the customer experience and fostering loyalty; and
- Customer satisfaction, achieved through high-quality service and high-quality vehicles.

In other segments, Alsa is focused on high service standards to succeed in public tendering. In the UK coach sector, increased competition is being addressed through cost reduction and use of technology to enhance pricing mechanisms, fleet maintenance and administrative systems.

Regulatory changes in Spain: The 'Sustainable Mobility Law' and the concessional map

The 'Sustainable Mobility Law' (published 4 December 2025) prioritises low-carbon public-focused transport and offers the potential to unlock EU green funding.

The passing of the law means the state network concessional map is being redrawn in preparation for the renewal of existing contracts. The new map, which is expected to be approved in late 2026, will simplify the network by significantly reducing the number of concessions while increasing their size. Expectations remain that Alsa will retain its existing routes, albeit with a lower margin.

The majority of contract renewals will occur in 2027 and 2028 with the financial impact expected from 2028.

Growth in new markets

Geographic diversification is an important part of Alsa's strategy, particularly into growth markets such as Saudi Arabia where Alsa won an eight-year capital-light JV contract in the Kingdom of Saudi Arabia, with a total contract value of €500m revenue. This contract is for the first two of 12 planned theme parks in the country with Alsa well-positioned to win further bids.

Similarly, the health transport market is also a growth market strongly and typically highly fragmented. Since entering the market in Spain in 2022, Alsa has grown to become the third largest operator.

WeDriveU

WeDriveU provides transit and shuttle services in North America. Transit focuses predominantly on paratransit (the transportation of passengers with additional needs) and urban bus operations. Shuttle offers corporate employee shuttle services to a range of sectors including technology, biotechnology, manufacturing and Universities which ensures a strong, diversified portfolio of sectors and customers.

Business model

Overall, the WeDriveU business consists of circa 100 contracts, with an average length of 4.5 years as a base and 5.9 years if considering extension years. The largest contract makes up 11% of revenue, while the top five contracts represent 38% of the total business.

The Shuttle segment serves a diversified portfolio across technology, biotechnology, manufacturing and higher education. These are primarily gross contracts, providing a high degree of revenue and cost protection. By partnering with world-class corporations and universities, we ensure long-term stability and high-quality service standards.

The Transit segment provides essential paratransit and urban bus services for local authorities. With a focus on cost-efficiency and operational discipline, we serve passengers with additional needs and support urban mobility networks.

Market share

Business	Shuttle	Transit
Market share	circa 15%	circa 5%
Total addressable market	$1.5bn	$4bn

Notwithstanding market pressure for cost-efficiency, WeDriveU maintains a healthy pipeline of new opportunities and is focused on regular reviews of existing contracts to ensure long-term sustainability.

Key areas of opportunity include:

- Return of focus to the profitable core operations following the ending of the loss-making CARTA and WMATA contracts; and
- Improved management of the existing fleet.

UK Coach (National Express)

National Express is the UK's largest provider of scheduled coach services with a UK-wide network operating almost 500 coaches.

To address intensified competitive pressures emerging since late 2023, the business has been fully integrated into Alsa. This strategic integration is designed to drive structural cost reductions, optimise our network and accelerate the digital transformation of the business.

As part of our 2025 optimisation programme, we sharpened our commercial focus by divesting the National Express Transport Solutions (NXTS) and closing NEAT operations.

Intense competition within the UK coach market is expected to continue, placing near-term pressure on volumes and yields.

UK Bus

UK Bus is the market leader in the West Midlands bus sector, the UK's largest urban bus market outside London. A key priority has been to secure enhanced local authority support to offset the negative impact of a weaker economic climate on commercial patronage.

In preparation for franchising from 2027, UK Bus has been monetising its assets which include depots, fleet and ticketing systems.

In anticipation of the shift toward franchising in the West Midlands and nationwide, we will leverage Alsa's extensive experience in running franchised bus opportunities to pursue new opportunities, with a focus on balancing service quality with sustainable returns.

German Rail

Our German Rail division is a market leader in North Rhine-Westphalia, operating seven main lines that connect the region's most populous cities. With an average of 230,000 passengers daily, our commitment to reliability is a top priority.

These operations take place in a challenging environment characterised by a national shortage of skilled workers and a significantly dilapidated federal rail infrastructure.

Business model

The German Rail is split into three contracts. RME, RRX 1 and RRX 2/3.

Contract	RME	RRX 1	RRX 2/3
Start date	2019	2022	2021
Original end date	2030	2033	2033
Revised end date	2032	2030	2030

Revised contracts were signed in June 2026 and backdated to be effective from 1 January 2026. Consequently, the changes have not been fully recognised in this 15-month reporting period due to the requirements of the relevant accounting standards. As a consequence of the revisions, the RME contract converted to a gross contract structure, which removes revenue risk and has improved cost protections, including adjustments to indices which better reflect changes in costs. The length of the contract has also been extended by two years to 2032. The RRX contracts have been shortened by three years to 2030; however, we forecast it will remain loss-making.

On a combined basis, the RME and RRX contracts are expected to be cash flow neutral over their remaining lives with the potential for a small positive benefit (excluding repayment of PTA advances).

North America School Bus (NASB)

Prior to the sale of NASB in July 2025, the North American business operated across 34 states and two provinces in Canada.

The business operated through medium-term contracts awarded by local school boards.

Performance review

Alsa

PACO IGLESIAS
Group CEO from 1 April 2026

"Alsa has delivered another record performance, driven by strong growth in Spain and international expansion.

I am pleased that our diversification strategy continues to advance, most notably with major contract wins in the Kingdom of Saudi Arabia."

Adjusted Revenue (+11.5% v 15m 2025)
15m 2026: **£1,839.1m**
15m 2025 (unaudited): **£1,649.9m**
12m 2024: **£1,327.6m**

Statutory Revenue (+10.2% v 15m 2025)
15m 2026: **£1,818.4m**
15m 2025 (unaudited): **£1,649.9m**
12m 2024: **£1,327.6m**

Adjusted Operating Profit (+14.5% v 15m 2025)
15m 2026: **£249.0m**
15m 2025 (unaudited): **£217.4m**
12m 2024: **£186.1m**

Statutory Operating Profit (-0.5% v 15m 2025)
15m 2026: **£204.0m**
15m 2025 (unaudited): **£205.1m**
12m 2024: **£176.9m**

Adjusted Operating Margin %
15m 2026: **13.5%**
15m 2025 (unaudited): **13.2%**
12m 2024: **14.0%**

Statutory Operating Margin %
15m 2026: **11.2%**
15m 2025 (unaudited): **12.4%**
12m 2024: **13.3%**

Operating highlights

- 349 million passengers transported in Spain during the 15m 2026 period, an 8.8% increase from 15m 2025.
- Long Haul passenger numbers increased 1.6% in 3m 2026 compared to 3m 2025.
- National government continues to promote mobility in Spain, most recently with the 'Single Ticket' initiative implemented in January 2026.
- Near doubling of ZEVs over the last 12-months, with 382 in service as at 31 March 2026.
- Well protected against fuel cost increases, with around a third of contracts having pass-through fuel costs and the remainder protected through hedging.
- Alsa is the world's first road passenger company to be awarded the Road Safety Index certification from the Federation Internationale de l'Automobile.

Commentary

Adjusted Revenue for 15m 2026 increased 11.5% to £1,839.1m (15m 2025: £1,649.9m). On a constant currency basis, revenue increased 9.6% to €2,141.7m (15m 2025: €1,954.3m). Revenue expansion was primarily driven by an 8.8% increase in Spanish passenger volumes, offset by reduced volumes in Morocco following the loss of contracts in Marrakesh and Tangier in December 2025.

Adjusted Operating Profit for 15m 2026 increased 14.5% to £249.0m (15m 2025: £217.4m). The increase was primarily driven by strong trading in Spain throughout the period. Adjusted operating profit for 3m 2026 grew to £5.7m YoY despite the strong comparative period. This included a £1m benefit from an early Easter and the national government's new 'Single Ticket' initiative which boosted demand in Long Haul. Elsewhere, growth in Portugal, Health Transport and the Middle East more than offset a £2.5m reduction in Morocco's operating profit following recent contract changes.

The Adjusted Operating Profit margin for 15m 2026 increased 30 basis points to 13.5%. The operating margin for 3m 2026 was 10.5%, an increase from 9.8% in 3m 2025. The March quarter is seasonally a lower demand period.

Statutory Operating Profit reduced by £1.1m (or €5.3m in local currency) compared to 15m 2025 reflecting the increase in Adjusted Operating Profit, offset by a £26.8m impairment charge relating to Alsa's reduced footprint in Morocco.

Spain

Spain remains Alsa's core market, generating €1,602m (75% of Alsa revenue) with contributions primarily from Regional (€664m), Long Haul (€344m), Urban (€258m) and Other Transport (€335m).

Regional (and Metropolitan) lines performed exceptionally well, with constant currency revenues climbing 8.6%, driven by an 8.1% expansion in passenger volumes. Similarly, Urban revenue increased by 9.6%, driven by a significant 10.5% increase in passenger volume.

Long Haul revenues for 15m 2026 increased by 3.7% from 15m 2025, supported by the national government's 'Multi-Voucher' initiative in H1 2025, the 'Young Summer' initiative from June to September 2025 and the 'Single Ticket' initiative from January 2026. Overall passenger numbers increased by 4.0%, while the nine main corridors saw a 2.9% increase. Occupancy remained in-line with prior periods.

Tourism and Other Transport continued to demonstrate strong growth, building on the successful integration of CanaryBus. Further diversifying its tourism portfolio, Alsa received approval for a Galician tourist train project. This builds on the previously announced four-year renewal of its Madrid sightseeing services which is expected to secure €5.8m in annual revenue and reinforce Alsa's footprint in one of Spain's key tourism centres.

In addition, Alsa consolidated cruise operations under BC Cruise Services and launched Spain Transfer, a new premium private transfer service, strengthening its end-to-end mobility and tourism offering.

International and diversified

Revenue from international markets and diversified Spanish business units totalled €505m. The main contributors were Diversified transport operations at €187m, Morocco at €177m and Portugal, Switzerland and International routes at €141m.

Diversified activities in Spain continue to grow, with revenue from Health Transport increasing almost 80% and Operating Profit increasing by over 30% from 15m 2025. Health Transport will further benefit from the Sanir-Serveo JV acquisition in Madrid, the consolidation of operations in the Basque Country and the award of two large health transport contracts in Guadalajara and one in Catalonia which commenced in April 2026.

Alsa's international footprint has expanded significantly over the past five-years, driven by a combination of targeted M&A and tender success. The business has established a cross-border hub in Switzerland and France, expanded its Portuguese operations and secured key contract wins in the Middle East.

During 15m 2026, Alsa extended its network mileage in Portugal and replaced legacy fleet vehicles with 113 new ZEVs at no additional cost through subsidies.

Changes to operations in Morocco

In 2025, Alsa's Moroccan operations faced a shift in the local operating environment, resulting in the transfer of staff and assets in Marrakesh and Tangier. A strategic settlement was also reached in Casablanca. On a combined basis, this had an €11m impact on Revenue and a circa €3m impact on Adjusted Operating Profit in 3m 2026.

The remaining contracts in Morocco performed well in 3m 2026. Going forwards, Alsa will operate the revised Casablanca contract to 2029 and the Rabat contract to 2034 with the latter benefiting from an agreed fare increase in July 2025.

Competition, markets and regulation

In Spain, the most notable source of competition continues to be rail liberalisation and growth in High-Speed Rail (HSR) corridors, the combination of which is expected to impact several long-haul routes. The Madrid-Costas and Madrid-Granada routes are undergoing liberalisation, while HSR competition is expected to impact the Madrid-Asturias, Madrid-Galicia, Barcelona-Valencia and Madrid-Bilbao routes.

To counter this increased competition, Alsa is focusing on its excellent service record and client experience to maintain customer loyalty. This strategy is backed by targeted initiatives, including the implementation of its '360 fares' project and expanded digitalisation to drive dynamic pricing. Additionally, Alsa is tailoring services to specific routes to maximise its competitive advantages, including night services and airport connections.

Competitive activity also includes routine renewals across the regional, metropolitan and urban sectors. Alsa remains confident in retaining these contracts.

In Morocco there has been increased competition in urban bus operations from local operators. Alsa remains the largest urban bus operator and will look to renew existing contracts as they come up for tender. This includes the upcoming tender in Agadir, a contract which Alsa has successfully operated for 15-years.

Spain's Sustainable Mobility Law and long-haul tender process

The Sustainable Mobility Law (published 4 December 2025) prioritises low-carbon public-focused transport and offers the potential to unlock EU green funding. The passing of the new law means the state network concession map has been redrawn in preparation for the renewal of existing contracts. The new map is expected to be approved in late 2026 and will simplify the network by combining existing concessions into a smaller number of enlarged concessions.

As a leading operator in Spain, Alsa's presence and scale will be a competitive advantage, particularly given the enlargement of concessions and ability for Alsa to integrate concessions with existing services (e.g. its regional bus network). Alsa expects to retain most of its existing concessions at a lower margin due to reduced fares which will be progressively balanced by passenger growth over the medium-term. The majority of contract renewals are expected in 2027 and 2028 with the financial impact expected from 2028.

The Madrid-Zaragoza-Barcelona concession is excluded from the concessional map process and scheduled for tender as early as H2 2026. Alsa is actively preparing its bid and expects the process will serve as a benchmark for subsequent long-haul tender processes.

Government passenger support initiatives

As outlined above, Alsa has benefited from national government initiatives that began in 2023 aimed at encouraging modal shift to public transport. Following the success of these initiatives and the enactment of the Sustainable Mobility Law, the 'Young Summer' campaign is returning in 2026. Outside these initiatives, Alsa continues to generate demand through targeted multi-platform marketing and a comprehensive loyalty programme.

New contracts and growth opportunities

Alsa continues to benefit from high contract retention rates and a strong pipeline of growth opportunities that leverage its deep operational expertise and proprietary systems. This includes expanding its footprint in established markets across Southern Europe and MENA. Further expansion in the Middle East is expected with Alsa being announced as the preferred bidder for the 12-year, €600m joint venture contract for the Madinah Bus Rapid Transit network (Alsa 30% minority stake). Alsa continues to pursue adjacent transport opportunities where regional synergies exist, including paratransit services which are typically capital-light and offer strong returns on investment.

Outlook

Alsa's strategic focus for 2026 is to sustain the strong momentum achieved in the last three-years, while preparing for key contract retentions in Spain and continuing to diversify both operationally and geographically. The business is also focused on enhancing the competitiveness of the recently integrated UK Coach business. Through recently revised reporting lines and the cross-divisional sharing of expertise, Alsa is playing an increasingly important leadership role in our updated, streamlined organisational structure. As a consequence, the Group expects continued revenue and profitability growth in calendar year 2026.

CASE STUDY

A key driver of improving the competitiveness of UK Coach has been the integration of Ariadne, a sophisticated digital accounting platform developed by Alsa.

This platform has standardised processes across the combined businesses of UK Coach and Alsa. Through centralising asset management, third-party billing and agent commissions, Ariadna replaces a fragmented system with a unified digital infrastructure.

The system's primary value lies in its advanced analytical capabilities which enable route-specific P&L reporting. This empowers the business through providing the financial granularity needed for agile, data-driven decision-making, while significantly reducing administrative overheads and enhancing reporting accuracy. This technology enables 'dynamic pricing' for individual routes to be assessed in real time.

WeDriveU

ERICK VAN WAGENEN
CEO – WeDriveU

"While WeDriveU faced specific contractual challenges in the period, our focus has returned to our profitable core operations.

We maintain a healthy pipeline of new opportunities and are focused on improving operational efficiency"

Revenue (+1.1% v 15m 2025)
15m 2026: **£529.8m**
15m 2025 (unaudited): **£524.1m**
12m 2024: **£412.7m**

Adjusted Operating Profit (-17.5% v 15m 2025)
15m 2026: **£25.0m**
15m 2025 (unaudited): **£30.3m**
12m 2024: **£29.3m**

Statutory Operating Profit/(Loss)
15m 2026: **£(24.1)m**
15m 2025 (unaudited): **£18.0m**
12m 2024: **£18.5m**

Adjusted Operating Margin
15m 2026: **4.7%**
15m 2025 (unaudited): **5.8%**
12m 2024: **7.1%**

Statutory Operating Margin
15m 2026: **(4.5)%**
15m 2025 (unaudited): **3.4%**
12m 2024: **4.5%**

Operating highlights

- WeDriveU has continued to secure significant contract wins, particularly within the University Shuttle sector where it has maintained strong momentum in the market. New contract wins in 2026 include Concord (Transit), Visa (Shuttle) and Princeton (Shuttle).
- Driver staffing improved to near-optimal levels following the launch of the 'WeDriveUniversity' platform in June 2025.
- Business system optimisation is starting to provide improved information, enabling better operational decision-making.
- The loss-making Charleston (CARTA) contract was exited early following losses of £3.3m in the 15m 2026 period.
- After the period-end, the loss-making WMATA contract was terminated. During the 15m 2026 period, WMATA incurred £4.5m in losses up to July 2025 plus a further £9.5m covered by the OCP in the remaining period.

Commentary

Revenue increased 1.1% to £529.8m (15m 2025: £524.1m). On a constant currency basis, revenue increased 5.1% to $701.9m (15m 2025: $668.1m). Revenue expansion was primarily driven by new contract wins in the period.

Adjusted Operating Profit decreased by £5.3m to £25.0m and by $5.5m to $33.1m on a constant currency basis. This excludes £11.6m of losses related to contracts with an OCP (£9.5m related to WMATA). The adjusted operating margin fell to 4.7% from 5.8% for 15m 2025, primarily due to the loss-making contracts.

The Statutory Operating result for 15m 2026 declined by £42.1m to a loss of £24.1m, directly reflecting the £38.6m remeasurement of WeDriveU's OCPs.

Background to the WMATA contract

The contract with WMATA to operate paratransit services was awarded to WeDriveU in July 2024 for an initial five-year period, with five subsequent one-year renewal options exercisable at WMATA's discretion.

During 2025 the contract turned unprofitable, driven in part by lower-than-projected volumes following reductions in revenue service hours made by the authority and loss of contracted exclusivity. As a consequence, at the time of our 12-month unaudited results, we provisioned for an annual cash outflow of approximately £8m related to the contract.

In January 2026, the Group initiated the process of seeking legal redress to recover its losses through filing a civil lawsuit against WMATA for breach of contract. On 12 May 2026 WMATA issued a notice of termination effective on that date. The Group co-operated with WMATA to ensure an efficient transition of services.

There can be no certainty as to the outcome of any ongoing or potential future litigation in relation to the contract.

Safety and claims

As at 31 March 2026, WeDriveU held £25.6m of claim provisions which reflects actuarial estimates for auto and general liabilities, employee compensation and environmental claims. The majority of this provision is expected to be utilised over the next five-years.

The Group recognises that operating in the US transit market requires a highly disciplined approach to mitigating the risk of legal claims and insurance liabilities.

To minimise the risk of potential future claims, WeDriveU is implementing a comprehensive strategy which is focused on operational safety, including:

- Improved use of technology, including the rollout of advanced on-board camera systems which have proven effective in Alsa; and
- Enhanced driver training programmes to reduce the risk and frequency of operational claims.

Outlook

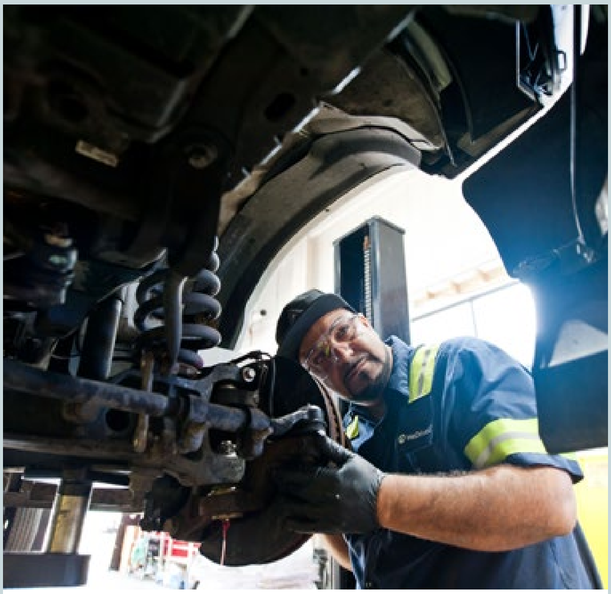
Underlying performance and adjusted operating margins will benefit from the ending of the two loss-making contracts, however, overall adjusted operating profit in calendar year 2026 is expected to remain in line with 2025 levels (of £20.2m).

Despite ongoing client cost pressures, WeDriveU maintains a healthy pipeline of new opportunities and is focused on reviewing existing contracts to improve long-term profitability.

- A comprehensive fleet optimisation programme was launched in April 2026 to improve operational efficiency. Key initiatives include:
- Improving route data accuracy to identify and reduce unprofitable miles;
- Better maintenance scheduling to avoid expensive breakdowns;
- Optimising vehicle tracking to improve utilisation and reduce fleet downtime; and
- GPS and driver tracking to reduce fuel consumption.

North American School Bus (discontinued)

On 25 April 2025, we announced an agreement to sell the North American School Bus business to I Squared Capital and, following approval by the relevant authorities, the sale was completed on 14 July 2025.



CASE STUDY

As part of the Group's 'Simplify to Succeed' strategy, WeDriveU is executing a transformation plan to streamline its network of circa 40 Customer Service Centres.

Standardising systems and operations across these sites will drive efficiency and deliver significant operational and financial improvements.

Key outcomes include:

- Preventing revenue leakage from complex contracts through standardised invoicing and automated tracking;
- Controlling wage costs via harmonised cost allocation and tighter approvals for hours and overtime;
- Cutting contractual penalties by 63% from their $6.0m peak in 2024 using a dynamic tracking system;
- Reducing early driver turnover through a standardised 90-day onboarding process;
- Streamlining management by rightsizing local structures and migrating manual administration to regional hubs; and
- Improving safety and claims by unifying fragmented platforms to enable structured driver coaching and reduce accidents.

This standardised operating model positions WeDriveU to capture future growth opportunities in the US transit market.

UK Coach

"UK Coach continues to face a challenging environment. While this environment is set to continue, we are responding by increasing UK Coach's competitiveness through integration with Alsa."

RAFAEL FERNANDEZ DE LA PENA
Managing Director – UK Coach

Revenue (-7.0% v 15m 2025)
15m 2026: **£380.2m**
15m 2025 (unaudited): **£408.7m**
12m 2024: **£335.8m**

Adjusted Operating Profit/(Loss)
15m 2026: **£(22.9)m**
15m 2025 (unaudited): **£(2.0)m**
12m 2024: **£4.6m**

Statutory Operating (Loss)
15m 2026: **£(40.1)m**
15m 2025 (unaudited): **£(13.2)m**
12m 2024: **£(5.7)m**

Adjusted Operating Margin
15m 2026: **(5.8)%**
15m 2025 (unaudited): **(0.9)%**
12m 2024: **0.9%**

Statutory Operating Margin
15m 2026: **(10.3)%**
15m 2025 (unaudited): **(3.2)%**
12m 2024: **(2.2)%**

Operating highlights
- Passenger volumes declined by 4.8% compared to 15m 2025, despite aggressive competitor activity.
- The Ireland business continues to generate strong returns, with a £1.8m increase in operating profit from the Dublin Express and the APCOA contract launched in Q2 2025.
- Portfolio rationalisation with the divestment of NXTS in October 2025 and closure of NEAT operations at the end of 2025.
- 3m 2026 includes a circa £4m legal claim provision covering legal costs, potential penalties for missed vehicle orders and disputed unpaid amounts owed by a supplier.
- The operational and financial benefits of digital transformation resulting from the integration with Alsa are on track with the impact expected later in calendar year 2026.

Commentary
Revenue decreased 7.0% to £380.2m (15m 2025: £408.7m) due to intensified competition across key intercity and airport routes which placed pressure on passenger volumes (down 4.8%) and core yields (down 2.2%). The revenue comparison was also impacted by the benefit to network revenue and margins from rail disruption in the comparable 15m 2025 period.

Overall network mileage has declined due to ongoing efficiency initiatives, with total mileage in 3m 2026 being managed down 4.4% from 3m 2025.

Adjusted Operating Loss amounted to £22.9m, a widening of £20.9m compared to an operating loss of £2.0m in 15m 2025. This primarily reflects the volume-driven impact of lower revenue and higher costs, totalling nearly £10m, including an increase in employer National Insurance contributions. Performance was further impacted by a 4.3% decrease in network occupancy during 3m 2026.

UK Bus

"Ahead of the transition to franchising, the Group continues to explore options to monetise the operational assets of UK Bus and structurally de-risk the business."

SARAH EAST
Managing Director – UK Bus

Statutory Operating Loss of £40.1m for 15m 2026 (15m 2025: £13.2m) reflects the worsening in underlying performance and costs associated with the separation of the UK Coach business from the wider UK operations, alongside one-off restructuring costs associated with ongoing strategic initiatives.

To mitigate these profitability pressures, management has accelerated structural cost reductions. Synergies from the Alsa integration and comprehensive network optimisation initiatives successfully delivered a circa £3m operating profit benefit during the first quarter of 2026. Portfolio rationalisation, including the divestment of the loss-making NXTS business in October 2025 and the closure of NEAT operations in Q4 2025 has also reduced costs. Management expects this ongoing reorganisation, alongside continuous network refinements, will improve underlying operational performance and narrow losses throughout the remainder of 2026. Ongoing growth in the Irish operations continues to partially offset the challenges faced in the UK.

Outlook

Management anticipates that intense competition within the UK Coach market will persist, placing pressure on yields. To enhance competitiveness, ongoing network optimisation and cost-efficiency programmes continue to deliver structural savings. Furthermore, Alsa's digital transformation roadmap which encompasses web, mobile application and dynamic pricing enhancements is on track for delivery in the second half of 2026.

These strategic initiatives will significantly strengthen UK Coach's operational and financial performance over the remainder of the year. However, as the financial benefit of these initiatives and improvements will take time to materialise, UK Coach is again expected to record a loss in calendar year 2026.

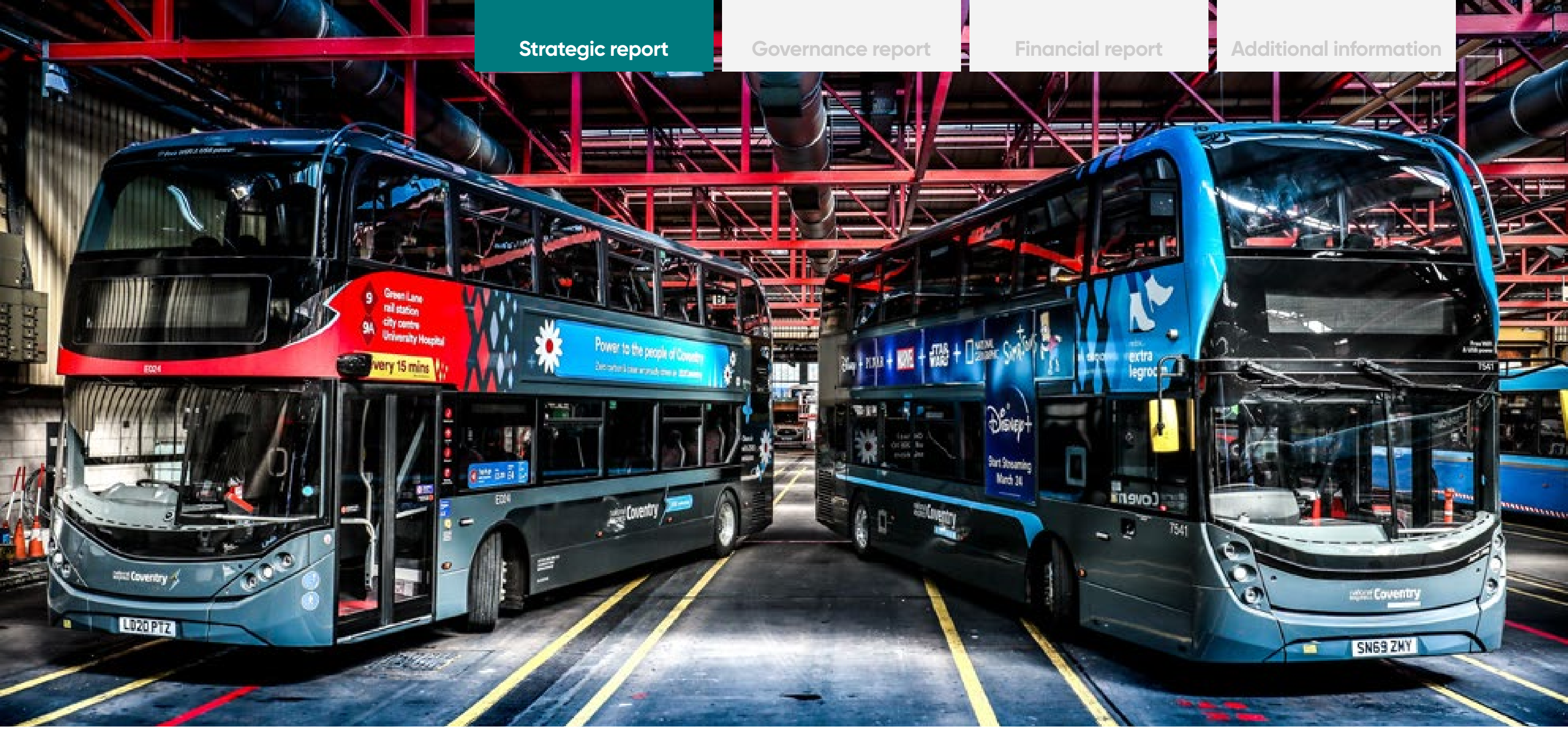
Revenue (+1.5% v 15m 2025)
15m 2026: **£337.8m**
15m 2025 (unaudited): **£332.7m**
12m 2024: **£265.4m**

Adjusted Operating Profit (-14.3% v 15m 2025)
15m 2026: **£2.4m**
15m 2025 (unaudited): **£2.8m**
12m 2024: **£3.4m**

Statutory Operating Profit/(Loss)
15m 2026: **£2.1m**
15m 2025 (unaudited): **£(4.4)m**
12m 2024: **£6.1m**

Adjusted Operating Margin
15m 2026: **0.7%**
15m 2025 (unaudited): **0.8%**
12m 2024: **1.3%**

Statutory Operating Margin
15m 2026: **0.6%**
15m 2025 (unaudited): **-1.3%**
12m 2024: **2.3%**



Operating highlights

- On-time performance improved by 0.5% in 15m 2026 compared to 15m 2025, while early running service metrics improved by 2%.
- Phased rollout of an additional 50 electric vehicles was completed, expanding the total ZEV fleet to 379 vehicles as of 31 March 2026.
- An 8.6% commercial fare increase was implemented in June 2025 to mitigate rising macroeconomic cost pressures, including increased employer National Insurance contributions.
- Concessionary travel continued to recover steadily, delivering 1.5% volume growth over the 15m 2026 period compared to 15m 2025. Conversely, commercial patronage remained under pressure (-5.1%) due to a national downturn in discretionary travel as a result of cost-of-living pressures.

Commentary

Revenue for 15m 2026 increased 1.5% to £337.8m (15m 2025: £332.7m) . Macroeconomic headwinds drove a 5.1% decline in passenger volumes, offset by the 8.6% fare increase implemented in June 2025. Concessionary passenger volumes continued their structural recovery, expanding by 1.5% over the 15-month period.

Adjusted Operating Profit for 15m 2026 was £2.4m, a decrease of 14.3% or £0.4m relative to 15m 2025. Profitability during 15m 2026 includes a £4.3m gain arising from the strategic disposal of the Acocks Green depot and ancillary land on Oak Road in 2025, reflecting the initial steps towards de-risking and asset monetisation ahead of franchising.

Within the underlying operations (excluding disposals), cost inflation, led by localised driver pay awards and increases in employer National Insurance contributions, outpaced revenue expansion and enhanced local authority network support.

Franchising

The business maintains an active and collaborative engagement with TfWM in preparation for the transition to franchising which will be rolled out in three phases starting late 2027.

Ahead of the transition to franchising, the Group continues to explore options to structurally de-risk the business and monetise its operational assets. As an initial step, the Acocks Green depot and associated land on Oak Road in Birmingham were sold in December 2025.

The next phase of the strategy relates to the division's fleet, which comprises of both Group-owned diesel vehicles and ZEVs secured via long-term availability contracts. The transition to regional franchising means these vehicles will no longer be required to be owned for the Group's ongoing operations. While the owned diesel fleet presents a potential value opportunity, the Group is targeting a commercial transfer of ZEV availability contracts, which currently incur an annual operating expenditure of approximately £20m, as a means of de-risking the Group's future cost base.

Management expects to complete its asset monetisation strategy as soon as possible and ahead of the transition to franchising.

Outlook

Management continues to anticipate that the UK Bus division will deliver break even profitability for calendar year 2026.

Following the shift toward franchising in the West Midlands and nationwide, the Group is leveraging Alsa's extensive experience in running franchised bus networks to pursue new opportunities with a focus on sustainable returns.

German Rail

"The revised rail agreements support a long-term, sustainable future for our German Rail business and, combined with significant operational improvements, deliver clear benefits for our customers in North Rhine-Westphalia and the surrounding area."

DR MICHAEL HETZER
CEO – German Rail

Adjusted Revenue (+5.8% v 15m 2025)
15m 2026: **£333.0m**
15m 2025 (unaudited): **£314.7m**
12m 2024: **£256.0m**

Statutory Revenue (-7.2% v 15m 2025)
15m 2026: **£291.9m**
15m 2025 (unaudited): **£314.7m**
12m 2024: **£265.0m**

Adjusted Operating Profit/(Loss)
15m 2026: **£17.0m**
15m 2025 (unaudited): **£(11.9)m**
12m 2024: **£(10.1)m**

Statutory Operating (Loss)
15m 2026: **£(21.4)m**
15m 2025 (unaudited): **£(99.5)m**
12m 2024: **£(97.6)m**

Adjusted Operating Margin
15m 2026: **5.1%**
15m 2025 (unaudited): **(3.8)%**
12m 2024: **(4.1)%**

Statutory Operating Margin
15m 2026: **(7.3)%**
15m 2025 (unaudited): **(31.6)%**
12m 2024: **(36.8)%**

Operating highlights

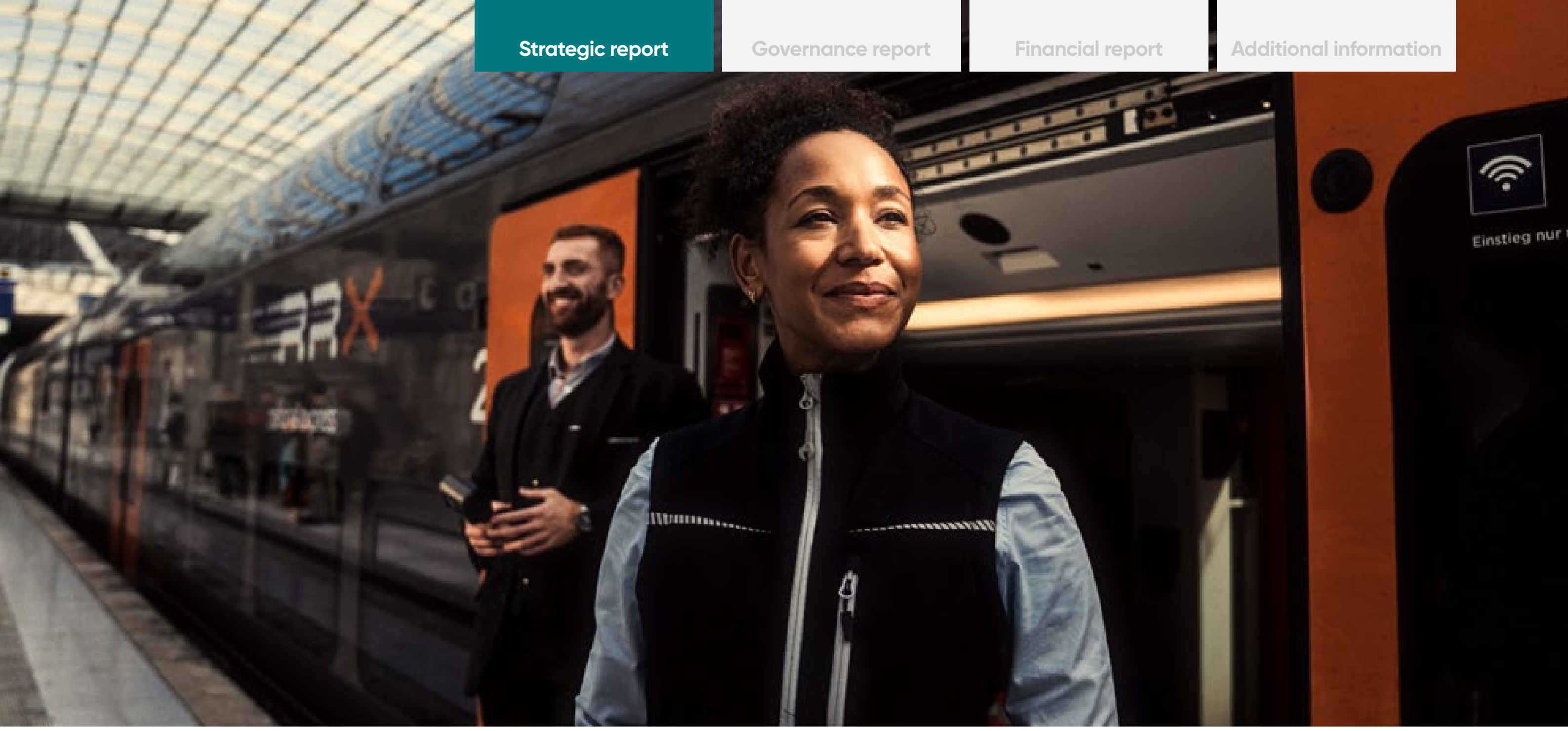
- Significant improvement in driver availability, with 58 new drivers trained and qualified over the last 15-months.
- Full-service provision and timetable stability restored since late 2025, eliminating the operational and financial impact of a reduced service.
- In June 2026, revised rail contracts were signed with the five German PTAs to implement structural changes to RME and RRX contracts.

Commentary

Adjusted Revenue increased 5.8% to £333.0m (15m 2025: £314.7m). On a constant currency basis, revenue increased 4.0% to €387.8m (15m 2025: €372.8m).

Adjusted Operating Profit of £17.0m, a £28.9m increase against the £11.9m loss recorded for 15m 2025. On a constant currency basis, Adjusted Operating Profit increased by €33.9m to €19.8m (15m 2025: Loss of €14.1m), delivering an adjusted operating margin of 5.1%. Profitability during 3m 2026 was supported by a final settlement of £6.3m related to the historical RRX emergency award contract which was operated from December 2021 to 2023.

The remaining improvement in profitability was driven by workforce stabilisation and improved network delivery. However, the underlying operating environment remains heavily constrained by widespread track and infrastructure works across the German rail network. The sector faced approximately 2,600 construction sites in 2025 and 2,300 are anticipated in 2026. This level of infrastructure constraint continues to pressure network punctuality and operational cost structures.



Statutory operating loss of £21.4m, reflects a £41.3m non-cash impairment recognised against the RME IFRS 15 contract asset as at 31 March 2026. This reflects a material worsening of future performance expectations under the original contract due to public authority farebox revenue changes and forecast higher penalties from increased future construction works. As the signing of revised contracts is a post-balance-sheet event, the improved RME terms from 1 January 2026 are not reflected as at 31 March 2026.

Revisions to the German rail contracts

A key priority in 2025 and 2026 was a comprehensive renegotiation of commercial and contractual terms with the relevant PTAs across the German rail portfolio. Following an agreement in principle reached in January 2026, revised binding contracts were signed in June 2026 with all amendments backdated to 1 January 2026.

As this definitive agreement was finalised after the period-end, the resulting financial benefits and contract adjustments are not reflected in the Financial Statements for the 15-months ending 31 March 2026 and will be recognised in future results.

Following the successful execution of the revised terms, all operating contracts within the German division have transitioned to a gross cost structure. Consequently, the division no longer carries direct passenger volume or fare revenue risk across its network.

Rhine-Münsterland-Express (RME) contract: Formally converted from a 'net contract' (where the Group bore fare revenue risk) to a 'gross contract' (where fare revenue risk is now borne by the PTAs). Additionally, the RME contract has been extended by two-years to align with the major timetable change in 2032.

The revised RME contract also benefits from improved cost protections, including adjustments to indices which better reflect changes in costs, as well as:

- Staff cost subsidies: An enhanced subsidy mechanism is now in place to protect against significantly elevated labour and wage inflation;
- Balanced penalty regime: Retrospective to 1 January 2021, the penalty framework has been rebalanced to differentiate by cause. Lower penalty rates apply to disruptions stemming from external infrastructure issues, while higher percentages apply to self-caused cancellations; and
- Engineering works and replacement services: Costs resulting from infrastructure engineering works will now be fully borne by the PTAs.

Rhine-Ruhr-Express (RRX) contracts: The loss-making RRX contracts have been shortened by three-years and will now conclude in 2030. These contracts remain onerous and losses incurred during 15-month period were offset by a £72.2m utilisation of the OCP. As of 31 March 2026, the remaining OCP stands at £112.9m.

In addition, the Group is in discussions with the PTAs to agree a repayment profile to settle approximately £130m of cumulative historical advances primarily related to operational penalties and subsidies, of which the largest values related to the 2023 to 2025 period. Expectations are that these advances will be repayable over the lives of the respective contracts.

Outlook

The revised contract structures significantly de-risks and ensures the long-term financial sustainability of the German Rail business. On a combined basis, the rail contracts are expected to operate on a cash-neutral basis over their remaining lifespan with the potential for a small positive benefit, excluding the repayment of advances to the PTAs.

As part of the focus on cost and efficiency improvements across the Group, the German Rail business is reducing overheads and improving the structure of the business. This is expected to deliver incremental financial benefits through a focus on automation, process efficiency and sustainable reduction of the cost base.

Group CFO's review

BRIAN EGAN
Group CFO

> "Mobico recorded an Adjusted Operating Profit of £231.0m for the 15-month period ending 31 March 2026. Adjusted net debt reduced by over £100m in the period from the end of 2024, with covenant gearing 2.9x at the end of March 2026."

The Group recorded Adjusted Revenue of £3,419.9m and an Adjusted Operating Profit of £231.0m in the 15-months ending 31 March 2026. Statutory operating profit was £11.7m. The results for the current period are for the 15-months ending 31 March 2026, with the comparative information being for the 12-months ending 31 December 2024. To aid comparability, pro-forma results for the 15-months ending 31 March 2025 have also been presented below. The Group's previously released unaudited results for the 12-months ending 31 December 2025 provides a like-for-like comparison to full year 2024.

Adjusting items of £399.6m for the period included non-cash movements comprising £184.1m arising from the disposal of North America School Bus (NASB) and National Express Transport Solutions (NXTS), a £41.3m impact from the RME IFRS 15 contract asset in German Rail, a £38.6m remeasurement of onerous contract provisions (OCPs) in WeDriveU and the impact of changes to the operating environment in Morocco of £26.6m.

Adjusted net debt has reduced when compared to the prior year, with £115.0m net funds inflow during the period. This was aided by proceeds received and debt disposed of relating to NASB. As a result covenant gearing was 2.9x at 31 March 2026.

Group Performance

	Adjusted result[1] 15-months ending 31 March 2026 £m	Adjusting items 15-months ending 31 March 2026 £m	Statutory total 15-months ending 31 March 2026 £m	Adjusted result[1, 2] 12-months ending 31 December 2024 £m	Adjusting items[2] 12-months ending 31 December 2024 £m	Statutory total[2] 12-months ending 31 December 2024 £m
Continuing operations						
Revenue	**3,419.9**	**(61.9)**	**3,358.0**	2,597.5	–	2,597.5
Operating costs	**(3,188.9)**	**(157.4)**	**(3,346.3)**	(2,418.1)	(147.1)	(2,565.2)
Group operating profit/(loss)	**231.0**	**(219.3)**	**11.7**	179.4	(147.1)	32.3
Share of results from associates	**0.1**	**–**	**0.1**	(0.3)	–	(0.3)
Net finance costs	**(95.0)**	**(6.0)**	**(101.0)**	(79.6)	(2.8)	(82.4)
Profit/(loss) before tax	**136.1**	**(225.3)**	**(89.2)**	99.5	(149.9)	(50.4)
Tax (charge)/credit	**(65.0)**	**18.8**	**(46.2)**	(50.8)	(43.2)	(94.0)
Profit/(loss) for the period from continuing operations	**71.1**	**(206.5)**	**(135.4)**	48.7	(193.1)	(144.4)
Profit/(loss) for the period from discontinued operations	**(0.1)**	**(193.1)**	**(193.2)**	6.0	(662.7)	(656.7)
Profit/(loss) for the period	**71.0**	**(399.6)**	**(328.6)**	54.7	(855.8)	(801.1)

Pro-forma comparative information – continuing operations

	Adjusted result[1] 15-months ending 31 March 2026 £m	Adjusting items 15-months ending 31 March 2026 £m	Statutory total 15-months ending 31 March 2026 £m	(Proforma) Adjusted result[1] 15-months ending 31 March 2025 £m	(Proforma) Adjusting items 15-months ending 31 March 2025 £m	(Proforma) Statutory total 12-months ending 31 March 2025 £m
Revenue	**3,419.9**	**(61.9)**	**3,358.0**	3,230.1	–	3,230.1
Operating costs	**(3,188.9)**	**(157.4)**	**(3,346.3)**	(3,033.6)	(154.0)	(3,187.6)
Group operating profit/(loss)	**231.0**	**(219.3)**	**11.7**	196.5	(154.0)	42.5
Share of results from associates	**0.1**	**–**	**0.1**	–	–	–
Net finance costs	**(95.0)**	**(6.0)**	**(101.0)**	(100.0)	(2.8)	(102.8)
Profit/(loss) before tax	**136.1**	**(225.3)**	**(89.2)**	96.5	(156.8)	(60.3)

1 To supplement IFRS reporting, we also present our results on an adjusted basis which shows the performance of the business before adjusting items, principally comprising amortisation of intangibles for acquired businesses, remeasurement of OCPs and restructuring costs. Treatment as an adjusting item provides users of the accounts with additional useful information to assess the year-on-year trading performance of the Group. Further explanation in relation to these measures, together with cross-references to reconciliations to statutory equivalents where relevant, can be found in the Alternative Performance Measures section below.

2 Restated for prior period restatements and to represent prior periods for discontinued operations

Group Adjusted Revenue of £3,419.9m increased by £189.8m (5.9%) on a pro-forma 15-month like-for-like basis. Revenue growth was led by Alsa, driven by double-digit growth in Urban and Regional segments, and WeDriveU, with the latter driven by new contract wins across all areas of the business. 2024 full year revenue was £2,597.5m.

Group Adjusted Operating Profit of £231.0m increased £34.5m (17.6%) on a pro-forma 15-month like-for-like basis, largely driven by Alsa, a greatly improved performance in German Rail and the benefits of the commencement of the cost reduction programme. Segmental performance is explained further below. 2024 full year Adjusted Operating Profit was £179.4m (restated).

After £219.3m (2024: £147.1m) of adjusting items, statutory operating profit was £11.7m (2024 restated: £32.3m). Adjusting items are detailed in the following section.

Adjusted net finance costs for the period were £95.0m (2024: £79.6m). Interest rates on the floating rate portion of the Group's debt reduced during the period and the proportion of Group debt at floating rate also decreased following the maturity of interest rate swaps in November 2025.

The Group recorded an Adjusted Profit before tax of £136.1m (2024 restated: £99.5m).

The adjusted effective tax rate of 47.8% (2024 restated: 51.1%), reflects the combination of business performance across the Group's portfolio, restricted deductibility of finance costs and derecognised deferred tax assets. This adjusted effective rate resulted in an adjusted tax charge of £65.0m (2024 restated: £50.8m charge). The statutory tax charge was £46.2m (2024 restated: £94.0m), with an adjusting tax credit of £18.8m (2024 restated: £43.2m charge) consisting of a £4.9m tax credit on adjusting intangible amortisation, a £2.6m credit in relation to deferred tax asset recognition on goodwill tax relief, a £20.8m tax credit on tax deductible adjusting items, a £9.3m credit in relation to the recognition (2024: derecognition) of deferred tax assets, which is considered adjusting as it is material in size and non-recurring in nature, and an £18.9m charge in relation to an uncertain tax position.

Discontinued operations reflect the results of NASB and NXTS (in the UK) up to the dates of disposal on 14 July 2025 and 17 October 2025, respectively. Adjusting items are detailed in the following section.

The statutory loss for the period for the Group was £328.6m (2024 restated: £801.1m loss).

Adjusting items

Adjusting items in the period were £399.6m (2024 restated: £855.8m), of which £206.5m related to continuing operations (2024 restated: £193.1m) and £193.1m related to discontinued operations (2024 restated: £662.7m). Cash outflows in the period related to adjusting items were £158.4m (2024 restated: £99.2m).

Adjusting items	Income statement 15-months ending 31 March 2026 £m	Income statement 12-months ending 31 December 2024[1] £m	Cash 15-months ending 31 March 2026 £m	Cash 12-months ending 31 December 2024[1] £m
Adjusting items from continuing operations:				
Intangible amortisation / impairment for acquired businesses	**(26.8)**	(20.7)	**–**	–
Re-measurements of onerous contracts and impairments resulting from the Covid-19 pandemic	**–**	4.1	**–**	(1.4)
Remeasurement of German Rail IFRS 15 contract asset	**(41.3)**	–	**–**	–
Remeasurement of German Rail OCPs	**4.7**	(86.4)	**(72.2)**	(45.8)
Final remeasurement of the Rabat put liability	**0.8**	–	**–**	–
Remeasurement of WeDriveU OCPs	**(38.6)**	0.7	**(11.6)**	(1.8)
Repayment of UK Coronavirus Job Retention Scheme grant ('Furlough')		–		(8.9)
Costs in relation to the legacy School Bus claims provision	**(46.2)**	–	**(27.4)**	–
Impairments and other costs associated with Morocco contract changes	**(26.6)**	–	**–**	–
Restructuring and other costs	**(45.3)**	(44.8)	**(40.8)**	(36.3)
Adjusting operating items from continuing operations	**(219.3)**	(147.1)	**(152.0)**	(94.2)
Finance costs:				
Unwind of discounting of provisions	**(6.0)**	(2.8)	**–**	–
Total adjusting operating items from continuing operations before tax	**(225.3)**	(149.9)	**(152.0)**	(94.2)
Tax credit/(charge) on adjusting items	**18.8**	(43.2)	**–**	–
Total adjusting operating items after tax from continuing operations	**(206.5)**	(193.1)	**(152.0)**	(94.2)
Adjusting items from discontinued operations:				
Intangible amortisation / impairment for acquired businesses	**(2.2)**	(7.0)	**–**	–
Disposal of NASB and NXTS	**(184.1)**	–	**–**	–
Goodwill impairment on NASB	**–**	(547.7)	**–**	–
Restructuring and other costs	**(6.1)**	(5.8)	**(6.4)**	(5.0)
Adjusting operating items before tax from discontinued operations	**(192.4)**	(560.5)	**(6.4)**	(5.0)
Tax charge on adjusting items	**(0.7)**	(102.2)	**–**	–
Total adjusting operating items after tax from discontinued operations	**(193.1)**	(662.7)	**(6.4)**	(5.0)

1 Restated to represent prior periods for discontinued operations

During the period two significant disposals were completed, being NASB, and NXTS in the UK. For NASB, a £233.8m impairment loss on remeasurement to fair value less cost to sell was recorded in the period; on disposal this was partly offset by £87.3m of exchange differences and £1.8m of net investment hedge reserve being recycled to the Income Statement. For NXTS, a £39.4m impairment loss on remeasurement to fair value less cost to sell was incurred.

Amortisation on intangibles within acquired businesses from continuing operations was £26.8m in the period (2024: £20.7m). Amortisation on intangibles within acquired businesses from discontinued operations fell by £4.8m as a result of the sale of NASB during the year.

There was a non-cash impairment of the RME IFRS 15 contract asset of £41.3m (2024: £nil) due to a material worsening in future performance expectations under the original contract, primarily from a combination of farebox revenue changes implemented by the public authorities and forecasted higher penalties from increased future construction works. The benefit of the renegotiated contract entered into after the period-end cannot be reflected in the accounting for the IFRS 15 contract asset as at 31 March 2026.

There was a £4.7m credit relating to remeasurement of German Rail RRX OCPs in the period (2024: £86.4m charge). A £38.6m charge relating to the remeasurement of OCPs in WeDriveU was recorded in the period (2024: £0.7m credit). Prior to the period one onerous contract had remained in WeDriveU with movements in the provision being treated as an adjusting item in previous years. During the current period, a further contract, WMATA, became onerous and a new OCP was required. As at 31 March 2026, the total OCP was revised to £29.2m, reflecting management's best estimate at the reporting date. Subsequent to the period-end, WMATA issued a notice of termination and services have ceased (see note 39). As a post-balance-sheet event, this termination has not been reflected in the calculation of the OCP as of 31 March 2026.

The final remeasurement of the Rabat put liability, which had been originally estimated at December 2023 and the final amount settled in June 2025, amounted to a £0.8m credit (2024: £nil).

As a result of part of the sale agreement of the NASB business, the Group retained the legal liability for substantial open insurance claims that existed at the date of disposal, along with the corresponding insurance claim provision. The retained claims relate to employee injuries, automotive claims and general liability claims that arose prior to the sale. The provision related to these claims has been increased by £46.2m in the period, reflective of adverse movements in the claims environment.

As a result of a change to the operating environment in Morocco, the Group has witnessed the renegotiation and retender of several of its contracts in major urban centres across Morocco. In September 2025, the Group was required to negotiate a price concession and a change in contractual terms to receive a settlement for outstanding debts in Casablanca. The price concession has been treated as a reduction to revenue in the current period.

In addition, during 2025 the Group's contracts in Marrakesh, and Tangier were retendered. In the case of the Marrakesh and Tangier contracts, these were terminated and transferred to successor operators, at short notice in December 2025, along with staff and assets. This has led to the impairment of assets where the net book value is no longer deemed to be recoverable along with other one-off costs incurred or expected to be incurred as a result of the contract changes.

Restructuring and other costs of £45.3m (2024: £44.8m) includes the impact of Group-wide strategic initiatives and restructuring, including costs relating to the disposal of the School Bus business.

Segmental performance

Adjusted Operating Profit	15-months ending 31 March 2026 Local currency m	12-months ending 31 December 2024[1] Local currency m	15-months ending 31 March 2026 £m	12-months ending 31 December 2024[1] £m
Alsa	**290.0**	219.8	**249.0**	186.1
WeDriveU	**33.1**	37.5	**25.0**	29.3
UK Bus			**2.4**	3.4
UK Coach			**(22.9)**	4.6
German Rail	**19.8**	(12.4)	**17.0**	(10.1)
Central functions			**(39.5)**	(33.9)
Group adjusted operating profit from continuing operations			**231.0**	179.4

1 Restated for prior period restatement

Pro-forma comparative information Adjusted Operating Profit	15-months ending 31 March 2026 Local currency m	(Proforma) 15-months ending 31 March 2025 Local currency m	15-months ending 31 March 2026 £m	(Proforma) 15 -months ending 31 March 2025 £m
Alsa	**290.0**	257.5	**249.0**	217.4
WeDriveU	**33.1**	38.6	**25.0**	30.3
UK Bus			**2.4**	2.8
UK Coach			**(22.9)**	(2.0)
German Rail	**19.8**	(14.1)	**17.0**	(11.9)
Central functions			**(39.5)**	(40.1)
Group adjusted operating profit from continuing operations			**231.0**	196.5

Alsa's Adjusted Revenue increased by 9.6% to €2,141.7m on a constant currency pro-forma 15-month like-for-like basis as a result of strong passenger demand in Alsa's domestic market (including Long Haul, Urban and Regional operations). This led to Alsa delivering an Adjusted Operating Profit of €290.0m; an increase of 12.6% on a constant currency pro-forma 15-month like-for-like basis.

WeDriveU Adjusted Operating Profit reduced on a constant currency pro-forma 15-month like-for-like basis by $5.5m to $33.1m, as a result of operational challenges on some of its key contracts.

In UK Bus, passenger volumes fell in line with broader industry trends resulting in a reduced Adjusted Operating Profit of £2.4m in the current period. UK Coach continues to face passenger demand and yield pressure due to market conditions, including increased competition, with a (£22.9m) Adjusted Operating Loss compared to a (£2.0m) loss in the pro-forma comparative 15-month period.

German Rail Adjusted Operating Profit of €19.8m, versus a (€14.1m) loss in the pro-forma comparative 15-month period represents a significant improvement, reflective of lower disruption and the business achieving full operational status for the first time in two years. The RRX 1 and RRX 2/3 contracts remain onerous with in-period losses being offset by a £72.2m utilisation of the OCP.

Central Functions costs have decreased slightly by £0.6m against the pro-forma comparative 15-month period, with cost savings achieved being mostly offset by higher accrued costs in relation to professional services, including a higher audit fee. The impact of cost saving initiatives is expected to reduce Central Functions costs in the future.

Adjusting items relating to each of these segments are described in detail in the previous section.

Treasury and cash management

Funds flow	15-months ending 31 March 2026 £m	12-months ending 31 December 2024[1,2] £m
Adjusted Operating Profit from continuing operations	**231.0**	179.4
Adjusted Operating Profit from discontinued operations	**12.9**	5.7
Depreciation and other non-cash items	**220.9**	249.0
Adjusted EBITDA	**464.8**	434.1
Net maintenance capital expenditure[1]	**(187.8)**	(161.9)
Working capital movement	**(4.9)**	52.6
Pension contributions above normal charge	**(11.7)**	(7.6)
Operating cash flow	**260.4**	317.2
Net interest paid	**(90.8)**	(86.3)
Tax paid	**(37.8)**	(15.0)
Free cash flow	**131.8**	215.9
Growth capital expenditure[1]	**(73.5)**	(59.3)
Acquisitions of businesses (net of cash and debt acquired)	**(18.7)**	(57.9)
Disposals of businesses (net of cash and debt disposed)	**286.4**	–
Adjusting items	**(158.4)**	(99.2)
Payment on hybrid instrument	**(42.5)**	(21.3)
Other, including foreign exchange	**(10.1)**	26.7
Net funds flow	**115.0**	4.9
Adjusted net debt	**(1,133.6)**	(1,248.6)

1 Net maintenance capital expenditure and growth capital expenditure are defined in the glossary of Alternative Performance Measures

2 Restated for prior period restatements and to represent prior periods for discontinued operations

The Group generated Adjusted EBITDA of £464.8m in the period (2024 restated: £434.1m), with an improvement in profitability in the continuing businesses being offset by a reduction driven by the loss of School Bus EBITDA following its disposal in July 2025.

£187.8m of maintenance capital expenditure mainly relates to fleet capex within NASB (prior to its disposal) and Alsa.

Working capital net outflow of £4.9m in the period largely reflecting the timing of cash collections in Alsa and a net outflow in School Bus prior to disposal. This working capital movement also drove a reduction in free cash inflow in the period to £131.8m (2024 restated: £215.9m).

Growth capital expenditure of £73.5m is a result of contract wins in prior and current periods, in particular in NASB prior to its disposal.

Acquisitions outflow of £18.7m (2024: £57.9m) relates primarily to the deferred consideration payment relating to the CanaryBus acquisition in Alsa which completed last year.

Disposals inflow of £286.4m (2024: £nil) mostly reflects the cash inflow and lease and other debt extinguished on the School Bus disposal.

A cash outflow of £158.4m was recorded in respect of the items excluded from adjusted results as explained in the section above.

£42.5m of coupon payments on the hybrid instrument were made in the period, being the annual coupon payments made in February 2025 and February 2026. Other outflows of £10.1m principally reflect the movement in exchange rates and settlement of foreign exchange derivatives, partly offset by an inflow on sale of the Group's investment in Transit Technologies Holdco which was sold in the period.

Net funds inflow for the period of £115.0m (2024: £4.9m) resulted in adjusted net debt of £1,133.6m (2024: £1,248.6m).

Please see the Supporting Reconciliations section below for a reconciliation to the Statutory Cash Flow Statement.

The Group has two key bank covenant tests; a <3.5x test for gearing and a >3.5x test for interest cover. At 31 March 2026, covenant gearing was 2.9x (31 December 2024: 2.8x) and interest cover was 4.7x (31 December 2024: 4.6x). At 31 March 2026, the Group had utilised £1.3bn of debt capital and committed facilities, with an average maturity of 4.1 years. The weighted average interest rate for the bonds and private placements is 3.5%.

At 31 March 2026, the Group's £600m RCF facility was undrawn and it had £242m of net cash and cash equivalents. The table below sets out the composition of these facilities.

Funding facilities	Facility £m	Utilised at 31 March 2026 £m	Headroom at 31 March 2026 £m	Maturity year
Core RCFs[1]	600	–	**600**	2028–2029
2028 bond	250	**250**	–	2028
2031 bond	437	**437**	–	2031
Private placements[2]	405	**405**	–	2027–2032
Divisional bank loans	30	**30**	–	various
Leases	195	**195**	–	various
Funding facilities excluding cash	1,917	**1,317**	**600**	
Net cash and cash equivalents		**(242)**	**242**	
Total		**1,075**	**842**	

1 £571m of the facility matures in 2029 with £29m maturing in 2028

2 The portion of Private placements that mature in 2027 is £233m maturing May and June 2027. The remainder matures in 2030 and 2032.

At 31 March 2026, the Group had foreign currency debt and swaps held as net investment hedges. These help mitigate volatility in the foreign currency translation of our overseas net assets. The Group also hedges its exposure to interest rate movements to maintain an appropriate balance between fixed and floating interest rates on borrowings. At 31 March 2026, the proportion of Group debt at floating rates was 14% (31 December 2024: 21%); with the reduction in the floating portion from last year driven by the maturity in November 2025 of a set of interest rate swaps attached to the 2028 bond. The interest rate on this bond is now fixed until maturity.

The Group hedges its exposure to fuel prices in order to provide a level of certainty as to its cost in the short-term and to reduce the year-on-year impact of price fluctuations over the medium-term. Fuel cost represents approximately 9% of revenue (2024: 8%). At 31 March 2026, the Group is around 60% hedged for 2027 at an average price of 45.3p per litre and around 25% hedged for 2028 at an average price of 40.1p per litre. This compares to an average hedged price in 2026 (calendar year) of 50.7p per litre.

Adjusted Return on capital employed

The Adjusted Return on capital employed at the end of the period was 21.5% (2024 restated: 10.0%).

Dividend

A final dividend has not been proposed for the current period (2024: £nil).

Pensions

The Group's principal defined benefit pension scheme is in the UK. The combined deficit under IAS 19 at 31 March 2026 was £53.2m (31 December 2024: £11.5m), with the IAS 19 deficit for the Group's main scheme in the UK Bus division being £53.3m (31 December 2024: £11.3m). The significant increase in the deficit is the result of the new contribution schedule implemented as part of the recent triennial valuation, reflecting increased maturity of the scheme membership profile and the West Midlands Pension Fund updating the funding approach towards a low risk basis as a result.

Going concern

The Financial Statements have been prepared on a going concern basis as the Directors are satisfied that the Group has adequate resources to continue in operational existence for a period of not less than 12-months from the date of approval of the Financial Statements. Details of the Board's assessment of the Group's 'base case', 'reasonable worse case', and 'reverse stress tests' are detailed in Note 2 of the Financial Statements.

Brian Egan

Brian Egan
Group CFO

28 July 2026

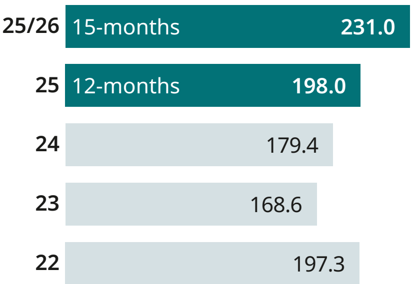
Key performance indicators

Financial KPIs

Adjusted Operating Profit (£m)

£231.0m

2024 restated: £179.4m



KPI definition

Group Adjusted Operating Profit from operations. See glossary on page 243.

Relevance to strategy

A key measure of the overall performance of the business.

We are focused on driving growth in Adjusted Operating Profit in order to generate higher and sustainable returns for our Shareholders and providing the platform for further growth for all our stakeholders including our employees, our customers and our partners.

Performance

Adjusted Operating Profit increased by £51.6m to £231.0m (2024 restated: £179.4m) largely driven by Alsa, improved performance in German Rail and the benefits of the commencement of the cost reduction programme.

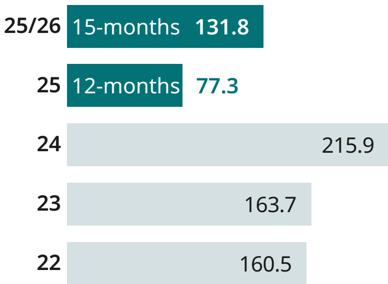
Remuneration linkage

Group Adjusted Profit before tax is one of three bonus inputs to the Executive Directors' and senior managers' annual bonus structure.

Free Cash Flow (£m)

£131.8m

2024 restated: £215.9m



KPI definition

Free Cash Flow is the cash flow available after deducting net interest and tax from operating cash flow. See reconciliation on page 245.

Relevance to strategy

Strong cash generation provides the funding to deliver on our strategy.

Our focus on cash generation ensures that we are running the business efficiently, converting profit to cash to enable investment into the business, a reduction in leverage, returns to Shareholders.

Performance

Free cash inflow reduced to £131.8m (2024 restated: £215.9m) mainly as a result of committed expenditure in North American School Bus prior to its sale.

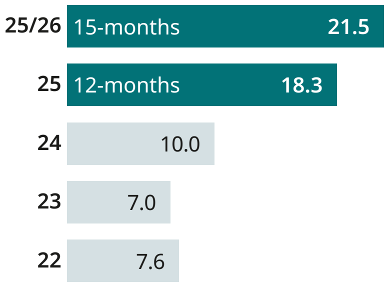
Remuneration linkage

Free cash flow is one of three bonus inputs to the Executive Directors' and senior managers' annual bonus structure.

Adjusted Return on Capital Employed (%)

21.5%

2024 restated: 10.0%



KPI definition

Adjusted Return on Capital Employed (ROCE) is Adjusted Operating Profit, divided by average net assets, excluding adjusted net debt and derivative financial instruments, translated at average exchange rates. See reconciliation on page 245.

Relevance to strategy

Adjusted ROCE demonstrates how efficiently the Group is deploying its capital resources to generate operating profit.

A focus on Adjusted ROCE ensures that we maintain a disciplined approach to capital investment and continue to invest in those areas in which we deliver the best returns. This ensures that we maximise returns to Shareholders for the capital they invest.

Performance

Adjusted ROCE of 21.5% is above our targeted level of 12.5% and largely results from a year-on-year decrease in Net Assets following the NASB sale, as well as a smaller impact from improved Adjusted Operating profit and decrease in adjusted net debt.

During the 15-month period, the Group invested £187.8m of net maintenance capital to replace our fleet in existing operations and £73.5m in growth capital expenditure including vehicles to service new contracts in Alsa and North America.

Remuneration linkage

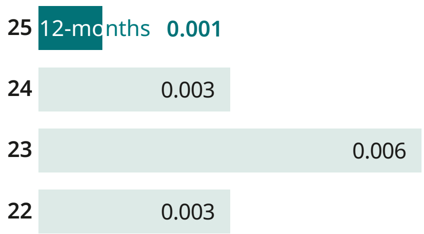
Adjusted ROCE is one of the performance measures in certain of the Long-Term Incentive Plans of Executive Directors and senior managers.

Non-Financial KPIs

Safety – Fatalities and Weighted Injuries (FWI per million miles)

0.001

2024: 0.003



KPI definition

The Fatalities and Weighted Injuries (FWI) index weights injuries by severity to give an overall standard-based score which is normalised by miles operated.

Relevance to strategy

Safety is of paramount importance to a public transport operator and acts as a foundational pillar supporting our 'Simplify, Strengthen, Succeed' strategy.

Safety is at the heart of our values and is our priority for both our customers and our employees. Ensuring the highest levels of safety is vital to strengthening our operational performance.

High safety standards also help us to succeed by driving sustainable growth through customer loyalty and new business wins.

Performance

The Group FWI index target for 2025 was met and is the best result on record which demonstrates the relentless focus on safety.

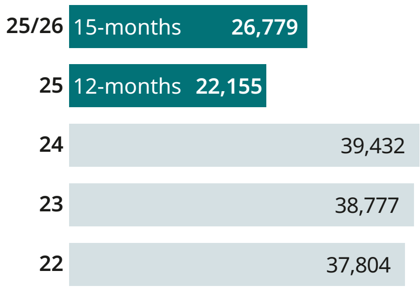
Remuneration linkage

FWI per million miles is an input into the Executive Directors' and senior managers' annual bonus structure.

Passenger kilometres (millions)

26,779

2024: 39,432



KPI definition

Passenger kilometres measures the total distance travelled by the total number of passengers.

Relevance to strategy

Growth in passenger kilometers is a leading indicator for customer satisfaction and evidence for the modal shift from cars to public transport.

Our network, in terms of mileage and volume, is a driver of sustainable value for both the business and the environment, as the modal shift to public transport is a key solution to lowering carbon emissions and easing travel congestion.

Performance

Passenger kilometers have decreased significantly as a result of the sale of the NASB business. We continue to optimise our networks to prioritise routes where demand is the greatest.

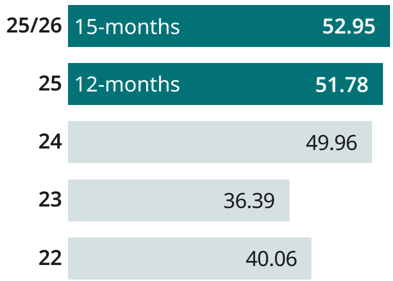
Remuneration linkage

The Executive Directors' and senior managers' annual bonus scheme typically includes a component of personal objectives relating to business development metrics.

GHG emissions: tCO_2e/mpkms

52.95

2024 restated: 49.96



KPI definition

Tonnes of GHG carbon emissions for Scope 1, 2 and 3 per million passenger kilometres. 2024 was restated to exclude NASB.

Relevance to strategy

Reducing the environmental impact of transport is core to our purpose and aligns with our 'Simplify, Strengthen, Succeed' strategy.

Rail, bus and coach travel is significantly less polluting per passenger than cars. As such, modal shift is the single most important thing we can do to drive the climate change and clean air agendas.

We are also committed to making public transport itself greener and have adopted science-based targets.

Performance

Scope 1 and 2 absolute emissions decreased by 6.7% overall on a comparable calendar year basis. Scope 3 absolute emissions decreased by 13.8% over the same period. The intensity metric of emissions per million passenger kilometres has increased by 3.6%. See more on environmental performance within the TCFD section on pages 42 to 55.

Remuneration linkage

Emissions reduction or zero emission vehicle targets are some of the performance measures in certain of the Long-Term Incentive Plans of Executive Directors and senior managers.

Non-Financial KPIs

On-Time-Performance

91.9%

2024: 92.0%

KPI definition

On-Time-Performance (OTP) measures the percentage of our services, weighted by mileage across divisions, that are arriving on time at intermediate (where relevant) and timing stops. The definition of 'on time' varies by business, for example no more than one minute early or five minutes late for urban bus services. The OTP KPI excludes rail services, high-frequency bus services (where frequency and actual versus scheduled waiting times is a more appropriate reliability measure), and services where we are currently not able to measure OTP accurately. For 2025, we are now excluding NASB service punctuality performance (prior years have not been restated).

Relevance to strategy

Improving OTP is a key driver for customer retention and winning new contracts and links to the 'Simplify, Strengthen, Succeed' strategy.

Consistently hitting punctuality targets allows us to simplify and streamline network operations, while reducing costly delays. This strengthens our reputation for reliability – whether for fare-paying passengers or with our clients and local passenger transport authorities.

Maintaining this reliability strengthens our competitive edge and drives operating efficiencies across the Group. Ultimately OTP improves financial returns and secures the customer loyalty necessary for us to succeed and grow.

Performance

The Group's OTP has remained strong, delivering results in line with the high benchmarks achieved in 2024. Punctuality was sustained across the UK, WeDriveU and our consistently top-performing Alsa business.

All our divisions benefited from a focus on driver recruitment and retention alongside the use of advanced digital tools, including Artificial Intelligence-enabled scheduling tools.

By continuing to deploy advanced technologies and operational efficiencies, we simplify our networks, strengthen service reliability and position the Group to succeed.

Our engagement with stakeholders

Section 172 Statement

The Board of Directors has had regard to the stakeholders' interests as described on these pages, and the other matters set out in Section 172(1) (a) to (f) of the Companies Act 2006, when making decisions during the year under review. Examples of this are set out on pages 78 and 79 and are incorporated into this statement by reference.

Colleagues

Why they are important to strategy

Our people are the heart of our business. They are at the front line of executing strategy; it is their hard work and dedication that will ensure we succeed

How we engage

- Open lines of communication with both Group and divisional management including regular updates, newsletters and a Group-wide intranet, MobiconX
- Two-way dialogue with the Board through employee engagement forums
- Constructive dialogue with trade unions
- Executive management hold regular online meetings with SLT
- A mix of engagement surveys, pulse surveys and mood boards on the Group intranet, MobiconX to assess mood and sentiment

What they value

Our colleagues expect us to look after their safety, health and wellbeing. They expect a workplace that values diversity and champions inclusion, and an employer that respects their rights. Fair reward and recognition for their work and opportunities for progression are important to them as well as regular and clear communication

Delivering for them

- We have a new people and culture strategy which outlines our commitment to our people
- We maintain the highest safety standards protecting our colleagues' health and wellbeing. Wellbeing has been a particular focus for the period in question following the launch of the new wellbeing strategy last year
- We actively promote diversity and inclusion

Links to KPIs:

FWI, OTP

Market and regulatory factors

- Labour laws can impact working conditions and cost of employment
- Qualification and training regulations can impact recruitment time
- Macroeconomic conditions and immigration laws can impact access to labour pools
- Competitor pay and working conditions can impact recruitment and retention
- Flexible working conditions and benefits can attract and retain a more diverse workforce

Opportunities

- An engaged workforce will better support delivery of strategic goals
- Knowledgeable and well-trained colleagues can help us innovate and identify new opportunities
- Favourable workplace conditions can attract and retain talent

Risks

- Labour shortages hinder our ability to deliver reliable services
- Discontent can lead to strikes or attrition

Passengers and customers

Why they are important to strategy

Our ability to win passenger and customer loyalty and satisfaction in both our B2B and B2C businesses by the provision of safe and reliable services is central to our continued growth and success

How we engage

- Local relationships guided by common standards across the Group
- Intuitive and highly rated websites, apps and social media, and easily accessible customer service centres
- Direct dialogue with transport authorities and corporate customers
- Passenger feedback and customer satisfaction surveys
- High-quality bidding and engagement through the bid process

What they value

- Our passengers and customers want safe and reliable services. They value consistent service delivery that generates trust. They expect prompt and pragmatic responses to changing demands alongside open and honest communication. Increasingly, they also want to engage with socially responsible and sustainable companies

Delivering for them

- Safety is integral to how we operate, and we invest heavily in our safety programme to ensure it remains a priority
- We train our employees to offer great service
- We adapt our services, develop operational initiatives and invest in technology to best meet our passengers' and customers' needs

Links to KPIs:

Passenger journeys, FWI, OTP, GHG emissions

Market and regulatory factors

- Macro political and economic events can change travel behaviours and funding, which may result in new opportunities and risks
- Regulation to achieve better air quality in cities can increase the relative attractiveness of shared mobility for passengers and prompt B2C customers to seek shared mobility solutions
- The de-regulation or re-regulation of certain markets can create new opportunities and risks

Opportunities

- More optimised transport networks and greener fleets, can attract more passengers
- Increased or new institutional requirements can create new customer opportunities
- Increased congestion and clean air charging, as well as rising fuel costs, may increase the relative attractiveness of shared mobility

Risks

- Increased competition can erode market share and reduce our profitability

Suppliers

Why they are important to strategy

Our suppliers partner with us to supply the resources we need to deliver our services, as well as innovative solutions to continuously improve those services. Their success is important to our success

How we engage

- Local divisional relationships supplemented by oversight from the Group centre
- Regular discussions with suppliers about evolving market places, opportunities and collaborating with them to innovate
- Considering suppliers' importance to our strategic success when tendering contracts and engaging in contract negotiations
- Direct dialogue with Board members

What they value

Our suppliers want to work in partnership and collaborate with us, investing in relationships over the long-term to achieve mutual benefits. They value good line of sight on placement of orders and fair engagement and payment terms

Delivering for them

- We invest in long-term supply relationships and look to provide good visibility on orders
- We contract on mutually acceptable commercial terms and meet our payment obligations

Links to KPIs:

ROCE

Market and regulatory factors

- Component shortages and labour shortages can disrupt the supply chain
- Increased regulation affecting suppliers, such as changes in import/export rules and charges, can impact the cost and speed of the supply chain

Opportunities

- Our relationships can give us access to more competitive pricing and shortened delivery times
- Investing in long-term relationships can aid our transition to a zero emission fleet by giving suppliers confidence to invest in developing innovative solutions with us

Risks

- Poor quality control or financial difficulties faced by suppliers can compromise their ability to support us

Equity and debt investors

Why they are important to strategy

Our equity and debt investors provide access to the capital necessary to fund the delivery of our strategy

How we engage

- Market announcements, financial results presentations and investor roadshows
- Direct engagement by the Executive Chair, Group CFO, Group COO and our Investor Relations function. This included a trial of an online presentation and Q&A platform targeted at retail equity investors
- Ongoing engagement via our brokers and other advisers

What they value

- Investors value clarity of strategy and business model and consistent financial performance and returns. They expect strong risk management and internal controls, alongside compliance with listing obligations and debt terms. Investors expect commitment to sustainability objectives

Delivering for them

- Through our regular meetings and calls we deliver clear, consistent, and high-quality data and trading commentary
- We strive to deliver financial returns in line with our own and our investors' expectations

Links to KPIs:

Adjusted Operating Profit, Free cash flow, ROCE, GHG emissions

Market and regulatory factors

- Macro political and economic events can impact our operations and financial performance, which can affect our share price
- Regulation relating to our equity listing can increase our costs
- Regulation of debt providers and macro political and economic events can impact access to and/or cost of capital

Opportunities

- Investors' focus on ESG should increase the demand for quality public transport stocks
- Cost and access to debt capital should favour financially attractive companies with positive environmental impact

Risks

- Constrained equity and/or debt markets increase the costs of capital and debt financing
- Investors are not convinced about the Group's financial future which means liquidity is not available or expensive

Governments

Why they are important to strategy
Central and local government authorities set transport policies and provide funding for transport initiatives, which can create favourable conditions for the delivery of our strategy

How we engage
- Inviting key government stakeholders to present to the Board
- Local relationships guided by common Group standards
- Formal alliances and industry groups and associations
- Senior management meetings with government representatives

What they value
Governments want safe, reliable, and good value passenger transport services for the benefit of the communities they serve. They seek partners who will work with them to solve the challenges of clean air and traffic congestion

Delivering for them
- We invest consistently in the safety and operational reliability of our services
- We keep service standards high while keeping prices fair on services that generally serve communities
- We are working towards ambitious fleet decarbonisation targets across our markets

Links to KPIs:
Passenger journeys, FWI, OTP, GHG emissions

Market and regulatory factors
- Governments can provide or reduce funding for transport
- Laws and regulations on driver licensing and training, vehicle condition and testing, directly impact our economics
- Increased regulation to reduce carbon emissions can create demand for green technologies but make older technologies obsolete

Opportunities
- Bus franchising and re-regulation present opportunities in existing and new markets
- Increased grant funding to support transition to zero emission fleet can improve our economics

Risks
- Reduction or withdrawal of government support for public transport can worsen our economics

Communities

Why they are important to strategy
The communities in which we operate drive the demand for transport services that underpins our strategy as well as being where our colleagues live and work

How we engage
- Each division has well-established community support programmes:
- The 'Youth Promise' in the UK
- The 'Integra Foundation Partnership' in Alsa

What they value
The communities in which we operate look to us for safe, clean, reliable and affordable transport services, and opportunities for rewarding employment. They also value companies which give back to their communities and which keep people connected

Delivering for them
- We offer attractive employment opportunities in local communities by investing in colleague health and wellbeing, paying a fair wage, investing in training and development and promoting diversity and inclusion
- We support our communities through keeping people connected

Links to KPIs:
Passenger journeys, FWI, OTP, GHG emissions

Market and regulatory factors
- Macro political and economic events can change travel behaviours of local communities
- Increasing regulation such as Low Emission Zones and Clean Air Zones will help drive modal shift to public transport

Opportunities
- Increased congestion and clean air charging, in addition to the rise in fuel prices, increases the relative attractiveness of shared mobility
- Increasing awareness of global warming and air quality issues creates demand for alternatives to the car

Risks
- Changes in travel behaviours by members of the community may impact our operations where those behaviours become new norms

Non-financial and sustainability information statement

The new non-financial reporting requirements contained in Sections 414CA and 414CB of the Companies Act 2006 require us to provide information to help stakeholders understand our position on non-financial matters.

The table below sets out a summary, with all the policies described at **www.mobicogroup.com/about-us/our-policies**.

Requirement	How we govern our approach	Further information
Environment	Group Environmental Policy Health & Safety Policy	Environmental leadership page 35 Sustainability Committee report pages 94 to 96 Climate-related metrics and targets pages 52 to 55
Employees	Human Rights and Diversity Policy (including Workplace Rights) Whistleblowing Policy	People pages 38 to 40 Board engagement with the workforce pages 82 and 83
Human rights	Human Rights and Diversity Policy – Anti-Modern Slavery Statement Whistleblowing Policy Privacy Policy	Colleagues' rights pages 31 and 80 Sustainable development goals pages 36 to 41
Social matters	Rather than a specific policy, our approach to social matters is framed by our strategic focus on 'planet, people and places'	People pages 38 to 40 Places page 41
Anti-corruption and anti-bribery	Anti-Bribery and Corruption Policy (including Gifts and Hospitality) Procurement Policy	Risk management pages 85 and 86
Policy implementation, due diligence and outcomes	Policy Compliance Framework (second line assurance programme)	Corporate Governance from page 70 (including Board activity for the period pages 73 to 75) Audit Committee report pages 84 to 86
Principal risks and impact on business activity	Risk Management Framework	Principle risks and uncertainties pages 56 to 65 Audit Committee report pages 84 to 86
Description of business model		Our business model pages 08 and 09
Non-financial key performance indicators		Non-Financial KPIs pages 29 and 30 Climate-related metrics and targets pages 52 to 55

Sustainability

Sustainability is at the heart of everything we do

We respect the Planet, we move People and we connect Places.

To learn more about Sustainability at Mobico and our Climate Transition Plan go to **www.mobicogroup.com/sustainability/**

Our core mission is to help drive modal shift from private cars to mass transportation across all of our services and in all of our geographies across the globe. The case for sustainable transport is clear: it is better for health, local economies and the environment.

We are committed to being a responsible business and believe by working closely with our clients, taking responsible actions and delivering for our customers, we will continue to drive change for the better.

Through our strategic focus on 'planet, people and places', we continue to challenge ourselves through stretching but achievable targets and monitor our success through KPIs which are tracked on a regular basis.

We respect the planet

This year, we have developed our first Climate Transition Plan, highlighting our ambitions aligned with protecting the planet. It sets out our roadmap to net zero, consolidating our approach to steer the business towards lower carbon emissions in one place for the first time. Given that approximately 85% of our total Scope 1 and 2 emissions are from vehicle fuel, we are committed to implementing a net zero fleet across all of our businesses by 2040 – aligned with the Paris Agreement target to limit global warming to 1.5 °C above pre-industrial levels.

See pages 36 and 37 for details on the actions we have taken this year in support of respecting the planet.

We connect places and transform communities

This year, we have launched a new 'people and culture' strategy, designed to make us an employer of choice; attracting and developing the best talent in the knowledge that people drive our organisation and that staying close to them is how we go further.

As well as what we have achieved during the period (see page 41) we have a programme of actions to implement the strategy throughout the remainder of 2026 and beyond.

Together, we move people safely and responsibly

Our businesses continue to support the local communities they serve through locally-led initiatives and through collaboration with our customers and partners. Along with the services we provide, this helps us to connect places and, as we grow, we look for new opportunities to further these connections.

Case studies on the work we have done to connect places can be found on pages 38 to 40.

Planet

We respect the planet

Aligned UN Sustainability Goals

Sustainable Cities and Communities

Responsible Consumption and Production

Climate Action

The way we travel has a direct impact on our environment, our communities, health and economies. Transport is the largest contributor to both the US and UK's carbon emissions and is responsible for around a quarter of the EU's total greenhouse gas emissions.

We recognise our responsibility as a public transport operator to work towards reducing emissions, through the modal shift to public transport and decarbonising our fleet.

This year, we have developed our first Climate Transition Plan. It sets out how we intend to reduce our emissions, decarbonise our fleet and highlights the governance we have put in place to ensure that we progress towards our targets.

We have also set ambitious targets that are aligned to the terms of the Paris Agreement and which have been verified by the Science Based Target initiative (SBTi). With 90% of Scope 1 emissions arising from our vehicles, our commitment is for all of our vehicles to be zero emission (at tailpipe) by 2040. This supports a credible plan to achieve our emission reduction targets.

100.0%
of vehicles to be zero emission by 2040

63.0%
targeted reduction in Scope 1 and Scope 2 emissions by 2035

37.5%
targeted reduction in Scope 3 emissions by 2035

Our achievements this year

We continue to progress towards our targets. 10% of our fleet is now zero emission (1,329 vehicles in service or on order). We operate zero emission fleets across more of our business than ever before.

Our Scope 1 and 2 emissions have reduced by 5.2% in 2025 while our Scope 3 emissions have reduced by 13.8% versus 2024 on a like-for-like basis.[1]

Our work has been widely recognised by independent raters and rankers such as Sustainalytics and CDP. This year we were proud to secure a place on CDP's prestigious annual Climate 'A' List. In 2025, nearly 20,000 companies were scored worldwide. Achieving an 'A' rating places Mobico among the global leaders, demonstrating comprehensive disclosure, mature environmental governance and meaningful progress towards environmental resilience.

Climate CDP A List 2025

S&P Global

Air Pollution Footprint Partnership

1 Excluding North America School Bus which was disposed of during the period.

CASE STUDY

UK Bus

Decarbonising the infrastructure and fleet

In 2025, UK Bus accelerated its transition toward a net zero future through a dual strategy of infrastructure modernisation and fleet electrification. By addressing both fixed assets and mobile operations, the Group is achieving significant gains in operational efficiency and environmental performance.

LED transformation

A comprehensive LED lighting transformation was launched across the property portfolio, including depots, offices and coach stations. By replacing legacy sodium and fluorescent fittings with modern, energy-efficient LED technology, the Group has enhanced workplace safety and lighting quality while drastically reducing maintenance needs thanks to a 10-year lifespan.

The impact of this rollout is substantial. Since its initiation in mid-2025, the programme has already achieved cumulative energy savings of 432,479 kWh. The initiative is projected to deliver an annual reduction of 1,558,825 kWh, supporting wider carbon reduction objectives and providing long-term cost savings.

Electrifying the network: 130 new ZEVs

Simultaneously, UK Bus is transforming the passenger experience in the West Midlands. Through 2025 and 2026, 130 new electric buses are being integrated into the Wolverhampton and Perry Barr depots.

By replacing an equal number of diesel vehicles, this transition directly improves local air quality and offers a quieter, more comfortable journey for customers. With infrastructure currently under construction and a phased introduction that started in December 2025, this investment reinforces the Group's commitment to a fully zero emission fleet.

CASE STUDY

Alsa

Accelerating decarbonisation through biofuels

As part of its commitment to sustainable mobility, Alsa has significantly expanded its adoption of Hydrotreated Vegetable Oil (HVO), a biofuel also known as renewable diesel.

This high-performance fuel is one of the most effective alternatives for decarbonising transportation and is a key part of Alsa's approach to decarbonise its fleet without requiring immediate, large-scale infrastructure overhauls.

Produced via a specialised hydrotreatment process, HVO is chemically near-identical to fossil diesel. This 'drop-in' compatibility allows Alsa to utilise the fuel in existing engines without technical modifications, thus ensuring a seamless transition toward greener operations.

The strategic benefits of HVO:

- **Environmental impact:** It can reduce CO_2 emissions by up to 90% over its life cycle, while also decreasing particulate matter and nitrogen oxides;
- **Operational efficiency:** HVO ensures cleaner combustion and superior cold-start performance; and
- **Long-term stability:** Unlike traditional biodiesel, HVO boasts a shelf-life of up to 10-years, minimising storage degradation.

People

Together, we move people safely and responsibly

Aligned UN Sustainability Goals

- Good Health and Wellbeing,
- Decent Work and Economic Growth,
- Sustainable Cities and Communities

Every day, across every corner of our network, our >30,000 strong team is the vital force that keeps our customers moving. From the front line to behind the scenes, from drivers and engineers to customer and support teams, our people do more than deliver journeys – they sustain the essential connections that local communities depend on.

We take immense pride in this collective effort, recognising that the dedication of our colleagues is the heartbeat of our business and underpins how we deliver to customers and our operational resilience.

In many of the regions where we operate the Company is more than a transport provider, it is a major employer with a responsibility to reflect the diverse communities we serve. We are committed to being a place where talent chooses to join and stay, fostering an environment where every voice is heard and individual contributions are truly valued.

As the transport industry evolves, we remain focused on supporting our people to challenge, innovate and grow, and ensuring they have the foundations to be at their very best as we shape the future of mobility together. By focusing on these fundamentals, we aim to build a more sustainable future for both our employees and the business.

New 'People and Culture' strategy

Under the banner of 'Going Further. Being Close', our new 'People and Culture' strategy is shaped by, and underpins, our Purpose of leading modal shift from cars to mass transit.

We know that people drive our business and by attracting, developing and retaining the best talent and becoming an employer of choice, we will ensure we have the collective strength to deliver our Purpose.

The strategy is based on technology and continuous innovation, on enhancing leadership compatibility, on meeting the expectations of today's workforce, prioritising diversity, equity and inclusion, closing talent gaps and transforming our workforce through AI and automation.

It builds on our existing culture through defining our DNA as the people aspect and the way we work as an organisation, as well as four specific priorities that ensure we deliver on our 'Simplify, Strengthen, Succeed' strategy.

'People & Culture' strategy

To be an employer of choice, **attracting and developing the best talent, knowing that** people drive our organisation and that staying close to them is how we go further.

Our way of working

Transparency, innovation, continuous improvement and **operational excellence** shape the way we work.

Going further

Being close

Our priorities

1	We are powered by **talent.**
2	**Connection** makes us stronger.
3	**Culture** shapes who we are.
4	Driven by **diversity.**

Going further. Being close.

Diversity and inclusion

We take great pride in being a diverse business that mirrors the varied and vibrant communities we connect. By embracing a wide range of backgrounds, cultures and experiences, we gain a deeper understanding of our customers' needs and build a more resilient, forward-thinking business. For us, diversity is a collective strength that informs everything we do.

We want every member of our team to feel that they belong. Our focus is on cultivating a truly inclusive environment where every colleague, regardless of their role or background, feels respected, valued and heard. An inclusive culture empowers people to bring their authentic selves to work, challenge the status quo and contribute their best to our shared success.

While our gender diversity metrics declined during this period, we have developed targeted initiatives to drive positive progress, including:

- Executive development programmes for high-potential women; and
- Partnerships with women's networks and organisations.

Talent and growth

We are committed to being an employer of choice, a place where people are not only attracted to join but are inspired to stay with us as they build their careers.

We are working to create supportive environments where everyone can flourish and be their best. Through initiatives that promote wellbeing, strengthen team connections and encourage personal growth, we want to empower our colleagues to take pride in the vital role they play.

By investing in their skills today, we ensure we have the expertise and innovation needed to deliver safe, responsible transport for the communities of tomorrow. This includes initiatives such as the creation of a driver academy and engineering apprenticeships.

Safety

The health, safety and wellbeing of our customers, employees and any others affected by our operations, is a priority for everyone at Mobico. All our businesses reflect this commitment and work to the highest standards. They are supported by robust Group-wide systems and the deployment of technology to minimise the risk of harm.

Over the last 15-months, we have made wellbeing a fundamental part of our Health and Safety management system, ensuring that we fully recognise the importance of wellbeing on our people and business performance. In the year, we have implemented a 13th Global Safety Standard on wellbeing.

Our 2025 Fatal and Weighted Injuries Index (FWI) per million miles of 0.0011 represents the best ever performance for the Group.

Gender diversity at Mobico as at 31 March 2026

Board of Directors

Key

- Male 62.5%
- Female 37.5%

Senior leadership team

Key

- Male 75.5%
- Female 24.5%

Entire workforce

Key

- Male 83%
- Female 17%

CASE STUDY

Alsa

Driving talent from 'Muévete' to '#Impulsa'

In Spain, Alsa's Muévete programme has long been a cornerstone of the business' recruitment strategy, serving as a vital engine for attracting high-potential young talent. By offering graduates a structured entry into the mobility sector, the programme has consistently provided Alsa with a pipeline of innovative thinkers ready to tackle the challenges of modern transport.

From consolidation to evolution

In 2025, the initiative reached a new level of maturity. Building on the success of Muévete, Alsa evolved the platform in September into the #Impulsa programme. This transition marks a strategic shift toward a more sophisticated recruitment model, designed to reinforce Alsa's position as an employer of choice in an increasingly competitive labour market.

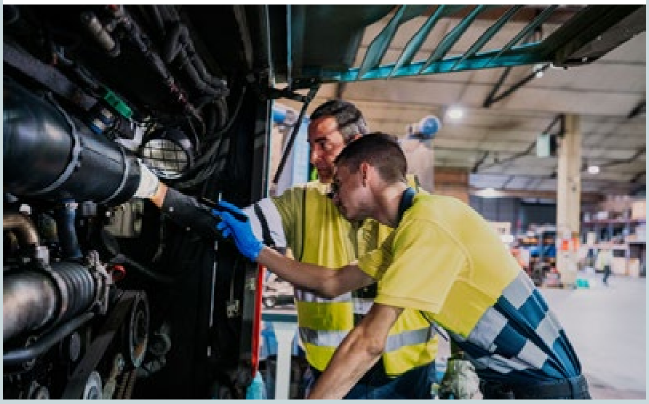
Strategic objectives

The launch of #Impulsa strengthens Alsa's ability to secure top-tier candidates through:

- **Proactive recruitment:** The main shift has been moving towards a more proactive approach to anticipating talent needs, aligning the hiring of early-career profiles with optimal market timing to secure top emerging talent;
- **Brand positioning:** Showcasing Alsa's commitment to professional development and long-term career pathways; and
- **Talent integration:** Seamlessly transitioning young professionals into key operational roles to ensure business continuity.

Future outlook

By evolving this programme, Alsa is not only consolidating its reputation as an employer of choice for early-career talent, it is also helping to future-proof its workforce. #Impulsa ensures that Alsa continues to attract a generation of professionals who are as agile and forward-thinking as the mobility solutions they provide.



wellBEing

CASE STUDY

Cultivating a culture of wellbeing with our 'Be Well' strategy

Supporting the health, safety and wellbeing of our colleagues is essential to helping our people thrive and deliver the high standards our customers expect.

Since its inception in 2024, the **'Be Well'** wellbeing strategy has become an integral part of Mobico's people strategy. Managed through a strategic partnership with Mental Health UK, we aim to foster a supportive and open culture that prioritises mental and emotional health alongside physical safety.

Throughout 2025 and 2026, the Group is transitioning from foundational planning to global actions. Key achievements to date include:

- **Leadership engagement and empowerment:** Senior leaders have received specialised training to support team flourishing, complemented by mental health awareness education for line managers;
- **Universal access:** All employees now have access to professional mental health support via an employee assistance programme and various accessible digital resources; and
- **Global advocacy:** Dedicated wellbeing ambassadors help to embed the programme across Mobico divisions.

The Group's commitment continues with several initiatives currently underway. Mobico is developing a comprehensive health and wellbeing programme centred on six cornerstones: Health, Work, Body, Mind, Leadership and Finance. The 'Be Well' strategy will continue under the new 'People and Culture' strategy.

WeDriveU

WeDriveU Employee Resource Groups (ERGs) – including our Women's Inspiration Network, Ubuntu (African Americans), OPEN (out & proud LGBTQ+employee network) and Unidos (Latinos) – have become the heartbeat of WeDriveU's inclusive culture with resources that reach all employees. These networks have moved from social forums to champions of awareness and change, with ERGs' leaders receiving industry recognition for advancing representation in the North American transportation sector. Based on their popularity, employees have expressed interest in future networks for Veterans and Health & Wellness.

Places

We connect places and transform communities

Aligned
UN Sustainability Goals

11 SUSTAINABLE CITIES AND COMMUNITIES

Sustainable Cities and Communities

Our businesses are rooted in their local communities and we serve hundreds of towns and cities in urban, sub-urban and rural areas everyday.

From our bus networks keeping cities such as Manama and Birmingham moving, to our university shuttles in places like Princeton and ambulances in Spain, we exist to provide essential services.

During the period we operated in over 40 cities, delivering over 26.7 billion passenger kilometres. We won 28 new contracts to continue to expand public transport networks.

As a multi-national, multi-cultural Group we know one size doesn't fit all. That's why we work locally with our customers and clients to give back to the communities we serve. Whether through community outreach teaching children about road safety or through an ever expanding drive to work with customers to collect essentials for those in need, we have immense pride in colleagues who go out of their way to show their appreciation for the communities they live in. We provide our support so that they can continue to expand their efforts.

CASE STUDY

UK Bus: Electrifying the Glastonbury Festival shuttles

Sustainability is a core value for both the Glastonbury Festival and National Express, making their partnership a natural fit for pioneering green transport solutions. UK Bus operated dedicated shuttle services from Bristol City Centre directly to the festival site, providing a vital link for thousands of attendees.

A defining feature of this operation was the deployment of a high-performance electric fleet. In 2025, 40% of the shuttle buses utilised were fully electric, powered entirely by renewable energy. To support this, temporary charging infrastructure was installed at both ends of the route, connecting directly to the mains power to facilitate efficient top-up charging throughout the service.

The challenging topography of the route proved to be an operational advantage. The electric buses demonstrated exceptional reliability, utilising the undulating terrain to maximise energy regeneration back into the vehicle batteries during descents.

By integrating zero emission technology into this high-demand service, UK Bus continues to provide cleaner, greener public transport options. This initiative not only reduces the carbon footprint of one of the world's most iconic events but also reinforces the Group's commitment to leading the transition toward a fully sustainable transport network.

CASE STUDY

WeDriveU: Celebrating a decade of 'Stuff the Bus'

For WeDriveU, community engagement is a fundamental part of its culture. Each year, from November through December, the WeDriveU 'Stuff the Bus' initiative brings together employees, customers and partners to support those in need across the US.

What began as a local toy drive in San Francisco has grown into a significant national operation. In 2025, 'Stuff the Bus' celebrated its 10th anniversary, delivering over 14,000 essential items including toys, food and clothing across 14 states. This milestone year saw record-breaking participation, with partners expanding to include local first responders, non-profits and generous corporate clients.

The initiative highlights the unique role transportation plays in community resilience. In 2025 alone, 'Stuff the Bus' successfully gathered thousands of donations for partners such as Toys for Tots, the Black Fire Brigade and various regional food banks.

The Task Force on Climate-related Financial Disclosures

Introduction

The Group has complied with the requirements of UK Listing Rule 6.6.6R (8) by including climate-related financial disclosures consistent with all 11 of the TCFD recommendations and recommended disclosures. These disclosures also incorporate the mandatory climate-related financial disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

This report partially applies the IFRS Sustainability Disclosure Standards IFRS S1 and IFRS S2 as issued by the International Sustainability Standards Board (ISSB). The Company currently anticipates achieving full compliance with IFRS Sustainability Disclosure Standards when the requirements of the UK Sustainability Reporting Standards come into effect, which were published in early 2026 and have used the ISSB standards as a foundation.

During 2025, the Group has updated its approach to climate risk assessment and reporting, this includes an update to our scenario analysis, risk modelling, and near and long-term targets. The triennial scenario analysis and modelling was performed during the year in line with best practice, and our carbon emissions and near-term targets re-baselined following the North America School Bus disposal in July 2025.

TCFD Recommended Disclosures	IFRS S2 Disclosure Requirement	Location in Report
Governance		
a. Describe the Board's oversight of climate-related risks and opportunities.	IFRS S2 6(a)(i)—(v): Governance body roles and oversight	Page 43
b. Describe management's role in assessing and managing climate-related risks and opportunities.	IFRS S2 6(b)(i)—(ii): Management's role in governance processes	Pages 44 and 45
Risk management		
a. Describe the organisation's processes for identifying and assessing climate-related risks.	IFRS S2 25(a)(i)—(vi): Processes for identifying/assessing risks	Page 44
b. Describe the organisation's processes for managing climate-related risks.	IFRS S2 25(b): Processes for managing opportunities	Page 45
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	IFRS S2 25(c): Integration with enterprise risk management	Page 45
Strategy		
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	IFRS S2 9—12: Identification of risks/opportunities and time horizons	Pages 46 to 49
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	IFRS S2 13—21: Effects on business model and value chain	Pages 49 to 51
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	IFRS S2 22: Climate resilience assessment using scenario analysis	Page 52
Metrics and targets		
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	IFRS S2 29(a): GHG emissions (Scope 1 to 3)	Pages 52 to 55
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	IFRS S2 29(a)(i)—(vi) – 32: GHG measurement methodology	Pages 52 to 55
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	IFRS S2 33—37: GHG reduction targets and carbon credit governance	Pages 52 to 55

Governance

Board's oversight and review of climate-related risks and opportunities

The Board is charged with governance and oversight of climate-related risks and opportunities through its dedicated Sustainability Committee, with a remit to cover the governance of all applicable environmental and sustainability matters. The Sustainability Committee met twice during 2025, and once in Q1 2026. The terms of reference can be found on the Company's website at **www.mobicogroup.com/about-us/corporate-governance/committees/**, of which the responsibilities are reflected in section 7.

The key activities of the Sustainability Committee during the period can be found in the Sustainability Committee Report. On behalf of the Board, the Committee is informed about climate-related risks and opportunities and monitors progress against our climate-related goals and targets, primarily through monitoring and reviewing a KPI dashboard which is presented at each Committee meeting. To monitor operational progress against the Group's environmental strategy and decisions on major transactions and the related financial impact, the Board performs an annual review of both the long-term strategic plan, of which the latest runs until 2030, and the annual budget, the most recent of which is for CY 2026. Both exercises consider the transition to a low-carbon economy and the potential impact of physical risks from climate change, which are discussed in detail in the Strategy section of this disclosure. These strategic decision processes also compare against other significant trade-offs, such as capital investments, network and other operational choices, and customer demands to make decisions. Please refer to the risk management section for how the Board exercises oversight regarding incorporating climate-related issues into the risk management processes.

Board reporting

The Sustainability Committee reports to the Board of Directors with the Committee Chairs providing updates to the Board after each Committee meeting on the matters discussed. Climate risks and opportunities form part of the Group's overall risk management process which the full Board is specifically updated on, as described in the Risk Management section. The Sustainability Committee also provides a report which details their activities each year to the Company's Shareholders, which is approved by the Board.

Board training and development

The skills and competences of the Committee are monitored by the Board every year. To assist them in both discharging their oversight responsibilities on the Group's strategy and having the ability to give direction and raise challenges, the Committee receives presentations from ESG specialists as necessary on current climate-related topics. During 2025, the Committee received regular updates and insights regarding forthcoming ESG legislation including the UK Sustainability Reporting Standards and the Corporate Sustainability Reporting Directive from management experts. Committee members can also access climate-related resources, including Chapter Zero.

Management's role in assessing, managing and overseeing climate-related risks and opportunities

The Company's Executive Directors are responsible for the delivery of the Group's environmental strategy and are the sponsors of its overall 2040 ambitions to achieve net zero for Scope 1 and 2 emissions. The Group has a dedicated Environmental Policy, available at **www.mobicogroup.com/about-us/our-policies/**.

The below diagram explains the role both Board Committees and different senior leaders play in having oversight of assessing and managing climate-related risks and opportunities:

Board of Directors
- Responsible for reviewing the Group's strategy and its management of risk and ensuring that there is a robust system of internal control in place, including for climate risks.

Audit Committee
- Reviews the Annual Report, including TCFD disclosures, each year.
- Considers and approves management's proposals for the assurance of ESG metrics.

Sustainability Committee
- A remit to oversee the governance of environmental and sustainability matters, including our transition to zero emission vehicles (ZEVs).

Nominations Committee
- Considers and recommends the composition of, and new appointments to, the Sustainability Committee to ensure there is sufficient ESG experience.

Remuneration Committee
- Considers the inclusion of ESG targets within remuneration incentives.

Company executive management (Group CEO, Executive Chair and Group CFO)

- Delivery of the Group's overall strategy, including its ZEV fleet.
- Transition strategy and management of other climate-related risks and opportunities.
- Ensure effectiveness of the Group's risk management system, including for climate-related risks.

Group functional managers
Assist with identifying and managing climate-related risk, for example by:

- Group General Counsel: advising on regulatory changes driving net-zero transitional risks;
- Group Head of Insurance & Claims: securing insurance coverage for physical climate risks;
- Group Director of Internal Audit: providing independent assessment of the effectiveness of climate-related risk management activities and of other functions' climate-related activities as required; and
- Group Finance Director: leads an internal team who are collectively responsible for:
  - Providing timely reporting on emissions data and the Group's performance against its targets; and
  - Providing updates to the Sustainability Committee on the impact of future legislation.

Global sustainability steering group (GSSG)
Attendees include representatives from each division who are primarily responsible for environmental and sustainability matters.

The GSSG is tasked with:

1. Setting the global strategic framework for our sustainability strategy;
2. Establishing how to communicate our ESG strategy, vision, and purpose externally;
3. Sharing best practice and collective learning, including mitigation plans;
4. Communicating our successes to our stakeholders – particularly Shareholders; and
5. Reviewing ESG data, including carbon emissions and the number of ZEVs, and considers performance against targets.

Divisional executive management (divisional CEOs and CFOs)
- Build climate-related risks and opportunities into divisional business plans, allocate resources for their delivery, and manage and track their delivery.
- Build the financial implications of climate-related risks and opportunities into divisional budgets and track these through forecasts.

Divisional commercial and operations and service delivery managers
- Develop and implement contingency plans to mitigate physical risks.
- Deliver commercial arrangements to capitalise on climate-related opportunities, for example, by arranging road services to cover disruption caused by physical risks to rail infrastructure.
- Assist in identifying new climate-related risks and opportunities.

Divisional ZEV steering groups
Climate-related activities:

- Develop and track progress against divisional ZEV transition plans and financial impact of ZEV initiatives.
- Review customer (passenger and contract counterparty) demand for ZEVs, ZEV supply chain relationships, ZEV funding options, technological advancements.

Divisional risk owners
- Assists in identifying and reporting climate-related risks and opportunities.

Transition plan governance

The Board has ultimate responsibility for overseeing the Group's Climate Transition Plan, ensuring alignment with the Group's Purpose, Values and long-term objectives. Oversight is exercised primarily through the Sustainability Committee, which has a remit to govern environmental and sustainability matters, including the delivery of our fleet transition to ZEVs. The Sustainability Committee monitors progress against the transition plan's objectives through a dedicated KPI dashboard presented at each meeting.

Risk management

The Group recognises that climate change brings both significant risks and strategic opportunities that will influence long-term resilience and competitiveness. The Group applies a two-pronged approach to identifying and assessing climate-related risks and opportunities. The principal approach to identifying climate-related risks is through divisional climate risk and opportunity self-assessment. This is supplemented by the integration of climate-related risks into the Group's risk management system. Both physical and transitional risks are seen as principal risks for the Group.

Divisional climate risk and opportunity self-assessment

Each division undertakes a dedicated climate-related risk and opportunity self-assessment, at least on a triennial basis. First introduced in 2022 and repeated in 2025 with the support of external sustainability consultancy Bureau Veritas, this exercise enables the Group to identify, assess and evaluate the potential size and scope of climate-related risks and opportunities across all operating divisions. Results are reported to Group and reviewed for material changes. The assessment covers both physical risks (e.g. extreme weather events) and transition risks (e.g. technology developments, infrastructure requirements, and energy challenges associated with the rapid shift to a ZEV fleet).

Divisional teams assign probability and financial impact scores to each risk and opportunity, assess the expected frequency of occurrence, and evaluate the effectiveness of existing controls. Each division is required to:

- Rate impact and likelihood;
- Estimate, where practical, financial impacts across short, medium, and long-term horizons; and
- Document existing mitigations and assess their effectiveness.

Detailed guidance ensures consistency in scoring across divisions. Submissions are consolidated into a central Group-wide climate risk register, reviewed by the Group Finance team with support from Bureau Veritas, and validated through clarifications where necessary.

The product of the financial impact and likelihood ratings is used to define risk scores for each timeframe. This provides a complete and balanced picture of exposure to climate-related risks.

Material risks are identified using defined risk score thresholds, which enable the Group to clearly identify the most material risks in individual locations and any risks which are material across divisions.

These thresholds are aligned with the Group's financial materiality definition. The resulting climate-related risks and opportunities (CROs) are categorised into transition risks, physical risks, and opportunities, reflecting outputs from both the risk assessment process and scenario analysis.

Risks and opportunities are prioritised based on their expected magnitude, likelihood and timeframe of impact, informed by past events, current conditions and credible forecasts. Assessments are reviewed by Group senior management, with a summary presented to the Board. The Board challenges conclusions to ensure climate risks are assessed alongside other principal risks.

Integration into the Group's risk management system

Climate risks are also embedded within the Group's broader risk management framework, which is presented to the Board at least twice annually. Risks follow a top down and bottom up process and Group-level risks are cascaded down to divisional Executive Management, with both existing and emerging transition and physical climate risks feeding into divisional and Group risk registers. Each risk is assigned to a designated owner, responsible for monitoring developments and reporting updates twice a year. Significant risks are consolidated into a Group register, with actions to mitigate them such as targeted investment or operational changes discussed and approved under the Group's delegated authority framework. The most material risks, including those linked to the transition to ZEVs and supporting infrastructure, are regularly reviewed at Board meetings.

Strategy

Climate-related risks and opportunities

We assess our exposure to climate-related risks and opportunities with an approach that is anchored in robust scenario analysis. The scenario analysis enables us to identify and ultimately assess the impact of risks from transitioning to a low-carbon economy and the physical risks from climate change over defined time horizons.

Time horizons

To assess the impact of climate-related risks and opportunities over time, the Group has defined three distinct time horizons that align with strategic planning cycles, regulatory milestones and global climate objectives:

2025–2030	2030–2050	2050–
Short-term	**Medium-term**	**Long-term**
Reflects the five-year strategic financial planning period and near-term regulatory developments.	To reflect the period when a structural transformation is expected to occur in the transport sector, including the phase-out of diesel vehicles and significant progress towards net-zero emission targets across the geographies in which the Group operates. These developments are consistent with The Paris Agreement objective of limiting global warming to well below 2°C (ideally 1.5°C), which requires the achievement of net zero by 2050.	This horizon captures the intensifying physical impacts of climate change that extend beyond mid-century, including more severe and frequent extreme weather events and rising sea levels.

The above time horizons represent a refinement of previously used scenarios and have been introduced to strengthen the robustness of our climate-related risk analysis. The medium-term timeframe was extended from 2028–2035 in previous assessments to 2030–2050, as the Group believes this horizon better captures the critical transition risks facing the bus, coach and rail sectors. This period encompasses anticipated regulatory milestones such as the phase-out of diesel vehicles, accelerated adoption of zero-emission technologies and infrastructure investments required to support electrification and alternative fuels. It also reflects evolving customer expectations and policy commitments across our operating geographies, ensuring that our strategy remains aligned with the pace of decarbonisation in the transport sector.

The long-term horizon was previously defined as extending to 2050; however, the Group has extended this horizon beyond 2050 to better capture the intensifying physical risks of climate change. By looking beyond 2050, the Group ensures its strategy remains resilient to the long-term trajectory of climate change and aligned with scientific projections that highlight the lagging effects of greenhouse gas concentrations.

These time horizons are applied consistently across the Group's scenario analysis and strategic planning processes to ensure robust evaluation of transition and physical risks and opportunities.

Climate scenario analysis

In 2025, the Group updated its climate scenario analysis with the support of an external sustainability consultancy, Bureau Veritas. In previous years the Group's climate risk assessment relied on two 'bookend' scenarios, representing extreme physical and transition risk outcomes. These scenarios were qualitative in nature, and offered valuable insights into how risks and opportunities might realistically affect our operations.

As an extension to the previous approach, the Group has now integrated quantitative, publicly available scenarios developed by leading international research institutions and policy organisations, including the International Energy Agency (IEA), the Network for Greening the Financial System (NGFS), and the World Bank.

These scenarios provide transparent, science-based projections of global emissions pathways, climate impacts, and socioeconomic trends. By leveraging this extensive, peer-reviewed modelling, the Group gains deeper insight into macro-level factors such as energy demand, carbon budgets and policy assumptions, enabling a more comprehensive evaluation of climate-related risks and opportunities.

Transition risk scenario selection

For transition risk analysis, the Group selected the Net Zero 2050 (~1.5°C) scenario published by NGFS as its primary reference. This scenario provides national and regional outputs, allowing for geographically relevant and focused insights across the Group's diverse operations. It is aligned with the Paris Agreement objective of limiting global warming to well below 2°C (ideally 1.5°C) and achieving net-zero greenhouse gas emissions by around 2050.

This scenario highlights the risks most pertinent to the Group's medium-term horizon, particularly the pace at which the diesel fleet must transition to ZEVs and the broader actions required to reduce emissions.

To supplement this analysis, additional scenarios were utilised including:

- NGFS's Below 2°C Scenario;
- NGFS's Delayed Transition 2070; and
- IEA's Net Zero Emissions by 2050 scenario.

These scenarios were used to support trend analysis and identify a wider range of risks and opportunities. Together, these scenarios provide a comprehensive view that aligns with Group operations, ambitions and approach to climate risk management.

Transition risk scenarios summary

Scenario	Global net-zero by:	Temperature rise by 2050	Assumptions
Net Zero 2050 – NGFS	2050	< 1.5°C	• Assumptions for the transport sector, with outputs for passenger road and rail. • Transport fuel mix in the transport sector is broken down in five-year intervals by country. • Separate assumptions and outputs for each country where the Group operates, alongside regional aggregates (e.g. North America and Europe). • Country-level carbon price trajectories are modelled through to 2050.
Below 2°C – NGFS	2070	< 2°C	
Delayed Transition– NGFS	2070	< 2°C	
Net Zero Emissions by 2050 – IEA	2050	< 1.5°C	• Transport fuel use is aggregated at the global level. • Includes assumptions on battery capacity in ZEVs. • Outputs provided at a global level with vehicle categories including buses.

Physical risk scenario delection

To strengthen our assessment of physical climate risks, the Group has refined its scenario analysis by integrating quantitative projections from the World Bank Climate Knowledge Portal. Projections of future climate over three time horizons, in all countries in which the Group operates, were utilised.

The portal provides climate projections derived from global climate models (GCMs) that are run under the Representative Concentration Pathway (RCP) scenarios. Each RCP represents a different trajectory of greenhouse gas concentrations and radiative forcing, allowing users to explore future temperature, precipitation and extreme event trends under different emissions scenarios from RCP 2.6, which reflects ambitious global mitigation aligned with the Paris Agreement's 1.5°C goal through to RCP 8.5, a high-emission trajectory with limited policy intervention.

Using a single authoritative source ensures comparability across geographies, improves efficiency and enhances accessibility for decision makers. This science-based approach builds upon our previous narrative-based analysis, providing transparent and credible data for stress testing business resilience.

Projections cover both chronic risks such as rising temperatures and shifting precipitation, and acute risks, including storms and heatwaves. Key variables include:

- Average summer and winter temperature changes (mean, maximum, minimum);
- Number of days exceeding 30°C;
- Seasonal precipitation changes; and
- Number of days with rainfall above 20mm.

Together, these indicators provide a clear picture of evolving climate trends and their potential impacts on operations and supply chains, supporting scenario analysis and resilience planning.

For physical risk, the Group selected RCP 8.5 as the primary reference scenario. This high-emission pathway is widely recognised as the benchmark for stress-testing resilience under severe climate outcomes. By focusing on RCP 8.5, we capture the full extent of potential physical climate impacts in a high-emission scenario, ensuring our strategy is robust against worst-case conditions. While this may overstate the risks if global mitigation succeeds, it provides a prudent basis for long-term planning and highlights vulnerabilities requiring action.

For reference, RCP 4.5 was also considered as a stabilisation pathway, offering context on how the climate may evolve under moderate mitigation efforts and current policy commitments. Although the RCP 8.5 was the primary scenario analysed, this pathway was utilised to provide a reference of how risks and opportunities evolve if current or moderate policies succeed. This offers a credible alternative to RCP 8.5 and replaces the previously used RCP 2.6, as we believe that it offers more plausible insights into trends in future climate.

By integrating quantitative climate projections into the Group scenario analysis, we can clearly understand changes in temperature extremes, precipitation intensity and seasonal averages under multiple climate pathways. We can use this data to map the interactions of these changes with our operations and to assess both acute and chronic risks across our geographies. This approach ensures our disclosures are both useful and credible and enhances the robustness of our climate risk assessment while providing valuable insights into how climate change may impact our operations and strategy over the short, medium, and long term.

By utilising these scenarios, the Group scenario analysis employs credible, science-based scenarios that capture both transition and physical risks across a range of potential futures.

Physical risk scenarios summary

Projections	RCP	Spatial scope	Description	Variables
Climate Knowledge Portal Climate Projections (World Bank)	RCP8.5	Global, with projections at country and subnational resolution	• A high-emission pathway with limited climate policy intervention, resulting in significant physical climate risks such as extreme weather events and chronic changes in temperature and precipitation patterns.	A range of variables for high and low temperatures, precipitation, heatwaves, droughts and heavy rainfall occurrences.
	RCP4.5		• A pathway where global emissions peak around mid-century and then decline, assuming moderate mitigation efforts. • Results in reduced but still material physical climate risks, including shifts in temperature, precipitation and extreme weather patterns.	

Risk and opportunity identification

The output of the climate scenario analysis was the identification of climate-related risks and opportunities by time horizon, to be taken forward to the risk assessment process, as outlined in the Risk Management section above. A key enhancement to our approach was the use of regionally specific scenario outputs to define risks and opportunities at the divisional level. This ensured that climate-related risks and opportunities were assessed in the context of each of the Group's operations (UK Bus, UK Coach, Alsa, Germany, WeDriveU, and Head Office), rather than solely at a consolidated level. The table below summarises the material risks that were identified through the process of scenario analysis and risk assessment outlined above, with the division(s) most likely to be affected by each risk or opportunity highlighted; and the time horizons in which we currently anticipate the greatest impact is also shown.

Material climate-related risks and opportunities

Risk/opportunity description	Time horizon and impact			Division most affected
	Short	Medium	Long	
Physical				
Flooding of stations and railways leading to damage of vehicles and equipment, disruption of services, safety hazards and financial losses			●	Germany
Increased impact of snow days beyond what is currently experienced, resulting in route/rail closures, reduced visibility and hazardous conditions, leading to widespread service delays and cancellations			●	Germany, UK (all), WeDriveU
Transition				
Carbon pricing having an impact on the supply chain with increased costs of vehicle procurement, infrastructure and parts being passed onto the Group. Particularly in an accelerated transition scenario, where there is greater government action, this was identified in every division and seen as the most financially material	●	●	●	Group-wide
Shifts in government policy, regulatory frameworks, or emissions thresholds, particularly if introduced with limited lead time, leading to rapid operational changes being required	●	●		Group-wide
Increased regulatory and reporting requirements increasing compliance costs (for example, third-party assurance or advisory services being needed); particularly in the event of an accelerated transition	●			Central functions
Increasing investor and other stakeholder pressure to transition. Failure to meet expectations may result in reduced stakeholder confidence and erosion of brand credibility		●		Group-wide
Expansion of low or no emissions zones which include public service vehicles, requiring faster than planned transition		●	●	UK Coach)

Risk/opportunity description	Time horizon and impact: Short	Medium	Long	Division most affected
Transition continued				
Uncertainty around the ZEV transition in the long-haul coach market, including: • Uncertainty around availability and commercial viability of zero emission vehicles, fuels and related infrastructure; • Volatility in price of zero emission fuels, such as electricity and hydrogen, resulting in higher operating costs; • Risk of limitations in range and battery life for long-haul solutions delaying the transition; • Risk of investing in unproven technologies in an accelerated transition scenario and recoverability of diesel residual values; and • Reliance on the ability of third-party operators to be able to transition.		●	●	Alsa and UK Coach
Fluctuations in the reliability of the grid in the face of higher demands for electricity, and the price impact and ability of the Group of selecting to switch to renewable energy sources for electricity.		●	●	Germany
Opportunity				
Increase in passenger use of public transport due to modal shift from private cars to mass transport, increasing numbers of passengers, and improving asset utilisation driving divisional revenue generation.		●	●	Group-wide

Transition plan and strategic response

Achieving net-zero GHG emissions by 2050 is critical to limiting global warming to 1.5°C and avoiding the worst impacts of climate change. To support these global efforts, the Group has set both near-term (2035) and longer-term (2040) targets aligned with the 1.5°C global temperature limit under the Paris Agreement and approved by the Science Based Targets initiative (SBTi); details of which are set out in the Metrics and Targets section.

The key driver of achieving these targets is the transition of our fleet to ZEVs. Vehicle emissions currently account for over 90% of Scope 1 emissions, making fleet decarbonisation essential to meeting our net-zero goal. Except for Germany, which already operates a fully electric rail fleet, all divisions must successfully transition to ZEVs. As a result, we anticipate that carbon offsetting will play only a minor role in our strategy.

As part of an industry with high emissions, delivering this transition is critical to reducing our contribution to global emissions while continuing to provide public transport services that already help avoid emissions. To address this, the Group takes a proactive approach, engaging continuously with suppliers, partners, and customers to accelerate progress.

The Group has been in the process of developing an integrated Climate Transition Plan, to be presented as a structured roadmap that supports the delivery of our short and near-term net-zero targets. This roadmap is informed by our climate-related scenario analysis and outlines how the Group and its divisions will adapt business strategy, operations, and governance to meet both near and long-term decarbonisation goals.

The plan incorporates a set of foundational assumptions and dependencies reflecting current market conditions, regulatory landscapes, technological trajectories and stakeholder expectations. These assumptions are critical to the feasibility and effectiveness of proposed actions.

The integrated Climate Transition Plan is based on our existing Group-wide net-zero commitments, including our 2040 ambition and the associated near-term carbon-reduction targets. As further detailed regulatory requirements are released in relation to transition plans, the Group will update and expand its disclosures accordingly.

A summary of each divisional transition plan, along with progress to date, is provided in the tables below.

UK Bus: UK

UK urban bus operations are progressing rapidly towards zero-emission fleet deployment. The strategy focuses on electrification, infrastructure readiness and operational optimisation to meet near-term targets while ensuring cost efficiency and service reliability.

Details

Key activities

- Fleet electrification with 31% already zero-emission or on order (up from 27% at the end of 2024)
- Driver training programmes focused on regenerative braking optimisation
- Solar panel installation at depots for onsite electricity generation
- Installation of LED lighting has been completed at 11 locations
- Depot redesign – four depots now fully designed for ZEVs
- Infrastructure and funding partnerships leveraging proven learning

Assumptions & dependencies

- Proven electric vehicles available from UK suppliers
- Electricity network capacity sufficient at depot locations
- Vehicle purchasing requirements is not a significant proportion of available market capacity
- Grant funding availability to support transition
- Operational benefits (lower maintenance, reduced running costs, higher customer satisfaction) will continue
- Supplier contracts guaranteeing battery and vehicle charging
- Electricity network infrastructure at depot locations
- Supplier partnerships for vehicle sourcing and infrastructure installation
- Market availability of proven ZEV technology

Urban Bus: Alsa

Alsa's urban bus transition strategy emphasises incremental electrification supported by hybrid and biodiesel solutions, while working closely with public authorities to ensure infrastructure readiness and contractual alignment.

Details

Key activities

- 197 new EV additions or orders during 2025
- Hybrid and alternative fuel vehicles (biodiesel) deployment as interim measures
- Close collaboration with Public Transport Authorities on electricity availability
- Iterative transition strategy aligned with contract counterparties

Assumptions & dependencies

- Longer transition timescale than UK due to operating conditions
- Suitable vehicles will be available in the market
- Public Transport Authorities will support vehicle and infrastructure initiatives
- Similar operational benefits will emerge as transition progresses
- Electricity infrastructure will be expanded by authorities
- Contract counterparties agreement on transition timetable
- Public Transport Authorities controlling electricity availability and depot charging capacity
- Operating conditions (route length, ambient temperatures) compatibility with ZEV technology
- Market availability of suitable vehicles for diverse operating conditions

Shuttle & Transit: WeDriveU

WeDriveU's North American operations prioritise supplier partnerships and grant funding to accelerate fleet electrification, supported by robust infrastructure planning and proven ZEV technology availability.

Details

Key activities

- Fleet electrification and ZEV deployment
- Supplier contracts guaranteeing battery and vehicle charging
- Grant funding utilisation
- Infrastructure partnerships for depot charging
- Market engagement for proven ZEV technology

Assumptions & dependencies

- Supplier contracts will ensure battery and charging availability
- Continued grant funding support
- Electricity network capacity at depot locations
- Market availability of proven ZEV technology
- Supplier partnerships for vehicle sourcing and infrastructure installation
- Electricity network infrastructure readiness
- Market supply of ZEV technology

Long-haul: UK and Alsa

The long-haul coach strategy explores hydrogen and battery, electric solutions for decarbonising intercity travel. Collaboration with industry bodies and infrastructure planning are critical to overcoming range and charging challenges.

Details

Key Activities

UK operations
- Hydrogen coach trials with UK suppliers meeting specification requirements
- Battery ZEV deployment on shorter routes (e.g. airport operations)
- Technology monitoring of both hydrogen and electric solutions
- Supplier engagement and industry collaboration through CPT ZEV taskforce
- Infrastructure assessment and planning for charging/fuelling solutions

Alsa operations
- Electric supercharger exploration at stations aligned with mandatory driver breaks
- Infrastructure planning coordinated with driver rest requirements
- Industry collaboration through International Federation of Public Transport (UITP)
- Technology solution development for long-distance operations

Assumptions & dependencies

UK specific assumptions
- Hydrogen technology will produce longer range than battery ZEV
- Battery ZEV is viable for future long-distance journeys
- Hydrogen cost per kilogram will decrease as industrial production scales up

Alsa specific assumptions
- Electric supercharger technology can be deployed at station locations
- Mandatory driver breaks provide sufficient charging windows
- UITP and industry partners will develop viable long-distance solutions

UK specific dependencies
- National hydrogen infrastructure development and availability
- Local hydrogen availability at operational locations
- Fuel cost competitiveness, currently uneconomical vs. diesel/electric
- Hydrogen production scaling to reduce costs per kilogram

Alsa specific dependencies
- Station infrastructure availability for supercharger installation
- Charging technology development enabling rapid recharge during breaks
- Electricity grid capacity at key stations for supercharger deployment
- Regulatory framework supporting driver break and charging infrastructure coordination

Shared dependencies
- Supplier progress on ZEV technology meeting operational specifications (long-distance ZEV coach)
- Technological advancement in both hydrogen and battery ZEV options
- Industry collaboration through CPT (UK) and UITP (Alsa)
- Government and private investment in infrastructure development
- Regulatory coordination on operational requirements and infrastructure standards

Rail: Germany

Rail operations in Germany are already fully electric, with a focus on energy optimisation and renewable integration. The fleet is equipped with regenerative braking. Driver assistance systems and infrastructure upgrades will further reduce emissions and enhance efficiency.

Details

Key Activities

- Driver assistance systems for energy optimised driving
- Energy usage reduction initiatives
- Renewable energy feasibility assessment
- Continuous monitoring of energy efficiency opportunities

Assumptions & dependencies

- Current fully electric fleet of 120 trains operational
- Driver assistance systems will reduce energy consumption
- Renewable energy transition feasible and desirable
- Public Transport Authorities will support renewable energy commercial viability
- Technology improvements will enable further emissions reductions
- Public Transport Authorities support for renewable energy transition
- Technology availability for driver assistance systems
- Infrastructure capability for renewable energy integration
- Regulatory framework supporting renewable energy adoption
- Operational integration of new energy-saving technologies

Resilience of the Group's strategy

The Group acknowledges the urgent need to reduce emissions and address the risks posed by climate change, however, there remains inherent uncertainty with assessing and anticipating future climate risks. Despite these uncertainties, the Group anticipates its strategy and business model will have the capacity to adapt to climate-related changes, developments and uncertainties based on the outcome of the climate-related scenario analysis and the maturity of the Climate Transition Plan.

Our strategy is designed to remain resilient under a range of climate scenarios, supported by a combination of operational flexibility, financial strength and proactive investment in low-carbon solutions. Key factors underpinning resilience include:

- **Geographical diversification:** The Group operates across multiple regions, reducing the likelihood that physical climate risks will significantly impact operations in any one location. Where necessary, assets can be relocated to mitigate risks such as flooding;
- **Risk transfer and cost recovery:** Comprehensive insurance coverage protects depots and vehicles against physical damage. Many contracts and operations allow for costs to be passed through to customers, mitigating financial exposure from increased costs or lost revenues;
- **Experience in zero-emission transition:** Early adoption of zero-emission vehicles (ZEVs) provides a proven blueprint for wider rollout. This experience strengthens our ability to manage infrastructure, training, and operational changes efficiently.
- **Procurement advantage:** As a market leader, the Group's purchasing power enables cost efficiencies in acquiring ZEVs and related infrastructure, supporting a cost- effective transition;
- **Government support and policy alignment:** Public transport remains a priority for governments, with initiatives such as dedicated bus lanes, low emission zones, and grants for ZEVs. Our strong relationships with local and national authorities facilitate collaboration on infrastructure and fleet transition;
- **Strategic Investment and Growth Opportunities:** Investment in ZEVs enhances our ability to win new contracts and meet evolving customer requirements. Modal shift towards public transport offers a natural offset to transition risks and aligns with broader decarbonisation goals; and
- **Financial hedging and operational adaptation:** As electricity consumption rises with EV adoption, we anticipate opportunities to hedge electricity costs. Operational adjustments, such as EV driver training and streamlined maintenance, are already integrated into our plans.

While physical risks and transition risks may present challenges over time, our mitigation measures and strategic positioning create resilience. We see potentially significant opportunities from fleet electrification and modal shift; both key to our strategy. Commercial viability of long-haul low-carbon solutions continues to improve, though it remains an area of uncertainty. Overall, we do not anticipate material changes to our strategy, resource allocation, or business model due to climate risks, beyond incremental operational enhancements already underway.

Metrics and targets

Climate-related metrics

Emissions results

In July 2025, the Group completed the disposal of the North America School Bus (NASB) business. This triggered a recalculation of the baseline year in line with the Group's recalculation policy. 2024 baseline emissions have therefore been restated to remove emissions relating to the NASB business. Likewise, the results for the 12-months ending 31 December 2025 and 15-months ending 31 March 2026 also exclude NASB to enable a like-for-like comparison to the prior year and to see progress in reducing emissions against the baseline year. For completeness, NASB emissions for full year 2024 and for 2025 up until disposal are shown separately to enable disclosure of the entire emissions footprint for both years and to reconcile to prior period disclosures.

Note that, in all of the below tables, the 2024 v 2025 percentage change comparison column is shown for the 12-months ending 31 December 2025 compared to the 12-months ending 31 December 2024 for ease of comparability.

Emissions (tCO_2e) – location-based	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
Scope 1	**788,994**	**643,830**	693,662	-7.2%
Scope 2 (location-based)	**95,545**	**75,337**	77,162	-2.4%
Total Scope 1 and 2 baseline	**884,539**	**719,167**	770,714	-6.7%
North America School Bus – Scope 1	**67,450**	**67,450**	121,666	-44.5%
North America School Bus – Scope 2 (location based)	**2,248**	**2,248**	3,775	-40.5%
Total Scope 1 and 2 for the period	**954,237**	**788,865**	896,155	-12.0%

Emissions (tCO_2e) – market-based	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
Scope 1	**788,994**	**643,830**	693,552	-7.2%
Scope 2 (market-based)	**180,361**	**143,838**	137,358	+4.7%
Total Scope 1 and 2 baseline	**969,355**	**787,668**	830,910	-5.2%
North America School Bus – Scope 1	**67,450**	**67,450**	121,556	-44.5%
North America School Bus – Scope 2 (market-based)	**2,248**	**2,248**	3,775	-40.5%
Total Scope 1 and 2 for the period	**1,039,053**	**857,366**	956,351	-10.4%

Intensity metrics (excludes North America School Bus)	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
Location-based:				
Total Scope 1 and 2 per million passenger kilometres	**33.03**	**32.46**	30.85	+5.2%
Total Scope 1 and 2 per £000's revenue	**0.263**	**0.263**	0.297	-11.5%
Total Scope 1, 2 and 3 per million passenger kilometres	**49.78**	**48.69**	47.55	+2.4%
Total Scope 1, 2 and 3 per £000's revenue	**0.397**	**0.394**	0.457	-13.9%
Market-based:				
Total Scope 1 and 2 per million passenger kilometres	**36.20**	**35.55**	33.26	+6.9%
Total Scope 1 and 2 per £000's revenue	**0.289**	**0.288**	0.320	-10.1%
Total Scope 1, 2 and 3 per million passenger kilometres	**52.95**	**51.78**	49.96	+3.6%
Total Scope 1, 2 and 3 per £000's revenue	**0.422**	**0.419**	0.481	-12.8%

As required by IFRS S2 29 (a) (iv), Scope 1 and 2 emissions are further disaggregated as follows (note these exclude North America School Bus):

Scope 1	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
Consolidated accounting group	**765,833**	**624,635**	675,555	-7.5%
Other investees (associates and joint ventures)	**23,161**	**19,195**	18,107	+6.0%
Total Scope 1	**788,994**	**643,830**	693,662	-7.2%

Scope 2 (market-based)	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
Consolidated accounting group	**179,408**	**142,999**	136,641	+4.6%
Other investees (associates & joint ventures)	**953**	**839**	717	+17.0%
Total Scope 2 (market based)	**180,361**	**143,838**	137,358	+4.7%

Scope 3 emissions by category are as follows. The other categories are not applicable to the Group.

Scope 3 by category	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
1. Purchased goods and services				
2. Capital goods	**40,076**	**30,596**	75,993	-59.7%
3. Upstream fuel and energy production and distribution	**213,501**	**173,303**	181,917	-4.7%
4. Upstream transportation and distribution	**147,862**	**117,616**	113,221	+3.9%
5. Waste and water	**834**	**714**	382	+86.9%
6. Business travel	**4,096**	**3,131**	2,222	+40.9%
7. Employee commuting	**39,483**	**31,948**	18,910	+68.9%
8. Upstream leased assets	**4**	**4**	20,662	-100.0%
13. Downstream leased assets	**743**	**596**	101	+490.1%
15. Investments	**1,980**	**1,572**	3,861	-59.3%
Total Scope 3 (baseline)	**448,579**	**359,480**	417,269	-13.8%
North America School Bus	**56,577**	**56,577**	123,956	-54.4%
Total Scope 3 for the period	**505,156**	**416,057**	541,225	-23.1%

The Group already has incentives in place across all divisions to lower our carbon footprint in our operations, for example being embedded within employee targets and objectives. In addition to this, capital investment requests and bid models are scrutinised for their environmental impact. Given that these processes already meet the aim of using a carbon price, we are not currently utilising one in our internal reporting at this stage; however, this will be kept under review.

Environmental targets have a 25% weighting within the annual long-term incentive plan (LTIP) awards granted to the former Executive Director(s) in 2023 and 2024. The Group does not currently collect data in sufficient detail to enable reporting of metrics under IFRS S2 29 (b) to (e) inclusive.

Emissions performance commentary

Absolute emissions for calendar year 2025 showed improvement on 2024. Scope 1 emissions reduced year on year on a like-for-like basis (i.e. adjusting both years to remove NASB for better comparability), principally as a result of increased ZEVs in service and increased consumption of HVO fuel in Alsa. Scope 2 emissions (market-based) increased as a result of the higher number of ZEVs; although absolute Scope 1 and 2 combined emissions still showed a year-on-year reduction.

Scope 3 emissions reduced by 13.8% on a like-for-like basis principally driven by lower capex costs arising from new vehicle orders.

Emissions reporting methodology

We measure and report our Scope 1, 2 and 3 greenhouse gas emissions in line with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), together with appropriate emission actors taken from recognised public sources including, but not limited to, the Department for Business, Energy & Industrial Strategy (BEIS), Defra, the International Energy Agency, the US Energy Information Administration, the US Environmental Protection Agency and the Intergovernmental Panel on Climate Change.

We have used a materiality threshold of 5%, have accounted for all material sources of GHG emissions and have reported emissions for both the calendar year ending 31 December 2025 to enable comparability to prior years, and for the 15-months ending 31 March 2026 to align to our Financial Statements.

The Group applies an Operational Control approach to all business divisions reporting emissions for collecting this data as it best captures the emissions the Group is responsible for. A regular review is undertaken to ensure any changes to the Group structure are reflected in capturing emissions data; this included updating the emissions baseline for 2024 to reflect the North America School Bus disposal which completed in July 2025. The Group's GHG Emissions Recalculation Policy can be found at **www.mobicogroup.com/about-us/our-policies/**.

Scope 1 emissions (from combustion of fuels, and use of natural gas and refrigerant gases) represent the largest category for emissions, with vehicle emissions representing over 90% of Scope 1 emissions. Scope 2 emissions (from electricity usage) represent energy usage both in our buildings, in our German Rail operations and electric vehicles in operation in other divisions. A small portion of Scope 1 and 2 is estimated based on prior year data with a current year factor applied, only where current year invoices are not available on time for reporting. Scope 3 emissions have been calculated as follows:

- For categories 1 and 4 combined, 2 (purchased goods and services, upstream transportation and distribution, and capital goods), the calculation methodology is based on actual spend data;
- For category 5, waste, actual data is used where available, and if not available, a best estimation is made, based on averages of existing data;
- For employee commuting (category 7), reasonable assumptions have been made around commuting patterns applied to the actual number of employees at each location. This category includes the optional emissions arising from home working;
- For investments (category 15), the 'average data' method is used, based on the sector the investee company operates in, which drives the sector specific emission factor used, applied to investment value data; and
- For all other Scope 3 categories relevant to the Group (3, 6, 8 and 13), actual usage data has been obtained.

Assurance

External assurance from Carbon Responsible Limited has been obtained over the Group's Scope 1 and 2 absolute emissions, to a limited level of assurance to the ISO14064-3 standard.

Climate-related targets

In April 2026, the Science Based Target initiative (SBTi) validated the Group's new near-term carbon reduction targets covering Scope 1, 2 and 3 emissions.

These were an update to the Group's previous SBTi validated targets following the sale of North America School Bus in July 2025, requiring a recalculation of the baseline and the Group's near-term targets. The baseline year in the new targets was updated to 2024 to both use the latest available data and to ensure that NASB and WeDriveU data could be appropriately disaggregated in the baseline year (following the separation of the two businesses during 2024).

The targets are aligned with the Paris Agreement of controlling the increase in global warming to below 1.5°C degrees. These targets are gross greenhouse gas (GHG) emissions targets and included CH_4 and N_2O global warming potential carbon equivalents. The Group does not utilise or plan to utilise carbon credits or offsetting at this stage. The approved targets were as follows:

Mobico Group PLC commits to reduce absolute Scope 1 and 2 GHG emissions 63% by 2035 from a 2024 base year. Note the target boundary includes land-related emissions and removals from biogenic feedstocks. Mobico Group PLC commits to reduce absolute Scope 3 GHG emissions 37.5% by 2035 from a 2024 base year.

Carbon emissions data for Scope 1 and 2 is collected and analysed on a quarterly basis, and Scope 3 on an annual basis, in order to regularly review progress against the targets.

Progress in 2025 (calendar year) against the baseline year for Scope 1 and 2 emissions is shown below:

Calendar year	Scope 1 and 2 emissions (market-based, tCO_2e)	Reduction against baseline %
2024	830,910	–
2025	**787,668**	**5.2%**

Progress in 2025 (calendar year) against the baseline year for Scope 3 emissions is shown below:

Calendar year	Scope 3 emissions tCO_2e)	Reduction against baseline %
2024	417,269	–
2025	**359,480**	**13.8%**

Other KPIs are also measured and collected to review progress against both the above target and the Group's long-term targets of (a) achieving net zero by 2040 for scope 1 & 2 emissions and (b) operating a fully zero emission fleet by 2040. These are summarised in the table below:

KPI	At 31 March 2026	At 31 December 2024	Change YoY
Number of zero emission vehicles in service or on order	**1,329**	1,100	+20.8%
% of total fleet that is zero emission (including on order)	**9.9%**	4.1%	+5.8%
Impact on operating profit from extreme weather events	**(£1m)**	(£5m)	(£4m)
Net book value of diesel vehicles at 2040	**£nil**	£nil	–

Streamlined Energy and Carbon Reporting (SECR)

The below tables set out the required disclosures under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Note these exclude the emissions from North America School Bus which was disposed of during the year and has therefore been removed from our emissions baseline.

Scope 3 by category	12-months ending 31 December 2025 UK & offshore area	12-months ending 31 December 2025 Rest of world	12-months ending 31 December 2024 UK & offshore area	12-months ending 31 December 2024 Rest of world
Scope 1 (tCO_2e)	**135,819**	**508,011**	162,751	530,911
Scope 2 (location based) (tCO_2e)	**5,186**	**70,151**	5,064	72,099
Scope 2 (market based) (tCO_2e)	**15**	**143,823**	–	141,133
Total Scope 1 and 2 (market based) (tCO_2e)	**135,834**	**651,834**	162,751	672,044
Energy consumption used to calculate above emissions (mwh)	**634,755**	**2,336,799**	665,911	2,667,297
Intensity metrics (market based):				
Total Scope 1 and 2 per £000's revenue	**0.2314**	**0.3027**	0.2612	0.3399
Total Scope 1 and 2 per million passenger kilometres	**31.77**	**36.46**	38.82	32.33

The methodology for calculating the above results is set out in the 'emissions reporting methodology' section above.

Energy efficiency action taken

Fleet electrification continues to represent our highest energy saving opportunity, with the number of zero emission vehicles having increased year on year as set out in the KPI section above. Electric vehicles save a significant amount of energy measured in MWh compared to diesel equivalents.

In addition, during the current year other initiatives have also contributed to energy savings. In the UK, installation of LED lighting has been completed at eleven locations.

Principal risks and uncertainties

Committed to managing risk effectively

Risk management

During the year, we have continued to see the internal and external environment evolve. The Board of Mobico Group recognises managing risk and uncertainty is a key element in the successful delivery and achievement of its strategy. As both the internal and external environment change, the level of risk changes too. Some increase, some reduce, and new risks emerge. Positioned as a global leader in the transportation industry, Mobico is exposed to an evolving landscape of risks, which could potentially impact performance or reputation negatively, as well as positively. The Board remains ultimately responsible for the effective management of risk in the Group and continues to remain committed to driving continuous improvement and adopting best practice in this crucial area. In addition to the broad strategic responsibilities, the Board:

a. Approves the Group Risk Appetite Statement;
b. Reviews and approves the Group Emerging Risks; and
c. Reviews the Principal Risks faced by the Group and approves the Group Risk Register.

a. Group Risk Appetite Statement

The Board recognises that in continuing to deliver Mobico's strategy and achieve our objectives we need to take some calculated risks. However, Mobico will tolerate a level of risk that is consistent with our core purpose and values, can be managed effectively and be in line with the expectations of our Shareholders and other stakeholders to offer superior returns. The acceptable level of risk is reviewed on an annual basis, which defines the appetite and tolerance level against key risks by analysing the mitigation actions in place and what additional measures might be needed. This ensures alignment between our view of acceptable risk exposure and the strategic priorities of the Group. Mobico's strategy and objectives, including the focus on strategy outcomes are reflective of its risk appetite.

Mobico has:

- A strategy to create value for Shareholders and society in a sustainable way;
- A clear understanding of its risks and opportunities in the transport industry across all geographic regions the business operates in (with any future expansion into new regions being subject to deep and rigorous country risk reviews) ensuring that the appropriate governance arrangements are in place aligned with the Group's strategy and values; and
- No appetite for risks impacting the safety of our employees, customer or general public, brought on by unsafe vehicles or actions.

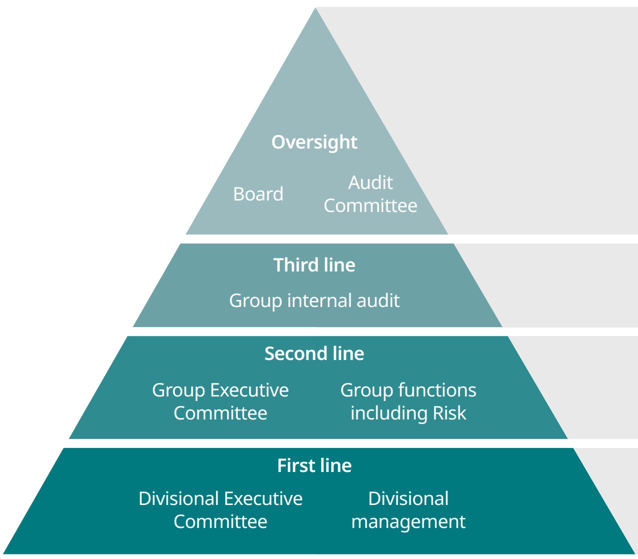
Mobico is exposed to a universe of risks for which it has a varying degree of appetite and tolerance. In determining its appetite and tolerance for specific risks, the Board and Audit Committee ensures that:

1. Risks are consistent with Mobico's Purpose and Values, strategy and financial objectives;
2. Risks are tolerated only when high standards of control and mitigation have been implemented and appropriate review and approval has been attained through the Risk Management Framework and improvement and reward is achievable; and
3. Risks are actively reviewed and monitored through the appropriate allocation of resources.

The Board remains ultimately responsible for determining the nature and extent of the risk it is willing to take to achieve strategic objectives, ensuring an effective management of those risks in the Group, and is committed to driving continuous improvement and adopting best practice in this important area.

b. Group Emerging Risks

Emerging risks are reviewed and approved by the Board. The Group considers an emerging risk to be one that cannot yet be fully assessed and is not currently having a material impact on the business, but has a reasonable likelihood of impacting future strategy or operations. The Group's approach to identifying and managing emerging risk exposure is to:



- Set strategic objectives
- Determine overall risk culture and appetite
- Establish delegated authorities and clear operating processes
- Review and approve Group Risk Register, Risk Appetite Statement and Emerging Risk
- Conduct 'deep dive' reviews of divisional risk registers, or specific Group risks
- Assess the effectiveness of risk management and internal control system

- Provides reasonable assurance that systems of risk management, internal control and governance are effective

- Support divisions with 'first line' responsibilities
- Coordinate and report on Group-level risks
- Build risk capability and understanding

- Identify, assess and report key risks
- Regularly review and update divisional risk registers
- Implement risk mitigation plans

- Identify a wide universe of potential emerging risks using horizon scanning techniques, published external research and peer/competitor review;
- Make a preliminarily assessment of these risks, taking into account our industry sector and market position, and our strategy, to determine broad relevance;
- Consider the potential impact of each risk on the Group's strategy, finances, operations and reputation, taking into account the likelihood of the risk occurring, and the speed with which it may manifest; and
- Develop actions to address the risks where appropriate.

From a very wide universe of potential emerging risks, the Group has, through the above process, identified a number of risks that warrant closer review. Based on the rate of development of the risk, they have been further segregated into those requiring only a monitoring approach at present and those where actions are being developed alongside the principal risks. The majority of the emerging risks identified continue to relate to frontier technologies such as:

- Disruptive new technologies and use of AI, and the ethical aspects of AI use; and
- Autonomous vehicles and their impact in the industry.

In addition, we continue to evaluate potentially disruptive operating models arising from ZEV transformation and are closely monitoring macroeconomic and geopolitical developments and the varying impact to our geographical regions. It should be noted that the Group considers some of these areas to bring risks as well as opportunities.

c. Group Principal Risks

- **Our Risk Management Framework and lines of assurance**

In our continuous review of the best risk management processes and governance models to apply to Mobico, we continue to use the 'Three Lines Model' as the one that provides optimal structure across the Group with clear roles and oversight that work together to achieve good assurance. The 'Three Lines Model', is summarised above.

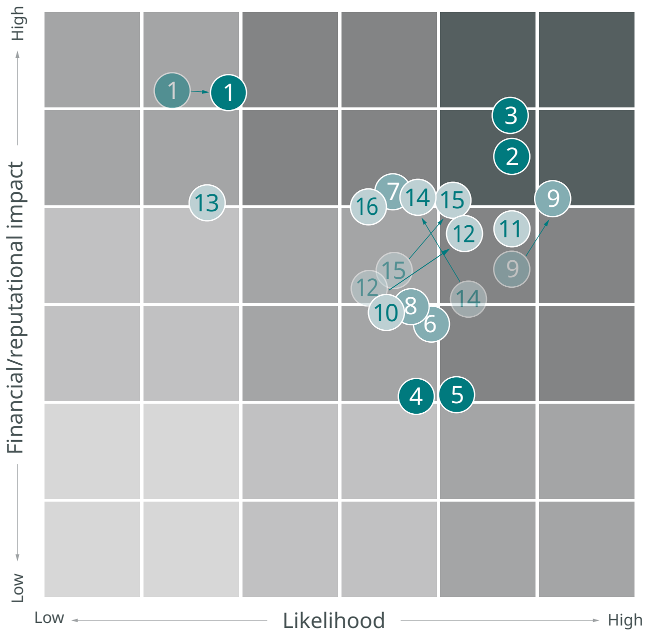
- **Our process for identifying and managing principal risks**

At Mobico, the management of risk is embedded in the day-to-day operations of divisional management teams. A key element of this is the regular review and update of detailed risk registers in each division, in which risks are identified and assessed in terms of both the probability of the risk occurring and its potential impact. Group-level risks are derived from a combination of a 'top-down' and 'bottom-up' approach, and either from the divisional risk registers, because the risk either affects multiple divisions, or is of a materiality in itself that is considered of Group significance. Each of these Group-level risks is then assessed by the Board in terms of its potential impact on the Group and its key stakeholders. The Group prioritises risk mitigation actions by considering risk likelihood and impact.

- **Our Group Principal Risks**

During the period we have continued to see our internal and external environment evolve and go through significant change. Internally, we continue to go through organisational transformation and change, and externally we continue to see the environment develop from an economic, geopolitical, technology and trading perspective. All of these areas affect our risk environment, and our Group Principal Risks have been reviewed in the period in light of this.

Group Principal Risks



Macro/ external risks

1. Unprecedented external factors threatening the resilience of the business
2. Limited economic growth affecting our speed of recovery
3. Adverse political and geopolitical environment affecting funding
4. Regulatory landscape and ability to comply
5. Climate changes (physical)

Strategic risks

6. Climate changes (transitional)
7. Implications of new technology in our business model (ZEV transformation)
8. Competition and market dynamics in a digital world
9. Organisational change, transformation and growth

Operational risks

10. Shortages of drivers and frontline employees
11. Industrial action
12. Cyber attack and IT operational resilience
13. Safety incidents, litigation and claims
14. Credit/financing
15. Attraction and retention of talent, and succession planning
16. Contract management

Macro/external risks

1 Unprecedented external factors threatening the resilience of the business

M

Risk description

The resilience of the business can be challenged by major incidents such as a future pandemic, a financial crisis or extreme weather. If the Group is not able to identify the risks and prepare appropriately, it will not be able to act and manage the situation that might lead to significant financial, operational and reputational damages.

Management/mitigation

- Refresh business continuity procedures for different types of incident scenarios.
- Review of resources needed (material and human resources).
- Lessons learned and root cause analysis to continuously learn and improve resilience.
- Sharing best practices across divisions in different geographic regions.
- Review contracts to ensure they have appropriate exemptions or protection for events of such scale and nature.

Opportunity

- The ability to respond rapidly to significant changes in operating conditions could provide the Group with a competitive advantage.

Factors influencing the risk during the year

- Business resilience continues to be challenged by extreme weather events.
- Volatility in the electricity and fuel market remains with potential for futures spikes in energy prices.

2 Limited economic growth affecting our speed of recovery

H

Risk description

Limited economic growth can impact demand for travel and put pressure on our revenue growth, cash generation and our profitability – this can be on a country, region or global basis.

Management/mitigation

- Strategic plans are stress tested for differing economic scenarios.
- Efficiency and cost control is prioritised.
- Strong and agile leadership of the business and individual divisions.
- Increasing focus on gross cost contracts that offer greater downside protection.
- Focus on capex-light contracts that result in lower cash outflows.
- Negotiate long-term framework agreements with key suppliers.
- Wider diversification of customers, industry and geographic regions.

Opportunity

- Despite an ongoing unsettled economic outlook, demand for public transport continues to be strong.
- Due to high fuel prices, economic conditions globally and government incentives to drive modal shift (including those related to climate change), an increasing number of passengers are shifting from the use of personal cars and rail to coaches and buses.

Factors influencing the risk during the year

- Economic pressures will likely continue in 2026, driven by geopolitical uncertainty and the continuing global conflicts in particular in the Middle East.
- Increased pressure to reduce public spending or to divert funds into other areas.

3 Adverse political and geopolitical environment affecting funding

H

Risk description

Political and geopolitical events and the operating environment created by political change or instability may affect our businesses, particularly those where we rely on funding from a public authority or they are an active stakeholder (e.g. they are the contracting party or they regulate the market). A change in the political environment could lead to the termination or amendments of contracts or the level of funding we receive.

Management/mitigation

- Monitoring of the political landscape and focus on effective stakeholder management.
- Group raises awareness on the importance of public transport to central and local governments.
- Focus on operational excellence and delivering value in our franchises and contracts, and to our fare paying customers.
- Political risk carefully assessed when considering bids or new market entry.

Opportunity

- Political and social pressure continues to force authorities to promote public transport.
- Increasing investment in public transport and increasing adoption of franchising models (especially in the UK and Alsa).
- New regions and markets liberalise and open up to competition/private operators.

Factors influencing the risk during the year

- Continued changes to the Moroccan operating environment could lead to further reductions in profitability and footprint in the country.
- West Midlands Combined Authority's desire to implement bus franchising could further impact UK bus funding, operations and the transition plan to bus franchising
- The continued impact of UK tax rises could lead to an increasing cost base across UK operations.
- Developments in the Sustainable Mobility Law in Spain could impact profitability in Long Haul in Spain, although the introduction of the 'Single Ticket' initiative in Spain is likely to present opportunities for growth.
- The German government's infrastructure plans may lead to more possessions on the rail network in Germany, leading to increased unavailability of infrastructure to complete services.
- US government could implement further domestic changes including changes to funding of public services and changes to the country's climate change mitigations.

Macro/external risks

4 Regulatory landscape and ability to comply

No change | M

Risk description

Changes in current regulations and newly introduced regulations can impact the cost structure and operational procedures in our business as we strive to remain compliant.

- Continued intensification and tightening of environmental regulations are creating changes in emissions regulations, restricting operations through clean air zones.
- New regulations in the cyber security and cyber resilience areas.
- Introduction of more sanctions and the need to perform due diligence to our supplier base.
- More scrutiny and new requirements on companies' governance (UK Corporate Governance Code 2024, UK 'failure to prevent fraud' offence, etc.).
- New employment rights in the UK and elsewhere increases the risk of legal challenge for employees and impacts on the achievement of business objectives.

Management/mitigation

- Regulatory horizon scanning to proactively identify new regulations or when considering new market entry.
- Awareness raising and communication supporting Group's position in key regulatory changes.
- Comprehensive third-party due diligence process to help us identify, manage and mitigate risks.
- Continuously improve our compliance programme with the right governance structures in place to ensure oversight and progress in achieving our targets and good quality reporting.
- Business planning to minimise the impact of changes in employee rights.

Opportunity

- Increased legislation at local or national level to drive modal shift and to reduce environmental impact.
- Funds committed to drive public transport projects and modal shift in the UK, the USA and the EU to combat pollution and congestion.

Factors influencing the risk during the year

- Greater scrutiny and increased requirements on companies' compliance programmes is seen across all geographic regions in which we operate.

5 Climate change (physical)

No change | M

Risk description

We see increased frequency and intensity of extreme weather events such as hurricanes, floods and heatwaves that can lead to extensive damage to infrastructure, loss of lives, and disruptions to communities. The Group can lose key locations or suffer severe asset damage, or operations can be interrupted and cause revenue loss even if the Group's assets are undamaged. In addition, chronic changes such as rising temperatures and shifting precipitation will affect how the Group delivers services across its geographies.

Management/mitigation

- Geographical diversification of the Group provides a natural hedge to this risk.
- Established emergency and continuity plans in each division.
- Physical risk rating across Group locations.
- Relocation of assets.
- Insurance coverage is available and in place for some hazard-related risks.
- Comprehensive environmental risk assessment, climate change scenario modelling.

Opportunity

- Increased legislation at local or national level to drive modal shift to reduce the environmental impact.
- Political and societal desire to reduce emissions to tackle the risks posed by climate change leading to more funding for public transport and net-zero vehicles to deliver services.

Factors influencing the risk during the year

- Continued increase in extreme weather events around the globe, including poor weather in North America and Europe at the start of 2026.
- Further changes to the global political environment leading to further walking back from climate targets and government-led mitigations.

Risk appetite

H High risk | M Moderate risk | L Low risk

Risk movement

Increase | Decrease | No change | N New/change in scope

Strategic risks

6 Climate change (transitional)

– H

Risk description

The transition to zero-emissions mass mobility is driven by regulatory changes, market demands and the Group's commitment to reducing its carbon footprint. The successful and sustainable transition poses a number of challenges due to required infrastructure, the cost and changes to the risk profile associated with owning and operating the assets. Compliance with legislation, reporting requirements and regulation also incurs additional reporting and wider compliance costs.

Management/mitigation

- A Group commitment to a zero-emission fleet by 2040.
- Cross-division executive leadership of ZEV strategy.
- Participation in ZEV trials in different jurisdictions and using different technological solutions.
- Close engagement with new and existing original equipment manufacturers.

Opportunity

- Potential opportunities to take a leadership role in the transition which may open up new opportunities with customers.
- Opportunity to fulfil our vehicle requirements through changing to an ownership model which requires less capital expenditure and reduces technology infrastructure risk, enabling a faster transition.

Factors influencing the risk during the year

- Continued roll out of ZEVs in the UK (Coventry) and in other territories e.g. Portugal.
- Restrictions regarding the level of capex available means that alternative funding solutions will continue to be key.
- Further changes to the global political environment may slow funding for the transition.

7 Implications of new technology in our business model (ZEV transformation)

– M

Risk description

Transition to ZEV means introducing new technology that involves changes impacting across the business model including financing, contracting, maintaining and operating of the assets.

- Asset ownership and availability risk associated with new financing models.
- Technology and safety-specific risk (for example increased risk of thermal events in electric vehicles) requiring mitigation.
- Changes to driver and maintenance training requirements.
- Infrastructure challenges including the suitability of existing depots for ZEVs.
- Performance risk, particularly for new technologies.

Management/mitigation

- Comprehensive planning outlining the phased implementation of ZEVs in the business model, considering operational, technological, and financial aspects.
- Frontline employee trainings to adapt to new technologies and operational procedures associated with ZEVs
- Thorough financial assessments to understand the short-term and long-term costs and benefits of transitioning to ZEVs.
- Collaborate with technology providers, infrastructure developers and other stakeholders to build a supportive and sustainable ecosystem for a ZEV business model
- Implement a robust monitoring system to track the performance and challenges associated with the ZEV transformation, allowing for timely adjustments to the business model.

Opportunity

- Increasing political and customer demand for operators who understand the risks and opportunities associated with ZEVs.

Factors influencing the risk during the year

- n/a

Strategic risks

8 Competition and market dynamics in a digital world

Risk movement: No change **Risk appetite:** M

Risk description

The evolving digital landscape in the transportation sector brings a number of challenges and opportunities.

- Consumer preferences are shifting towards digital booking, payment, and real-time tracking.
- Digital innovations raise the bar for customer experience.
- Dynamic pricing models or subscription models offer alternative revenue structures that may disrupt traditional fare structures.
- Existing suppliers rely on older outdated technology and not investing to modernise their platforms.
- Group falls behind competitors as a result of a lack of investment in modernising technology.
- Suppliers unintentionally disrupt the Group for extended periods.
- More intense competition as a result of changes in bus franchising.
- Failure to develop applications and digital channels that meet these increasing expectations could affect profitability, customer satisfaction and the business's ability to capitalise on valuable customer data to enable commercial initiatives.

Management/mitigation

- Assess market trends, customer preferences and emerging technologies to adapt strategies and invest in the right technology.
- Developing our technology strategy to allow us to use and surface data via internal and third-party customer-facing digital channels.
- Commitment to service excellence, providing the best solutions to our customers and value for money.
- Developing demand-responsive services and close monitoring of the effectiveness of various digital channels.
- Targeted acquisitions and growth in the most attractive markets.

Opportunity

- Millennials and younger generations are an increasingly important target market and more inclined to use public transportation if the service is right.
- Continuing urbanisation drives cities to partner with high-quality transportation operators.
- Weaker transport operators become targets for acquisition or contracts being re-tendered.

Factors influencing the risk during the year

- Continued increases in bookings through online and digital mobile platforms.
- Industry consolidation creating stronger competition.

9 Organisational change, transformation and growth

Risk movement: Increase **Risk appetite:** H

Risk description

Structural transformation (particularly with organisational design and business model transformation) can affect productivity in the short-term, bring unforeseen disruption, misalignment of goals and resistance to change.

Linked to this, the number and breadth of change initiatives underway cannot be delivered by the management alongside the maintenance of business as usual activity. This could lead to delays to and failure of change initiatives, increased management turnover and negative impacts on operations.

Management/mitigation

- Clear strategy and goals communicated and reinforced.
- Strong senior management with experience in leading. transformational projects successfully.
- Attracting, retaining and developing a workforce to handle the evolving demands.
- Clear change programme leadership.
- Adequate resourcing for change initiatives.
- Effective programme governance which monitors progress and outcomes.

Opportunity

- Increased efficiency, innovation, customer satisfaction, and profitability.
- Development of an effective change implementation approach and plan which can be deployed for future change initiatives.

Factors influencing the risk during the year

- Exposure to this risk has increased as a result of the number and scale of change initiatives currently underway within Mobico.

Risk appetite

H High risk M Moderate risk L Low risk

Risk movement

Increase Decrease No change N New/change in scope

Principal risks and uncertainties continued

Operational risks

10 Shortages of drivers and frontline employees

L

Risk description

A tightening labour market leads to a combination of higher turnover and lower numbers of new recruits. A material shortage of drivers, engineering and maintenance employees impacts our ability to effectively deliver services and impact profitability, operations and reputation.

Management/mitigation

- The Group is committed to employee engagement and invests in a number of retention programmes.
- Reward and recognition programmes are established to further enhance employee engagement.
- Streamlined recruitment process to allow a higher volume of candidates.
- Key partnership with employment agencies as well as direct targeting strategy.
- Creation of 'driver academy' and engineering apprenticeship programme.
- Increased focus on staff wellbeing.

Opportunity

- Minimising labour-related disruption improves our reliability relative to other operators which can drive contract change.

Factors influencing the risk during the year

- Although the risk remains high due to the volatility of the job market currently, the Group has significantly reduced the driver gap over the period.

11 Industrial action

M

Risk description

Industrial action can impact the delivery of service, revenues and damage our brand and reputation, along with employee engagement and morale.

- Increase wage costs.
- Reduced productivity as a result of unfavourable T&C's.
- New unfavourable regulations for employers leading to increase in union activity.
- Strikes can disrupt operations and lead to lost revenue and reputational damage.

Management/mitigation

- Focus on the effective communication and management of stakeholder and union relationships, and the advice of specialist outside counsel is sought where necessary.
- Timely dialogue and prompt resolution on pay negotiations.
- Regular reporting of union activities across division to the Group Executive teams and close oversight by the Global HRD.
- Detailed review of the Employee Satisfaction Survey results to identify improvement opportunities.
- Foster a culture of open communication and dialogue with all employees.

Opportunity

- Rail disruption in the UK has seen an increasing number of passengers shifting from the use of rail to coaches and buses.

Factors influencing the risk during the year

- US government creates a possible impact in North America through the National Labor Relations Board (NLRB) decision (CEMEX) in 2023 which enforces increased administrative procedures to employers on how to manage unionisation.
- New Employment Rights Act (2025) in UK.

Operational risks

12 Cyber attack and IT operational resilience

Risk movement: Increase. Risk appetite: M

Risk description

- Major cyber security attack could lead to loss of access to systems and/or data resulting in loss of revenue.
- Data compromise involving a loss of customer information could result in reputational damage and significant remedial costs.
- Breach of the UK Data Protection Act (DPA), EU General Data Protection Regulation (GDPR) or the US California Consumer Privacy Act (CCPA) could result in a regulatory investigation and financial losses.

Management/mitigation

- A cyber security strategy led by an experienced team that is aligned with the threat landscape.
- Ongoing investment in education of staff on cyber awareness as a first line of defence.
- Investment in organisational and technical measures to protect data assets and improve defences against cyber breaches. In particular, improved end point protection, and adoption of a Security Operations Centre for early detection and response in event of a cyber attack.
- Regulatory compliance plans in place, tailored to each division's exposure (DPA, GDPR or CCPA).
- Improve our compliance programme with reviews from the second and third line, supported by external experts.

Opportunity

Strengthened resilience against cyber threats increases awareness and leverage of technology across the Group.

Factors influencing the risk during the year

- Increase in prevalence and sophistication of ransomware attacks across the globe targeting all industries.
- Cyber security investment continuously supporting further resilience and risk management.
- Increased external environment of events that have disrupted multiple businesses across the world.

13 Safety incidents, litigation and claims

Risk movement: No change. Risk appetite: L

Risk description

- Major safety-related incident could impact the Group both financially and reputationally.
- Higher than planned claims or cash settlements could adversely affect profit and cash outflow.
- Non-compliance with regulations can create legal and financial risk and prohibit or limit ability to bid for other work.
- A security incident (e.g. terrorism) would have a direct impact through asset damage, disruption to operations and revenue loss.
- Potential indirect impact from a general reduction in the public's appetite to travel reducing demand and revenue.

Management/mitigation

- Very strong safety culture with embedded standards, policies and procedures across the Group.
- Global Safety Standard to address wellbeing.
- We train our employees to ensure high levels of competence and offer great service.
- Invest in leading safety technology, data collection optimisation systems to both mitigate risk and provide oversight.
- Appropriate insurance coverage for terrorism and accident-related claims to employees and third parties with experienced claims management and legal teams.
- All divisions have developed emergency plans and established safety audit programmes.

Opportunity

- Relentless focus on safety and investment in technology should facilitate risk and cost reductions and enable differentiation in our customer offering.
- Transitioning to ZEVs is further improving safety.

Factors influencing the risk during the year

- Increased road congestion and third-party behaviour increasing risk.
- Changing global security threats and risks.

Risk appetite

H High risk | M Moderate risk | L Low risk

Risk movement

Increase | Decrease | No change | N New/change in scope

Operational risks

14 Credit/financing

H

Risk description

Constrained equity and/or debt markets increase the costs of capital and debt financing and regulation of debt providers can impact access to and/or cost of capital. An increased cost of existing borrowing, or constraints on the availability of credit at commercially attractive rates could impact the Group's ability to continue existing activities and undertake new ones.

Management/mitigation

- Disciplined and proactive approach to our financing.
- Strong relationships with key banks and stakeholders.
- Continued monitoring and scenario analysis over covenants.
- Appropriate liquidity maintained through committed bank facilities, finance lease programmes and analysis of alternative financing options.
- Close monitoring and management of cash with particular focus on receivables and appropriate provisions made for possible non-collection.

Opportunity

- Cost and access to debt capital should favour companies with positive environmental impact.
- Minimise requirements for external working capital through organic cash generation.

Factors influencing the risk during the year

- Improved disclosure and transparency, alongside increased engagement with new and existing investors and/or lenders.
- General improvement of Mobico business outlook from Simplify for Success and resolution of specific business issues such as German Rail contracts.

15 Attraction and retention of talent and succession planning

H

Risk description

Risk of not being able to attract or retain talented individuals with key skills needed to deliver the strategy, during a period of organisational change in the business. This may adversely affect our ability to operate and grow effectively

Management/mitigation

- The Group is committed to employee engagement and invests in a number of retention programmes.
- Consider the need for increased incentives to help retain staff.
- Appropriate training and development is provided for managers and supervisors.
- Mentoring and coaching programmes.
- Reward and recognition programmes are established to further enhance employee engagement.
- Focus on improving core recruitment and retention process.
- Increased focus on wellbeing.

Opportunity

- Partnerships with universities offer great opportunities for students and recent graduates by gaining experience or securing a work position early in their careers.

Factors influencing the risk during the year

- Organisational changes to our business continues to present both opportunity and risk.

Operational risks

16 Contract management

N H

Risk description

Poor management of the contract bidding process, as well as the in-life management of contracts can have a significant negative impact on our financial performance and leave us exposed to fines and penalties from contracting parties. Additionally, poor management of supplier contracts could lead to commercial leakage, long-term detrimental financial arrangements and/or negative non-financial consequences including failure to comply with laws and regulations.

Management/mitigation

- Thresholds and parameters are in place such that bids are given appropriate authorisation.
- Reviews of bids are conducted by appropriately skilled persons.
- Divisional reviews focus on performance of contracts in-life and deep dive post investment reviews are undertaken where required.
- Significant changes to contracts are reviewed and receive approvals before they are implemented.
- Supplier contracts above certain thresholds require Group Executive sign off.
- Group Procurement drives all major procurement processes.

Opportunity

- Good contract management presents the opportunity to build lasting relationships with our key customers opening up opportunities for expansion of services, increased profitability and extensions of existing contracts.
- Demonstration of good contract management can be used as examples in tenders with new customers.
- Good contract management with suppliers may help mitigate cost increases/present opportunities to lower costs while improving our reputation.

Factors influencing the risk during the year

- We will continue to seek growth through new contracts which may be in new territories or outside of our core business lines.
- The consolidation of our procurement functions will provide more structure to the management of our suppliers.

Risk appetite

H High risk M Moderate risk L Low risk

Risk movement

Increase Decrease No change N New/change in scope

Viability statement

Assessment of prospects

The Board continues to believe that the Group's prospects are positive in the medium to long-term.

We are diversified:

- No one contract contributes more than 4% to revenue; and
- The Group operates in over 40 key cities across 11 countries and multiple modes or usages of transport.

We are positioned to benefit from the future trends in transportation:

- Transport demand continues to grow; and
- Public transport is fundamental to the long-term solution for the urban challenges of congestion and poor air quality; our ambition to be an environmental leader places us at the forefront of this opportunity.

We invest in the business to secure its future:

- We invest in technology to allow customers to access our products at competitive prices and to deliver our services safely and efficiently; and
- We continue to selectively bid for and win new business, with 28 new contract wins in the period. Total contract wins amounted to annualised revenue of £109m and total contract values of £682m. These contracts have an average ROCE of 40%. The conversion rate on bids submitted and awarded was 27%, up from 23% in 2024.

The Group has strong liquidity, with £0.9bn of cash and undrawn facilities available as at 31 March 2026. The Group's credit rating is speculative at Fitch and highly speculative at Moody's.

The 15m 2026 period has been one of positive change and significant progress across the Group, with each of the businesses at different stages of structural improvement or growth. The Group continues to deliver on the 'Simplify for Success' cost programme, and to strengthen the business and deliver ongoing structural cost savings – all of which remain on track. Furthermore, the sale of the capital-intensive North America School Bus business and the loss-making NXTS business during the year has created additional capacity for deleverage and profitable growth.

Principal risks and assessment period

The Board reviewed the Group's principal risks (pages 56 to 64), looking at each risk's impact, likelihood and the timeframe over which the risk was likely to reduce Group cash flows. The highest likelihood risks from the Group's risk matrix were triangulated against divisional-identified risks to model a severe but plausible downside scenario to assess the Group's future viability. The specific risks modelled are outlined below. While there are other principal risks included in the Group's risk matrix, Management concluded that these are not expected to have a material financial impact over the assessment period.

The Board concluded that three years continues to be an appropriate timeframe over which to assess the Group's ongoing viability due to the following:

- While several of the Group's contracts do extend five or more years, the next three years is particularly relevant in terms of upcoming changes in the business, for example the move to franchising in UK Bus, key concession renewals in Alsa and implementing the turnaround of UK Coach.
- Forecasting over a longer time scale inevitably brings further inaccuracy in modelling. The Board concluded that the three-year horizon is appropriate as it enables good visibility of upcoming changes in the business, while projecting accurately beyond this period becomes too difficult due to potential changes in government transport policies and the unpredictable nature of major contract wins or losses.
- Regulatory: after repeated delays to the process, the majority of the major Spanish concessions are expected to have been renewed within three years.
- Financing: within the three-year period, several financing events are assumed, primarily a refinancing of a £250m bond (expiring in 2028) and the revolving credit facility (expiring in 2029).

Assessment of viability

In assessing viability, the Directors have considered the Group's long-term financial projections (the base case, aligned with the Group's long-term strategic plan) and have then applied stress tests. The following theoretical downsides were derived from the Group's principal risks and uncertainties and were evaluated and modelled as occurring simultaneously:

Economic conditions

Cost inflation is higher than assumed in the base case across a variety of costs (fuel, staff and other costs), with lower passthrough to customers than assumed in the base case. Customer demand is negatively impacted as a result of reduced disposable income, without any corresponding upside from customers switching from cars to public transport. Interest rates increase, resulting in a higher rate of interest on new borrowings.

Competition and market dynamics

New contract wins assumed across the Group are reduced and there is more aggressive competition from other operators or modes of transport in certain markets. Operating margins upon renewal of contracts are materially lower than that assumed in the base case.

Transformation

A material reduction in the savings delivered under the 'Simplify for Success' cost programme and other divisional profit improvement plans is modelled as a result of delays and shortfalls in realising the savings.

Legal, political and regulatory landscape
Relations with governing authorities deteriorate, resulting in lower subsidies/funding.

Safety, security incident, litigation and claims
Following a major safety/terrorism-related incident, either on board our vehicles or in the wider markets in which we operate, there is a reduction in demand for discretionary travel.

Climate change
Periods of non-service due to adverse weather conditions has been modelled in divisions most likely to experience this.

UK Bus
Across the viability assessment period to the end of 2029, the move to UK Bus franchising is scheduled to occur in full, in three tranches: October 2027, Summer 2028 and Spring 2029. It has been assumed that the Group will execute the successful monetisation of relevant depot and fleet assets and the relief from all associated liabilities of the operation. It is assumed that this will occur in alignment with the timescales noted above.

Financing
Across the viability assessment period to the end of 2029, several facilities are due to mature, including the May/June 2027 USPPs totalling £238m, the £250m November 2028 bond and the RCF in 2029. The 2028 bond and RCF are both assumed to be refinanced with equivalent-sized facilities, taken out at least 12-months prior to the related maturity, at currently prevailing market interest rates. Excluding these new facilities, where rates are yet to be determined, we have good visibility of projected interest expense with circa 86% of interest expense at fixed rate. Covenant compliance with comfortable levels of headroom on adjusted EBITDA, interest expense and adjusted net debt is forecast throughout the period under the base case albeit when stress tests are applied, mitigating actions, such as those described below, would be required to maintain compliance.

In making the viability assessment, the Board has assumed that these facilities can all be replaced or added on appropriate, market-rate terms. The hybrid bond, which had its first call date in November 2025 and has therefore rolled over (with a next reset date in 2031), is structured as a perpetual bond callable at Mobico's discretion and hence is classified as equity from an accounting and covenant perspective.

Middle East conflict
In this viability assessment the impact of the ongoing conflict in the Middle East has been considered, and modelled in the form of increased fuel pricing (for the unhedged volume) and higher general inflation, offset in part by the increased revenue from resulting fare increases. While the Middle East conflict creates heightened macroeconomic uncertainty, the Board has exercised judgement and concluded that it does not give rise to a significant risk to the Group's profitability (and therefore its viability), as a result of the fuel hedging policy in place (for further details see page 191) and the contractual protections in place to recover increased costs in the event of high levels of inflation. The Group does not have significant operations in the Middle East and has not been directly impacted by the conflict to date.

Mitigations
In modelling a confluence of the Group's principal risks as identified above, it is necessary to also consider the mitigating actions that the Group would take when faced with a downturn in profitability and reduction in cash flow as modelled in the scenario testing. Therefore, the offsetting positive impact of cost savings on discretionary spend and reduced capital expenditure on non-committed / non-essential spend has been modelled. The Board is confident in the ability to enact such mitigations in the event of a downturn in trading, as demonstrated during the Covid-19 pandemic.

Viability statement
Based on the results of the analysis, the Board has a reasonable expectation that the Group will continue in operation and be able to meet its liabilities as they fall due over the three-year period of assessment, based on comprehensive analysis and scenario testing. The modelling assumes that new financing facilities will be taken out to replace certain of the facilities maturing during the viability assessment period; the availability of sufficient liquidity headroom in the latter year of the assessment is dependent on this refinancing. In confirming the Group's ongoing viability, the Board emphasises that it has thoroughly assessed all primary and emerging risks that might jeopardise the Group's liquidity, solvency, performance, or overall business model.

Governance report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Chair's introduction to Corporate Governance

PHIL WHITE
Executive Chair

> "As the Group continued its turnaround during 2025, it relied more than ever on its approach to corporate governance. This helped the Board consider and address challenges as they arose and will allow it to prepare for any issues that may arise in the future."

Governance at a glance

Effective decision-making, including in accordance with our s.172(1) duty – see the Board's activities on pages 73 to 75 and our s.172(1) statement on pages 78 and 79.

A focus on Board and senior management succession planning and diversity – see our Nominations Committee report on pages 90 to 93.

Robust and ever-evolving risk management and internal controls – see our Audit Committee Report on pages 84 to 89.

A drive to meet our environmental ambitions and to be the employer of choice – see our Sustainability Committee report on pages 94 to 96.

Carefully balanced executive pay decisions – see our Annual Statement by the Remuneration Committee Chair and Directors' Remuneration report on pages 97 to 110.

Corporate Governance Compliance Statement

The Board is pleased to report that the Company has applied the Principles and complied with the Provisions of the UK Corporate Governance Code issued by the FRC in January 2024 for the 15-month period ending 31 March 2026, save for Provision 9: following the departure of the previous Group CEO Ignacio Garat in April 2025, Phil White was appointed as the Executive Chair on 1 May 2025; therefore the roles of CEO and Chair were being exercised by the same individual from 1 May 2025 until the appointment of Paco Iglesias as the Group CEO on 1 April 2026. Phil will resume his role as Non-Executive Chair on 1 October 2026 to ensure an orderly transition of executive duties. When Phil's appointment as the Non-Executive Chair was first announced in March 2025, the Board considered him independent on appointment.

The Code is publicly available from the FRC website here: **www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/**.

This Corporate Governance report as a whole explains how the Company has applied the Principles and complied with the Provisions of the UK Corporate Governance Code, but below is a guide to where the most relevant explanations are given for each of the Principles:

	Principles	Pages
Board leadership and Company Purpose	A, B, C, D and E	Pages 72 to 75 and page 79
Division of responsibilities	F, G and H	Pages 76 and 77
Composition, succession and evaluation	I, J, K and L	Pages 90 to 93
Audit, risk and internal control	M, N and O	Pages 84 to 89
Remuneration	P, Q and R	Pages 97 to 110

This Corporate Governance report describes our governance practices. Our corporate governance framework within which those practices operate is available on our website here: **www.mobicogroup.com/about-us/corporate-governance/governance-framework/**.

Strategy, risk management, internal control, and safety and environmental leadership

The Board is responsible for reviewing the Group's strategy and its management of risk and ensuring that there is a robust system of internal control in place. The Board, supported by its Audit and Sustainability Committees, has been active during the 15-month period ending 31 March 2026 in discharging these responsibilities by: (i) reviewing options for, and progress against, the Group's deleveraging plans, including approving the sale of its North America School Bus business, progressing smaller disposals in the UK, and taking other steps to de-risk the business going forward, including reaching agreement in principle with the German PTAs for its rail services in North Rhine-Westphalia and adjacent regions; (ii) approving the Group's new 'Simplify, Strengthen, Succeed' strategy; (iii) reviewing the Group's risk appetite and its management of principal and emerging Group-wide risks; (iv) strengthening and better defining the Group's internal controls in anticipation of reporting against Provision 29 of the Code which came into effect on 1 April 2026; and (v) monitoring the Group's overall compliance, safety and sustainability programmes. At the same time, controls over capital allocation and costs, while ensuring that the Group has the resources it needs, have been a key focus of the Board's activity during the period.

Further details of these matters are set out throughout the Strategic report and in the Audit and Sustainability Committee reports.

Board and senior management composition, succession and diversity

During the year, we said goodbye to Helen Weir, Non-Executive Chair, and Ignacio Garat, Group CEO. We also said goodbye to Helen Cowing, who served as Group CFO on an interim basis and was not a member of the Board. I joined the Board as Executive Chair in May 2025, and the Board was delighted to welcome Brian Egan as Group CFO in June 2025 and Paco Iglesias as the Group CEO in April 2026. I will revert to Non-Executive Chair on 1 October 2026.

In May 2026, Karen Geary, the Senior Independent Director, informed the Board that she does not intend to stand for re-election as a member of the Board at the Group's 2026 AGM. An announcement on the new Senior Independent Director will be made in due course.

The Board undertook an internal Board performance review during the year, which built upon the external review conducted in 2024. This review gave us valuable insights into our strengths as a Board and progress made during the year, and also identified areas for improvement.

Further information about the composition of the Board and its Committees, its succession plans and performance review, senior management succession, and how diversity and inclusion are being fostered on the Board and across the Group, can be found in our Nominations Committee report.

Remuneration balance between reward and restraint

The Board, through its Remuneration Committee, is responsible for ensuring appropriate arrangements are in place for rewarding and incentivising management in the context of Company and individual performance as well as the workforce, Shareholder and wider stakeholder experience.

The Remuneration Committee has sought to achieve the right balance between rewarding the Executive Directors and incentivising them to continue their work on leading the Company's recovery while exercising appropriate restraint on their total pay. In doing so, the Remuneration Committee has taken regard of the wider stakeholder experience.

Further information about the Remuneration Committee's decisions on Executive Director pay, alongside the regulated information about all Directors' pay, can be found in the Directors' Remuneration Report.

Stakeholder relations

The Board is accountable to its Shareholders and wider stakeholders, and considerations relating to stakeholders have remained high on the Board's agenda in the 15-month period ending 31 March 2026, including through direct engagement with equity and debt investors on key matters and direct engagement with the workforce. Engagement with other stakeholders primarily takes place at the divisional level, however, the Board ensures that it hears and understands such views via regular divisional updates from the Group COO and through my Executive Chair updates to the Board for the period under review (and from 1 April 2026, through the Group CEO updates). More detail on how the Board engages with its stakeholders is found on pages 81 to 83. The Board remains committed to open channels of communication with all stakeholders to be able to hear their views to aid its decision-making. Our s.172(1) statement provides examples of how the Board has considered stakeholders in making Board decisions.

Annual General Meeting

Our Annual General Meeting (AGM) will be held at 10.30 am on Wednesday, 9 September 2026 in the Bevan Suite at BMA House, British Medical Association, Tavistock Square, London WC1H 9JP. Further information will be in the Notice of AGM.

Conclusion

Our approach to corporate governance has helped the Board's decision-making during a pivotal year of transition and will continue to support us as we make further progress in 2026. Having re-joined the Group after so many years away, I have been impressed by the efforts and energy of my colleagues during some difficult times. On behalf of the Board, I would like to thank our colleagues, customers, suppliers and other stakeholders for their efforts and support during 2025 and into 2026.

Phil White
Executive Chair

28 July 2026

Board of Directors

Key

(A) Audit
(N) Nominations
(R) Remuneration
(S) Sustainability
● Chair

Phil White
Executive Chair

Appointed: May 2025

Current external appointments:

None

Brian Egan
Group CFO

Appointed: June 2025

Current external appointments:

None

Karen Geary
Senior Independent Director

N R S

Appointed: October 2019

Current external appointments:

- Non-Executive Director, Sabre Insurance Group PLC
- Non-Executive Director, PageGroup PLC

Jorge Cosmen
Non-Independent Deputy Chair

N S

Appointed: December 2005

Current external appointments:

None

Carolyn Flowers
Independent Non-Executive Director

A N S

Appointed: June 2021

Current external appointments:

None

Ana de Pro Gonzalo
Independent Non-Executive Director

A R

Appointed: October 2019

Current external appointments:

- Non-Executive Director, ST Microelectronics NV
- Non-Executive Director, Novartis AG
- Independent Director, National Advisory Board representing Spain before the Global Steering Group for Impact Investment

Nigel Pocklington
Independent Non-Executive Director

R S

Appointed: August 2023

Current external appointments:

- Chief Executive Officer, Good Energy Group Limited

Enrique Dupuy de Lome Chávarri
Independent Non-Executive Director

A N

Appointed: November 2023

Current external appointments:

- Non-Executive Director, Wizz Air Holdings PLC

Resignations during the period in review

Helen Weir
Chair of the Board
Appointed: October 2022

Resigned: 1 May 2025

External appointments as at 1 May 2025:

- Supervisory Board Member, Koninklijke Ahold Delhaize N.V.

Ignacio Garat
Group CEO

Appointed: November 2020

Resigned: 30 April 2025

External appointments as at 30 April 2025:

None

Board of Directors as at 31 March 2026

For more information on each of the Director's experience and key strengths in support of the Company's strategy please visit the Company's website:

www.mobicogroup.com/about-us/our-leadership-team/

For information on the Directors' roles and responsibilities, please visit:

www.mobicogroup.com/about-us/corporate-governance/role-of-the-board/

Further details about Directors' independence, conflicts of interest and commitment are set out on pages 76 and 77.

Board activity
for the 15-months ending 31 March 2026

Strategy, business and operational performance	• Approved the new 'Simplify, Strengthen, Succeed' strategy • Reviewed options for, and progress against, the Group's deleveraging plans, including approval of the sale of the North America School Bus business • Reviewed the performance of the Group's divisional businesses, including receiving reports from the Group COO on the divisional performance versus strategy and their priorities and initiatives, and reviewing and approving key Group priorities including the agreement in principle with the German PTAs • Reviewed and approved bids for significant opportunities to provide transportation services
Financial performance	• Received reports from the Audit Committee on the integrity and reasonableness of, and reviewed and confirmed, the Company's and its Group's full-year and half-year financial results, the going concern basis on which they were prepared and the Group's viability • Approved the Group's annual budget and five-year plan, and monitored the Group's trading performance against both budget and forecasts in light of changing market conditions, particularly in respect of labour costs and availability, interest rates and inflation and evaluated alternative strategic options to deleverage • Reviewed and agreed the Group's financing requirements, including headroom against Board-set liquidity requirements and bank-set covenants • Monitored progress of performance actions, cost reduction programmes and cash-saving opportunities as part of wider efforts to accelerate deleveraging, including the integration of UK Coach with Alsa and the 'Simplify for Success' cost savings programme • Considered the Company's dividend policy and approved the decision not to pay a 2025 interim or full year dividend for the 15-month period ending 31 March 2026 • Approved the appointment of KPMG LLP as the Group's Auditors and the extension of the Group's accounting reference date to 31 March to allow sufficient time for the preparation, and audit, of the financial results
Risk management and internal control	• Reviewed the Group's risk appetite and its management of principal and emerging Group-wide risks • Received reports from the Audit Committee on its reviews of cyber risk and divisional risk management • Received reports from the Audit Committee on, and reached its own conclusion about, the effectiveness of the Group's system of internal control, including the findings and effectiveness of the internal audit function and the work of the external Auditor • Approved the annual renewal of the Group's insurances • Received regular updates on legal and regulatory matters, including material legal claims brought by and against the Group's companies • See pages 74 and 75 of this Corporate Governance report for a detailed review of the Board's activity during the 15-month period ending 31 March 2026 in relation to safety
Sustainability	• Received reports from the Sustainability Committee on the progress against the Group's sustainability ambitions, including approving new Group environmental targets and a new Group 'People and Culture' strategy, and reviewing progress against its targets and strategy • Considered the Group's approach to climate change scenario modelling and reviewed the financial impact of the chosen climate scenarios over different time periods • Received people updates relating to engagement survey or pulse survey results, driver shortages, trade union relations, diversity and other matters affecting the workforce • Participated in a number of workforce engagement activities, as further described on page 82 of this Corporate Governance report
Leadership and remuneration	• Received and approved recommendations from the Nominations Committee on the appointment of a new Executive Chair, Group CEO and Group CFO, proposed size and composition of the Board and each of its Committees and the proposed annual election, or re-election, of Directors at the next AGM • Received a report from the Nominations Committee on succession plans and changes to the Group Executive Committee, including on the development plans being put in place for internal candidates identified as potential successors in light of the Group's strategic objectives and resulted in the appointment of a new Group CEO • Received reports from the Remuneration Committee on its activities, including Executive and senior management pay awards, bonus awards, targets and out-turns, long-term incentive grants, performance conditions and vestings and overall pay conditions across the Group • Reviewed and approved Non-Executive Director fees
Governance	• Approved the Company's Annual Report, including ensuring that it is fair, balanced and understandable • Considered developments in corporate governance and reporting and how best to implement such developments, such as 2024 Corporate Governance Code • Reviewed the results of the internal Board and Committee performance review • Reviewed the Board's terms of reference, its Committees' terms of reference and the Group's delegated authority framework • Reviewed and approved the Group's modern slavery statement

Further details about the Board and Committee meetings held during the 15-month period ending 31 March 2026, Directors' attendance at those meetings and the Board and its Committees' processes are set out on pages 76 and 77 of this Corporate Governance report.

Board activity for the 15-months ending 31 March 2026 continued

Safety

The Group CEO has overall responsibility for the Group's safety system and performance (for which the Executive Chair had responsibility from 1 May 2025 to 1 April 2026). In 2025, a new Group Safety Committee was established to support the Group CEO in discharging this responsibility. The Committee consists of the Group CEO, Divisional CEOs and the Divisional Safety Directors. The Board has direct oversight of the Group's safety system and performance, receiving a safety report and updates at each scheduled Board meeting.

Safety system

The Group has well-defined and developed safety systems, standards and policies that operate across its global businesses, which have their foundations in the 'Driving Out Harm' programme that originated in 2011 with 12 Global Safety Standards. This was enhanced in 2017 with the introduction of five new Global Safety Policies relating to speed management, driving evaluation, competence of driving evaluators, driver monitoring and driver performance management. A sixth Global Safety Policy on road vehicle shunting was introduced in 2021. The first six policies are fully implemented across the Group's existing operations and continue to be implemented in those cities and countries in which the Group has more recently commenced operations. During 2025, a 13th Global Safety Standard on wellbeing was implemented, while a 14th Global Safety Standard on electric vehicle thermal events is in development, with adoption expected during 2026.

Safety performance

The Board assesses the Group's safety performance and risk by reference to a number of KPIs, the principal one being the Fatality and Weighted Injuries (FWI) index measure. The FWI index weights preventable injuries by severity to give an overall base score, which is normalised by miles operated.

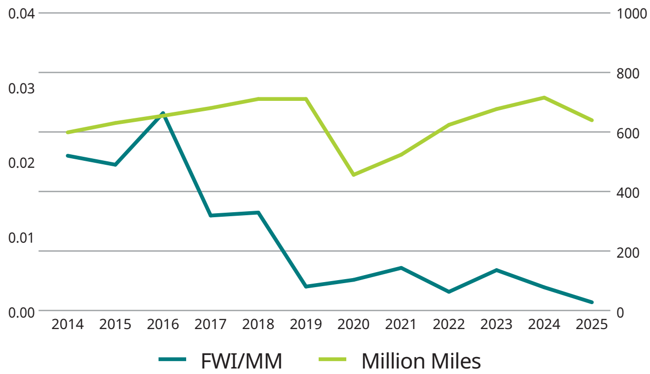
A further KPI measures a preventable accident score which counts the number of vehicle accidents that should, by compliance with the Group's safety system, have been capable of being prevented.

To ensure continued focus on the Group's safety performance, a portion of the bonuses for Executive Directors and senior management is based on the Group FWI index score, with the threshold for payout only being met if there were no preventable fatalities during the period in question. For commentary on the safety element of the bonuses for Executive Directors, please see page 102.

The FWI index target for the period in question is derived from the Group's average FWI score from the previous three years. The actual score achieved for the 12-months ending 31 December 2025 is set out in the table below:

KPI target and 2025 bonus target	Bonus weighting	Target score	Actual score
Group FWI index score (per million miles) to 31 December 2025[2]	15%	0.0032[1]	0.0011

The Board was delighted to note that the Group FWI index target for the 12-months ending 31 December 2025 was met and was the best result on record, and that there were no preventable fatalities during 2025, which demonstrates the impact of the relentless focus on safety. It is particularly pleasing to see that safety has remained in focus during a year of turnaround for the Group. The impact of the Group's focus on, and continuous investment in, safety is illustrated by the graph below.



To demonstrate the Group's ongoing focus and commitment to safety, the Remuneration Committee of the Board will continue to include safety metrics within the Executive Directors' and senior management's bonus plans for 2026, as set out in the Directors' Remuneration Report.

In addition to assessing safety performance by reference to KPIs, the Board also received reports on all major safety incidents within the Group, their root causes and any lessons to be learned, together with action plans implemented in response to them.

It also received updates about a number of specific or new aspects of the Group's safety system, for example:

- The Board was updated on the Group-wide actions being taken to mitigate the risks emerging of thermal events on battery electric vehicles. This involves a cross divisional working group to ensure emerging good practice and lessons are shared, who have been working on a new Global Safety Standard on thermal events to mitigate the risks going forward. Adoption of this new standard is anticipated during 2026 following review by the new Group Safety Committee. This is also an example of how the Group continues to be alert to new and emerging risks and devises plans to mitigate their effects;
- The Board was given an overview of how the risk caused by inexperienced drivers is managed, given these drivers are statistically more likely to be involved in a collision. The Board was pleased to hear that accidents and incidents involving inexperienced drivers continues to be tracked on a monthly basis by the divisional safety teams who put measures in place to mitigate the risks;

1 The original Group FWI target for the 12-months ending 31 December 2025 was 0.0034, but this was changed to 0.0032 (i.e. a more difficult target to achieve) as part of revising the targets for H2 following the disposal of the North American School Bus business

2 Please see the Directors' Remuneration report on page 102 for the Group FWI Index score at 31 March 2026

- The Board was pleased to hear about improvements to the Group's drug and alcohol testing regime in the UK following a review of those policies and procedures;
- Following an increasing trend versus prior year in anti-social behaviour in the UK, the Board was informed of the work being done alongside the authorities and the police to keep our drivers and ground staff safe; and
- With the new Global Safety Standard on wellbeing now in place, the Board welcomed updates on the progress with implementation, which included hearing about the different divisional initiatives available to our employees and the Board undertaking mental health training.

The Group's safety excellence also continued to be recognised externally during the 15-month period ending 31 March 2026. For example: the UK achieved ISO 45001 health and safety accreditation in its Coach division, having achieved the same accreditation in its Bus division the previous year; in Germany, we renewed our government safety certificate for a further three years, with no issues identified during renewal; and Alsa received the 'Ponle Freno' award, granted by Atresmedia for innovation in Road Safety for the project 'Siempre Seguro' (Always Safe). It is the most prestigious road safety award in Spain and was presented in the Senate.

The Board believes that the Group's approach to safety, and commitment to continually learning and improving through innovation, ensures it is, and will continue to be, the safest operator in the industry.

Division of responsibilities

Roles and responsibilities

The Board has agreed a clear division of responsibilities between the Executive Chair and the Group CEO. Other roles are also clearly defined to enhance Board effectiveness. A summary of those roles and responsibilities is available on the website here: **www.mobicogroup.com/about-us/corporate-governance/role-of-the-board/**

Board and Committee meeting attendance

The Board and its Committees conduct their business at scheduled meetings during the year. Additional meetings are held, and other arrangements made, to consider and decide ad hoc matters outside of scheduled meetings. The table below sets out the attendance by Directors and Committee members at the scheduled meetings of the Board and its standing Committees during the period 1 January 2025 to 31 March 2026:

Attendance at meetings	Board	Nominations Committee	Audit Committee	Remuneration Committee	Sustainability Committee
Total scheduled meetings in the 15-month period ending 31 March 2026[1]	9	3	5	7	3
Executive Directors[2]					
Phil White, Executive Chair[6]	*7	–	–	–	–
Brian Egan, Group CFO[4]	6	–	–	–	–
Ignacio Garat, Group CEO[3]	2	–	–	–	–
Chair and Non-Executive Directors					
Helen Weir[5]	*2	1	–	2	0
Jorge Cosmen	9	*3	–	–	3
Carolyn Flowers	9	3	5	–	*3
Karen Geary[8]	9	3	–	7	2
Ana de Pro Gonzalo[7]	9	–	5	6	–
Nigel Pocklington	9	–	–	*7	3
Enrique Dupuy de Lome Chávarri	9	3	*5	–	–

1 Some of the Board and Committee decisions were taken outside of scheduled meetings during the year and the Executive Directors were also invited to attend certain meetings of the standing Committees of the Board where appropriate, neither of which are shown in the table above. The Disclosure Committee and Executive Committee of the Board met during the 15-month period ending 31 March 2026 as and when required but these meetings are not reflected in the table above given the nature of these committees means that such meetings are not scheduled.

2 Helen Cowing attended Board and certain Committee meetings in her capacity as Interim Group CFO but is not included in the above table as she was not a member of the Board. Helen stood down as Interim Group CFO on 24 June 2025.

3 Ignacio Garat stood down from the Board on 30 April 2025, having attended all meetings of the Board held during the year prior to this date.

4 Brian Egan was appointed to the Board as Group CFO on 24 June 2025 and attended all meetings of the Board held after this date.

5 Helen Weir stood down from the Board on 1 May 2025, having attended all meetings of the Board and Remuneration Committee held prior to this date. Helen missed one meeting of the Sustainability Committee due to exceptional circumstances, and did not attend one meeting of the Nominations Committee as the Chair's succession was a key topic on the agenda.

6 Phil White was appointed to the Board as Executive Chair on 1 May 2025 and attended all meetings of the Board held after this date.

7 Ana de Pro Gonzalo was not able to attend one meeting of the Remuneration Committee as this meeting had to be rescheduled to a date where she already had pre-existing commitments.

8 Karen Geary missed one meeting of the Sustainability Committee due to exceptional circumstances.

* Board Chair or Committee Chair

Director independence

The Board reviews the independence of its Non-Executive Directors annually in advance of proposing Directors for election or re-election at the AGM. The Nominations Committee also considers Non-Executive Director independence on an ongoing basis as part of its consideration of the composition of the Board.

Phil White was appointed as the Executive Chair on 1 May 2025 but, as previously announced, he will resume his role as Non-Executive Chair on 1 October 2026. When Phil's appointment as the Non-Executive Chair was first announced in March 2025, the Board considered him independent on appointment.

Mr Cosmen, the Deputy Chair, is not considered independent due to his long tenure on the Board (20-years), his close links with the Group's business (especially the Alsa business) and the interests the Cosmen family hold in shares in the Company. However, Mr Cosmen's extensive experience in the passenger transport industry and deep understanding of the Group's business enables him to provide the Board with valuable support when reviewing strategic and operational matters.

At the 2025 AGM more than 20% of the Shareholders voted against Mr Cosmen's re-election as a Director of the Company. As a result, and in accordance with the 2024 UK Corporate Governance Code, the Executive Chair and Group CFO discussed this with the Company's major Shareholders. The Board and the Nominations Committee (excluding Mr Cosmen) considered the feedback received. The Board notes that under the existing relationship agreement, the Cosmen family has the right to appoint a Director to the Board, and that at least half of the Board, excluding the Chair, are independent Non-Executive Directors.

On the advice of the Nominations Committee, the Board considers all other serving Non-Executive Directors to be independent.

Director conflicts of interest

The Board operates a policy to identify and manage situations declared by Directors (in accordance with their legal duty to do so) in which they or their connected persons have, or may have, an actual or potential conflict of interest with the Group. Declaration of any conflicts of interests is an agenda item for each scheduled Board meeting. The Board considers such situations as they arise and decides whether to authorise any conflict based on the overriding principle that a Director must at all times be able to exercise independent judgement to promote the success of the Group.

A register of Directors' actual and potential conflicts of interest, together with authorisations previously given by the Board, is maintained by the Group Company Secretary. Following review by the Nominations Committee of the application of this policy during the year under review, the Board is satisfied that no Director conflict situation currently exists.

Director commitment and external appointments

The Directors' ability to commit sufficient time and attention to their duties, including having regard to their external appointments, is reviewed by the Board annually in advance of Directors being proposed for election or re-election at the AGM, following recommendation from the Nominations Committee. All Directors are expected, and required by their appointment terms, to commit sufficient time to the Board and the Group in order to carry out their duties. They are also required, by their appointment terms, to seek the Board's approval to take on significant new commitments.

The Board's policy on Directors' commitment and external appointments gives guidance on what constitutes a significant commitment outside the Group and the process to follow to seek approval for new external appointments. The policy guides that the Board will not normally approve Executive Directors holding more than one other significant commitment, such as a non-executive directorship in another publicly traded company, and will not normally approve Non-Executive Directors holding more than five 'mandates' as defined in the policy.

A register of Directors' external appointments is maintained by the Group Company Secretary. Details of all Directors' current significant external appointments are included in their biographies on the website here: **www.mobicogroup.com/about-us/our-leadership-team/**.

Following recommendation by the Nominations Committee, the Board considers, taking into account Directors' attendance at Board and Committee meetings, their contributions to the Group outside the Boardroom and their other current significant commitments, including external appointments, that all the Directors are able to devote sufficient time and attention to their duties.

Board and Committee processes

The Board has a schedule of matters reserved for its approval, which matters include: strategy review; risk appetite and Group-wide principal and emerging risk review; major acquisitions, disposals, bids and contracts; share capital changes and debt financing; review of financial results and approval of business plans and budgets; setting and changes to key corporate policies; Board and Committee membership; and corporate governance arrangements. Other responsibilities and authorities have been delegated by the Board to its standing Committees, comprising its Nominations, Audit, Remuneration, Sustainability, Executive and Disclosure Committees.

The schedule of matters reserved to the Board and the terms of reference of each of its standing Committees, which are reviewed and approved by the Board annually, can be found on our website at **www.mobicogroup.com**. Matters that fall outside of those reserved to the Board or its standing Committees fall within the responsibility and authority of the Executive Chair, Group CEO, Group COO and/or Group CFO, and are either reserved to them or delegated by them further pursuant to a Group Delegated Authorities Framework which is also reviewed and approved by the Board.

The Executive Chair and the Group Company Secretary, in consultation with the Group CEO, the Group CFO and Chairs of the Committees, maintain a scheduled 12-month programme of business for the Board and its standing Committees. This incorporates flexibility for additional business to be discussed as required either at those scheduled or additional ad hoc meetings of the Board or its Committees.

During the period under review, the Board reviewed updates from the Executive Directors on the Group's strategic, operating and financial performance, and from other members of the Group Executive Committee including on legal compliance and corporate governance and on the Group's safety performance.

Committee Chairs provide summaries of the main decisions and recommendations arising from Committee meetings to ensure non-members are kept up to date with the work undertaken by each Committee. All Non-Executive Directors also have access to all supporting papers for each meeting of the Committees whether or not they are a member of that Committee for full visibility. Senior management and external advisers regularly attend both Board and Committee meetings where detailed discussions take place on specific matters on which their input or advice is needed.

If a Director is unable to attend a meeting due to illness or exceptional circumstances, they still receive all supporting papers in advance of the meeting and are invited to discuss with, and provide input to, the Chair of the Board, relevant Committee Chair or the Group Company Secretary on the business to be considered at that meeting. Feedback is provided to any absent Director on the key decisions taken at the meeting.

The Board has access to the Group Company Secretary for support and advice as required, and the Company operates a policy that allows Directors to obtain, at the Group's expense, independent professional advice where required to enable them to fulfil their duties effectively.

In addition to Board and Committee meetings, Non-Executive Directors hold private meetings without the Executive Directors present, including to discuss Executive Director performance. There are also opportunities during the year for Directors to have informal discussions outside the Boardroom, either between themselves or with senior management or external advisers.

Further, Non-Executive Directors have the opportunity, throughout the year, to attend seminars and discussion groups on matters relevant to their roles and responsibilities or on topics of interest to the Company, including through Chapter Zero. In addition, the Company arranges ad hoc training for Directors that is related to their roles: during the period under review, Freshfields LLP delivered refresher training on Directors' duties and regulatory compliance.

Section 172(1) statement

The Board makes decisions after careful consideration of all relevant factors including, but not limited to, those specified in s.172(1) Companies Act 2006. Examples of some of the decisions taken by the Board or its Committees during the 15-months in review and an explanation of which factors the Directors had regard to when reaching such decisions, including those set out in Section 172(1)(a) to (f) of the Companies Act 2006, are set out in the table below:

Board decision	Directors' consideration of factors in accordance with s. 172(1)
Approved the sale of its North American School Bus business	• in line with the Group's commitment to disciplined capital allocation and deleveraging as well as its focus on future return-enhancing growth, the Board made the decision to sell its North American School Bus business, with the objective of enhancing financial flexibility to focus on opportunities with higher return potential
	• wider stakeholder implications for the North American School Bus business, including greater certainty for colleagues and customers in that business, longer-term financial security for the rest of Mobico and the North American School Bus business in a less capital-constrained environment while providing Mobico with a better ability to flexibly deploy its resources, including bidding and winning contracts thereby fostering business relationships and servicing more of the community
Approved the decision to integrate the UK Coach operations with Alsa	• the decision to integrate the UK Coach operations with Alsa is a key step towards creating a pan-European coach business maximises the Group's strengths, drives operating synergies and further cost efficiencies to ensure the long-term success, enhanced business relationships and reputation
	• Colleagues benefit from working more collegiately with, and learning from, each other
Approved the appointment of KPMG LLP as the Group's auditors and the extension of the accounting reference date to 31 March	• appointing KPMG LLP as the Group's new Auditor allows the Group to maintain a high standard of financial reporting, while allowing the Group to develop a relationship with a new audit firm at the same time
	• the decision to extend the accounting reference date to 31 March ensured that the Company had sufficient time to prepare the financial statements and for KPMG to have sufficient time to complete the audit. Ensuring that the Group's financial reporting is accurate is fundamental to the Group's reputation and ensures that all stakeholders have accurate to high-quality information
Approved an agreement in principle with the German PTAs for its rail services	• the agreement, once legally binding, enables a material reset and de-risking of our German Rail business to support a long-term sustainable business going forward. This reset, alongside significant operational improvements, will benefit employees and customers in the North Rhine-Westphalia and surrounding area and improves relations with the German PTAs
Approved recommendations from the Nominations Committee on the appointment of a new Executive Chair and Group CFO to the Board and various new appointments to the Group Executive Committee, including a new Group COO	• the appointments support the long-term success of the Group, as suitably experienced and qualified individuals have been appointed to the Board and Group Executive, who have strong reputations in their area of expertise to help deliver stronger financial outcomes, develop strategic objectives and support the deleverage and growth agenda
	• colleagues benefit from strong leadership being in place, especially during a period of transformation and turnaround and enhancements to culture

Board decision	Directors' consideration of factors in accordance with s. 172(1)
Adoption of revised Scope 1, 2 and 3 GHG emissions targets following the disposal of the North American School Bus business, which were approved by SBTi	• following the disposal of its North American School Bus business, the Group adopted revised Scope 1, 2 and 3 science-based greenhouse gas emissions reductions targets which received SBTi validation that such targets were in line with containing global warming to a temperature increase of no greater than 1.5°C above pre-industrialisation levels, demonstrating the Group's commitment to playing its part in society's goal of controlling climate change
	• further action against climate change enhancing the Group's reputation and credibility as an environmentally conscious transport business
Approved the decision not to pay an interim and full-year dividend for the period ending 31 March 2026	• in determining whether or not to recommend payment of an interim and full-year dividend, the Board considered the financial implications and long-term impacts of that recommendation, acting fairly between Shareholders who had expressed different views, alternative applications of those monies (including reinvestment and deleverage) and the impact on the Group's reputation
Reviewed and approved the Group's five-year strategic plan	• the achievement of the Group's new 'Simplify, Strengthen, Succeed' strategy will have positive outcomes for all; our colleagues will benefit from financial, career and development opportunities with better integration across the Group; our business relationships will benefit through strengthening existing relationships and developing new relationships with our customers, suppliers and our partnerships with local governments; the community and environment will benefit as we transition to zero emissions vehicles and seek to keep local communities well connected with safe and reliable transportation services; and our Shareholders and debt providers will benefit from our growth with cost and capex discipline and increased profitability through returns on their investment
Approved bids for significant opportunities to provide transportation services	• the bids would, if successful, generate revenue and profit and contribute to the Group's growth strategy and align with its Purpose, including through access to new markets and strengthening our presence in existing markets, which could create further opportunities in the long term. Our Shareholders will all benefit from our growth and increased profitability through returns on their investment, as will our existing colleagues from the increased financial stability within the Group
	• additional colleagues would join the Group if the bids are successful. They would benefit from our training programmes and application of our Group Safety Policies, which would teach them new skills and procedures aimed at reducing risk • the local communities served could benefit from either a new or continued service operated to the high standards set by the Group, particularly in terms of safety and in line with the Group's environmental ambitions to transition its global fleet to zero emissions vehicles
	• the Group chose to partner with others in some of its bid submissions, which enabled the Group to form new, or strengthen existing, stakeholder relationships
Approved the Group's modern slavery statement	• the statement confirmed the Group's zero-tolerance approach to slavery and human trafficking and sets out the steps taken by the Group during the year to ensure there was no modern slavery or human trafficking in any part of its business or supply chain and, in approving such statement, consideration was given to the Group's reputation for conducting its business in an ethical manner and with integrity and the importance of working with trusted suppliers who operate to the same high standards with respect to conduct of their business and management of their social and ethical issues

Key

Long-term impact | Employees | Fostering business relationships | Community and environment
Reputation | Acting fairly between members | Financial implications | Advancing the Purpose

Purpose, Values, strategy and culture

The Group has a clear Purpose to be achieved through the execution of its 'Simplify, Strengthen, Succeed' strategy.

The Group's Values – Safety, Excellence, Customers, People and Community & Environment – and its new 'People and Culture' strategy seeks to promote a strong, healthy and inclusive culture which is essential to attract, develop and retain top talent. This will ensure the Company has the collective strength to deliver its strategy and Purpose.

For more details, please see pages 07 and 38.

Alignment, monitoring and embedding culture

The Board recognises that a healthy, positive and inclusive culture requires regular focus from the top to ensure it remains aligned with our Purpose, Values and strategy. During the period in review, steps taken to strengthen and evolve culture by the Board (acting through its Sustainability Committee) included:

- Approving a new 'People and Culture' strategy (see pages 07 and 38), which recognises the importance of culture in delivering our objectives. At the same time, it introduces ways of working and reinforces our Values which underpin our culture and sets clear expectations of how our people work and behave across the Group; and
- Endorsed a number of initiatives during the period which were launched following the implementation of the Group's overarching wellbeing strategy 'Be Well'. These initiatives aim to strengthen our people's psychological safety through encouraging conversations, reducing stigma and empowering colleagues to seek help when needed.

Our culture is embedded through training, our policies, objective setting and development plans and internal communications led from the top.

The Board, supported by its Committees, regularly reviews a number of measures throughout the period under review to monitor the culture of the Company and to assess how the culture has been embedded, as summarised below:

Surveys
Results of engagement and pulse surveys are monitored by the Sustainability Committee and provide an overview of culture, engagement and sentiment across the Group

Board performance review
The Board undertakes an annual performance review, which includes culture as a review topic

Whistleblowing hotlines
The Group operates whistleblowing hotlines for employees to confidentially raise concerns. The Board has oversight and visibility of any serious matters reported to these hotlines

Diversity and inclusion
The Nominations Committee monitors the Group's diversity and inclusion initiatives which aims to increase diversity and foster an inclusive culture

Remuneration and objectives
The Remuneration Committee is responsible for ensuring remuneration targets that align with the Group's culture

Compliance framework and policies
The Audit Committee monitors the development and implementation of the Group's compliance framework and corporate policies which form part of it, such as the anti-bribery and slavery policies

Workforce engagement
The Board liaises directly with the workforce through listening forums and Town Halls as described on page 82. This direct engagement allows them to both monitor and promote the desired culture with the workforce

People updates
The Sustainability Committee receives people updates on all key people data and trends and monitors key people KPIs. This includes updates on the status of trade unions relations, employee turnover and diversity statistics, and progress against the 'People and Culture' strategy and wellbeing strategy, Be Well.

Safety
The Board monitors the development, implementation and compliance with the global safety policies and reviews major safety incidents, their root causes and any lessons to be learned from them. It also receives updates at each Board meeting from the Group CEO on safety performance

Through its monitoring activities, the Board is satisfied that the Group's culture is aligned with its Values, Purpose and strategy and that progress is being made in ensuring the desired culture is embedded.

Stakeholder relations

Board engagement with Shareholders, analysts, prospective investors and debt providers

The Board is committed to maintaining a two-way dialogue with its key financial stakeholders. For the period in review, the Executive Chair, supported by the Senior Independent Director and the Group CFO, has overall responsibility for ensuring this communication is effective.

The Executive Chair and the Group CFO, with the support of the Group COO and the Investor Relations team, undertook their usual investor relations programme during the period. The programme, which is aligned to the Group's financial reporting calendar, includes holding meetings with, and giving presentations to, existing and prospective equity and debt investors, participating in investor conferences, and equity sales desk meetings. These events are shown by in the investor relations programme to the right. They also trialled an online Q&A platform targeted at retail equity investors as part of the unaudited 12-month results in February 2026. The Executive Chair and the Group CFO met with the Group's key lenders, as shown by . In addition, the Executive Chair had a number of meetings with individual investors as requested by them, as shown by .

The Board is kept fully informed of the views of Shareholders via regular reports from the Executive Chair and Group CFO on their investor relations activities and via feedback from other Non-Executive Directors on their engagement, as well as Board updates given by the Investor Relations team. The Company's brokers also provide regular confidential feedback on investor views, perceptions and opinions which are shared with the Board.

The AGM also gives Shareholders (especially retail Shareholders) the opportunity to engage with the Board regarding the matters before the meeting and we were pleased to welcome around 20 retail Shareholders at the 2025 AGM. The 2026 AGM will again be an in-person meeting; further details are in the Notice of 2026 AGM.

During the 15-month period ending 31 March 2026, six analysts published equity research notes covering the Group. Details of the analysts that currently provide coverage in relation to the Group appear at **www.mobicogroup.com/investors/analysts**

January 2025 to March 2026 investor relations programme:

April	2024 full-year results announcement
	Q1 trading update
	Meetings with investment bank sales desks
May	Executive Chair induction
	2024 full-year results investor roadshow
	Executive Chair roadshow meetings with major Shareholders
June	2025 AGM
July	Executive Chair and Group CFO meetings with major lenders
September	2025 half-year results announcement and roadshow
October	Berenberg Opportunities Conference
	Morgan Stanley Leveraged Finance Conference
	Group CFO meetings with major lenders
November	Q3 trading update
February	2025 full-year 12-months unaudited results announcement
March	2025 full-year 12-months unaudited results investor roadshow
	BofA Business Services, Leisure and Transport C-Suite Conference 2026

Board engagement with the workforce

During the 15-month period ending 31 March 2026, the Board made the difficult decision to suspend its usual programme of site visits due to the Group's comprehensive cost savings programme which was led from the top. Despite this, the Directors value the opportunity to participate in workforce engagement events and continued to do so via online listening forums.

Participating in these events with the workforce enables the Directors to understand how the Group's operations function in practice and allows them to hear directly from colleagues about matters that can be relevant to the Board's decision-making or can give better context to that decision-making. It also helps the Board to monitor the Group's culture.

Executive Chair's induction

As part of his bespoke induction programme, the Executive Chair, Phil White, made site visits to each of our major divisions in May and June 2025. During these visits he engaged with staff at a number of our sites across the UK, Spain and North America.

In May 2025, Phil attended Town Hall events at the National Express HQ in Birmingham, UK, which gave him the opportunity to speak with, and hear from, colleagues on a variety of issues, with each event involving a Q&A session.

Phil also had the chance to engage with WeDriveU and Alsa colleagues during visits to San Francisco and Madrid in June 2025.

These visits provided Phil with the opportunity to speak to a good mix of our colleagues across our global operations and understand what matters to them.

Online listening forums

Online listening forums take the form of roundtable discussions between two Non-Executive Directors and 10 – 20 members of the workforce drawn from a variety of roles. These forums have been positively received by those attending them who have commented, in particular, that the format gave Board members a valuable opportunity to learn from and interact with colleagues.

Three online listening forums were held in 2025 with colleagues from the UK, WeDriveU and Alsa divisions. The UK event was attended by Karen Geary and Nigel Pocklington, the WeDriveU event by Carolyn Flowers, and the Alsa event by Jorge Cosmen and Ana de Pro Gonzalo.

Employee wellbeing was a key topic at each of the three forums held in 2025. In Alsa and WeDriveU, the key theme was the Group's new wellbeing strategy and the positive impacts arising from that. WeDriveU focussed on work-life balance and the challenges that this presented during times of change, and how strong support systems were very important in managing such challenges. Alsa's session discussed wellbeing at work: participants discussed what makes a good working environment and expressed support for some of the wellbeing and health initiatives offered by the Company, including psychological support and first aid training. The UK forum raised staff morale and communication following further changes to the business, which is expected during a difficult turnaround but this forum also provided some useful insight into how this could be managed more effectively which resulted in some additional training for the senior management team. Technology and systems were also mentioned by two of the divisions, with some common themes being identified. These themes were fed back from the Non-Executive Directors to the Group CPO for consideration.

Understanding other stakeholders' views

Most engagement the Group has with its other stakeholders, such as customers and passengers, suppliers, governments and regulators, takes place at the divisional level where a variety of well-established methods are used to ensure that divisional management understand their stakeholders' views. For the period in review, these views were regularly passed to the Board through divisional business updates and updates from the Executive Chair, the Group COO and/or the divisional management teams. For example, the Board has been kept appraised of the viewpoints of the German PTAs on industry-wide issues as part of the renegotiations and of the Transport for the West Midlands (TfWM) where there has been active and collaborative engagement in preparation for the transition to franchising.

Further information about who the Company's key stakeholders are, and how the Company engages with them, is set out on pages 31 to 33 of the Strategic Report. Further examples of how different stakeholders' interests have been taken into account by the Board in its decision-making are also set out on pages 81 to 83 of this Corporate Governance Report.

Workforce engagement methodology

The Group's workforce engagement events are a variant of the UK Corporate Governance Code-recommended 'designated non-executive director' method of engaging with the workforce. They are considered by the Board to be more effective than the other Code-recommended methods because they give more of the Directors and more colleagues the opportunity to speak directly with each other; they take due account of the size, geographic expanse and cultural diversity of the Group's workforce; and the relative informality of their nature encourages open and honest discussion.

Audit Committee report

ENRIQUE DUPUY DE LOME CHÁVARRI
Audit Committee Chair

Activity highlights

- Reviewed and satisfied itself as to the integrity and fairness of the Group's (i) six months results to 30 June 2025, (ii) unaudited 12-month results to 31 December 2025 and (iii) financial statements for the 15-months to 31 March 2026, and the appropriateness of their being prepared on a going concern basis
- Assessed and challenged the appropriateness of the Company's viability statement
- Assessed and challenged management's approach to critical accounting judgements and key sources of estimation uncertainty
- Oversaw the external Auditor tender process, resulting in the appointment of KPMG LLP
- Reviewed the findings and monitored the effectiveness of the internal audit function, and reviewed the programme of internal audits for the period ahead
- Reviewed the effectiveness of risk management and internal control systems
- Reviewed the opinions and monitored the independence and effectiveness of the external Auditor
- Supported the Board in its management of risk by reviewing the Group risks, including its ongoing review of cyber risk
- Reviewed the framework of the Group's compliance programme and the corporate policies comprised within it

For information on the primary role and key responsibilities of the Audit Committee, please visit the Committees page of the Company's website: **www.mobicogroup.com/about-us/corporate-governance/committees/**

Membership, meetings and attendance

Committee member	Appointed	Meetings attended/held
Enrique Dupuy de Lome Chávarri (Chair)[1]	01/11/2023	5/5
Ana de Pro Gonzalo[1]	01/10/2019	5/5
Carolyn Flowers[1]	04/12/2021	5/5

1 Independent Non-Executive Director

Other attendees: Company Secretary and, by invitation, Executive Chair, Group CFO, Group Deputy CFO, Group Finance Director, Head of Group Accounting & Reporting, Group Commercial Director, Group Director of Internal Audit and Risk, Group Legal Counsel, and representatives of the external Auditors.

Financial reporting

The Committee is responsible for considering and satisfying itself, after consultation with the Company's external Auditor, that the Company and its Group have adopted suitable accounting policies and appropriately applied the same, that management has made appropriate accounting judgements and estimates, that the adoption by the Company of the going concern basis of accounting is appropriate and that its viability statement is reasonable.

Key accounting matters

Details of the key accounting matters addressed by management when preparing the Consolidated Financial Statements, together with information about how the Committee assessed, challenged where appropriate and satisfied itself that the judgements and estimates made by management in relation to them were reasonable.

Going concern assessment

The Committee reviewed and robustly challenged management's assessment that the Group's results for the six-month period ending 30 June 2025, the unaudited 12-month period ending 31 December 2025 and the financial statements for the 15-month period ending 31 March 2026 should be prepared on a going concern basis. Management developed both base case and reasonable worst case financial scenarios over a 12-month look forward period using assumptions about trading drawn from the Group's strategic plan, budget and latest financial projections. They then applied stress tests to both those scenarios to determine whether the Company would be able to meet its liabilities as they fell due, having regard to the Group's liquidity and covenant tests.

The Committee satisfied itself that, in both the base case and the reasonable worst case scenarios, the Group would have sufficient liquidity and be able to comply with its debt covenants and there were no instances of a covenant breach identified in the base case and reasonable worst case scenarios; and the set of circumstances that would lead to a breach with the application of the further stress tests was considered remote. This included a detailed review of the mitigating actions management had identified as being available if they were required. Accordingly, the Committee recommended to the Board that the Company's, and its Group's, financial statements be prepared on a going concern basis.

Viability assessment

The Committee also carefully considered management's view of the Company's viability for the three-year period ending in 2029, including the rationale for assessing viability over a three-year period. The testing of viability involved the analysis of base case and reasonable worst case scenarios projected forwards over this three-year period by reference to trading assumptions drawn from the Group's strategic plan, and factored in the impact of risks including known and likely future climate risks that could materialise over this three-year period, offset by reasonable mitigations; as well as including the debt refinancing assumptions that underpin the assessment. The Committee satisfied itself that, in both the base case and reasonable worst case scenarios, the Group should be able to continue in operation and meet its liabilities as they fall due. Accordingly, the Committee recommended to the Board that the Company make its viability statement as set out in the Strategic Report.

Risk management
The Board has overall responsibility for risk management. The Committee supports the Board by conducting 'deep dive' reviews into the risk management activities of the Group's divisions (as explained in the section below on divisional risk reviews) as well as certain specific Group-wide risks, and by reviewing the Group's compliance programme.

Group risk appetite and principal and emerging risk review
The Board's risk appetite and assessment of the Group's principal and emerging risks, as well as a description of how the Group manages risk, are set out in the principal risks and uncertainties section of the Strategic Report. The Group's climate-related risks and opportunities are considered in more detail in the TCFD disclosures.

Divisional risk reviews
During the period, the Committee reviewed the principal and emerging risks of the Group's divisions and their management of such risks. Mirroring the Company's approved approach to Group-wide risk, the divisions record their risks in the form of heat maps which categorise both their likelihood and potential severity according to Group-developed guidance. Each risk is then assigned a business owner who develops and oversees the delivery of mitigating actions which are tracked at regular divisional management meetings. The Committee observed that the Group's divisions had included both current and emerging strategic, compliance, financial, operational and reputational risks in their registers and had developed action plans to manage such risks over the different time profiles over which such risks could materialise. It was also pleasing to note that certain matters identified as risks were also viewed as opportunities. Using insights gained from the Board's work on overseeing Group-wide risks, the Committee was able to challenge management on whether it had identified and appropriately classified its risks and whether it was adopting the most effective mitigation plans, and share best practices the Committee had observed within each division. The Committee reviews have also served to deepen Committee members' understanding of the risks the Group's different businesses face and, through the Committee sharing this understanding with the wider Board, they have informed the Board's ability to appropriately set the Group's risk appetite, assess the Group's principal and emerging risks and weigh up risks with opportunities when taking key business decisions.

Cyber risk review
Cyber risk remained a standing item on the Committee's agenda during the period, with the Group's ongoing cyber security programme, and the progress being made against the specific deliverables comprised in such programme, assessed at each of the regularly scheduled Committee meetings.

The Company's digital technology and cyber security programme is led by the Group CIO whose priorities are to enhance existing policies, processes and controls and continue to develop a programme aligned to best practices, standards and any new coming regulatory requirements.

Compliance risk
The Group has a range of existing policies and procedures for ensuring compliance with applicable laws and regulations, including Group-wide policies on business ethics, anti-bribery and corruption, modern slavery and whistleblowing, and divisional policies and procedures which either implement or supplement the Group policies having regard to local laws, regulations and best practice. The Group's whistleblowing procedures include access to an independently managed whistleblowing hotline via which the Group's stakeholders, including employees, can raise concerns, anonymously if they so wish. Reported concerns are duly investigated and acted upon by management or the functional support teams as appropriate, with a summary of cases and their outcomes reported to the Board. In case of any material issues identified or cases of a real whistleblowing nature, they will be reported, analysed and discussed thoroughly in the Committee's meeting.

A Policy Compliance Management Framework is in place that: establishes a common approach globally for all policy owners to manage their policies; sets out the minimum requirements across all divisions; provides guidance on policy creation and review; and provides ongoing awareness and training against these. The Group CFO along with the Group Director of Internal Audit and Risk, and the Group Company Secretary and their teams, have also been keeping the reforms on audit and corporate governance under review – for more information, see the Internal controls section of this report.

Internal control and system of internal control
The Committee is responsible for monitoring the adequacy and effectiveness of the Company's system of internal control and subsequently reporting on this to the Board.

The Company's systems of internal control are based on a three lines of defence model, with a number of component controls operating at each of those lines, as illustrated in Appendix 2 to this report.

The Committee assesses the performance of the three lines of defence model, as well as the operation of internal controls through the period and up to the date of approval of the Annual Report and Accounts, through its review and challenge of the work performed by the internal audit function. In addition, the Committee requests follow-up updates from management on controls in specific areas, for example in response to the findings from internal audits or risk reviews.

During previous years, significant control weaknesses have been identified in respect of our German Rail business and how it has historically managed and accounted for its long-term rail contracts. Progress towards addressing these weaknesses has been made during the prior and current periods, including a detailed and comprehensive contract model rebuild being undertaken, further work performed by management to improve visibility and control of performance across the contracts, and a strengthening of personnel within the business. As a result of the continued challenge and scrutiny overseen by the Committee in the current period, further errors were identified pertaining to the long-term contract accounting, which were collectively material and have been corrected as a prior period restatement. Additionally, further prior period adjustments have been identified and corrected for which, along with observations from the external Auditor, indicated associated control weaknesses which were considered and discussed by the Committee. Please refer to Note 2 to the Financial Statements for further detail.

The Group CFO, Group Director of Internal Audit and Risk, Group Company Secretary, their teams and the Committee have been monitoring changes to the UK Corporate Governance Code and have been preparing for its implementation. In response to the introduction of Provision 29, the Group has now formalised an internal control framework built around our material risks which will be used to assess the effectiveness of the financial and non-financial controls across the Group. Our internal controls environment has been strengthened and documented, and management has developed plans to continue to strengthen this environment where necessary over the remainder of 2026.

The work being undertaken is designed to enable the Board to make its first declaration on the effectiveness of material controls as at the balance sheet date for the first reporting period commencing on or after 1 January 2026.

Internal audit

The internal audit function acts as the third line of defence and provides the Committee with assurance on the effectiveness of the Company's first and second line internal controls, including financial controls and controls designed to prevent incidents of fraud. It does this through the independent observation and objective assessment of such controls via a programme of audits undertaken throughout the period against a plan reviewed and approved by the Committee.

The 2025/26 audit plan included: audits of core financial process controls across the divisions, reviews of Group and principal divisional risk controls and review of safety arrangements across the divisions.

Internal audit effectiveness

The Committee is responsible for monitoring the effectiveness of the internal audit function. In respect of its work during the period, the Committee monitored this effectiveness by reviewing the scores that colleagues, whose work or controls were subject to internal audit, awarded to the function on a 'value scorecard' and by making its own assessment of the quality of that work. The Committee is satisfied that the Company's internal audit function is effective.

Significant weaknesses or control failures

Following its review of and conclusions from all elements of assurance, the Committee is satisfied that there are no significant weaknesses or control failures to report in respect of the Company's 15-month financial period ending 31 March 2026 other than in respect of the incremental matters identified during the current period relating to the prior period adjustments as set out above.

External audit

KPMG LLP is the Company's Auditor following their appointment on 25 November 2025. Deloitte LLP resigned as the Company's Auditor with effect from 19 September 2025. KPMG's continued appointment will be subject to Shareholders' annual approval at prospective Company AGMs. David Neale is the Company's audit partner, completing his first period in that role. The Company has therefore complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

External audit plan and fee

The external audit plan, which was prepared by KPMG and reviewed and approved by the Committee, comprised full scope audit procedures for the Group's UK, Alsa, Germany and North America divisions. It included: the review by KPMG of the Consolidated Financial Statements; its challenge of management's significant judgements and estimates; its review of certain of the Group's key financial and fraud controls and of the risk of management override of controls; and its consideration of certain aspects of the Group's non-financial reporting. KPMG's fee for undertaking the current period audit, of £12.5m (2024 for Deloitte LLP: £3.4m), was also approved by the Committee. The increase in fee compared to the prior period principally related to the increased level of work required to be undertaken by KPMG, particularly given their appointment as Auditor during the period.

External audit effectiveness

The Committee is responsible for reviewing the effectiveness of the Company's external audit. The Committee assessed the effectiveness by considering a number of factors including:

- The risks to audit quality and how they have been addressed;
- The appropriateness of the audit plan and delivery against it;
- Interactions between the Auditor and the Committee;
- The experience and quality of the audit team and its understanding of the Company;
- Challenge provided by the Auditor to management and the results of those challenges; and
- The Auditor's response to challenge from members of the Committee and management.

The assessment of KPMG's effectiveness also took into consideration that KPMG was appointed as Auditor for the first time during the period. Based on feedback from members of the Committee, the Board and management, the Committee has determined that KPMG's performance has been satisfactory.

External Auditor provision of non-audit services and independence

The Committee is also responsible for reviewing the Auditor's independence and objectivity. The Company operates a non-audit services policy which sets out the permitted and prohibited non-audit services its Auditor may be engaged to provide, for the purpose of safeguarding the Auditor's objectivity. The Committee reviewed the policy during the period and determined it remained fit for purpose. The Committee noted that KPMG has performed non-audit services during the current and prior period which had been contracted and fully concluded before their appointment as the Company's Auditor in November 2025. The fees in relation to these services totalled £0.2m (2024: £1.2m). The Committee reviewed the safeguards in place, which include Deloitte remaining as the component statutory Auditor for one in-scope component where non-audit services were performed by KPMG. The Committee also noted that the Financial Reporting Council received KPMG LLP's application for a waiver of independence requirements in regard to the non-audit services already provided during the period and granted an exemption in respect of this. Further detail is set out in Note 7 to the Consolidated Financial Statements. Having regard to the operation of the non-audit services policy during the period, together with KPMG's reports to the Committee confirming its independence, the Committee assured itself of KPMG's ongoing independence.

Board assessment of effectiveness

Taking account of the Committee's work on assessing the effectiveness of the Company's system of internal control, and both the Committee's and its own work on assessing the Group's management of risk, the Board is satisfied that these are effective and have been over the period, other than where covered elsewhere in this report.

Fair, balanced and understandable

Having carefully reviewed the Company's Annual Report for the 15-months ending 31 March 2026, and considered management's approach to its preparation, including in compliance with applicable laws and having regard to the UK Corporate Governance Code, the Financial Reporting Council's best practice guidance, and having heard the views of its Auditor, the Committee recommended, and in turn the Board confirmed, that this report, taken as a whole, is fair, balanced and understandable, and provides the necessary information for Shareholders to assess the Company's position and performance, business model and strategy.

Enrique Dupuy de Lome Chávarri
Audit Committee Chair

28 July 2026

Appendix 1 – Key accounting matters

The Committee considered the following key accounting matters as part of its review of the Consolidated Financial Statements:

Impairment of goodwill and recoverability of parent company investments (see Note 14 to the Consolidated Financial Statements and Note 3 to the Parent Company Financial Statements)	**Key accounting matter** In determining whether goodwill is impaired, and whether parent company investments are recoverable, management is required to make a number of estimations and assumptions, including on future cash flow projections, discount rates and perpetual growth rates. **Committee action and conclusion** The Committee carefully considered management's work on the impairment analysis and testing of the value of the Group's goodwill balances and the recoverability of parent company investments. These impairment assessments were based on modelled forecast cash flows, discounted using a country-specific weighted average cost of capital (WACC) and a terminal value based on a perpetual growth rate (PGR). After considering the assumptions made by management in forecasting cash flows and its rationale for the WACC and PGR and, taking into account the Auditor's views on these matters, the Committee concurred with management's view that goodwill is not impaired as at the balance sheet date and that an impairment of £465.0m in parent company investments was required.
Insurance and other claims provisions (see Note 26 to the Consolidated Financial Statements)	**Key accounting matter** The adequacy of the provisions associated with claims arising predominantly from traffic accidents and employee incidents in North America is subject to estimation based on an assessment of the expected settlement value of known claims together with an estimate of settlement values that could be made in respect of incidents that have occurred but not yet given rise to a claim at the balance sheet date. Given the level of uncertainty, complexity and judgement involved in making these estimations, there is a risk that the eventual outcome could be materially different from that estimated and provided for. **Committee action and conclusion** The Committee considered the information provided by management on the status of the North America and other material open claims made against members of the Group, together with advice from external actuaries, legal counsel and insurance brokers, on the likely outcome of such claims, as well as management's explanation of the methodology used to determine the value of provisions for such claims; particularly in relation to the legacy North America School Bus claims which the Group retained post the disposal of the business. After challenging whether management had considered all material open claims and incidents that could give rise to claims and the external advice given in connection with them, the Committee concluded that management's estimation of the value of such claims was within an acceptable range of the potential outcomes and accordingly was fairly stated.
Adjusting items (see Note 5 to the Consolidated Financial Statements)	**Key accounting matter** The Group presents profits and earnings per share measures before adjusting items to provide users of the accounts with additional useful information to assess the year-on-year trading performance of the Group. The classification of adjusting items requires management judgement having regard to the nature and intention of the transactions to which they relate. **Committee action and conclusion** The Committee considered the nature and extent of the adjusting items identified by management and its rationale for why they did not form part of the Group's Adjusted Operating Profit (a key APM). The Committee noted that increases to the North America School Bus claims provision and the impact of contract changes in Morocco had both been treated as an adjusting item; this was consistent with the Group's accounting policy on adjusting items. The Committee also noted that onerous contract provision movements in respect of WeDriveU and German Rail RRX onerous contract provisions were adjusting items; fully consistent with items recorded as adjusting items in the prior years. After discussion with management, the Committee concurred with the approach management had taken.

Onerous contract provisions (see Note 26 to the Consolidated Financial Statements)	**Key accounting matter** The Committee reviewed the approach taken by management in respect of contracts classified as onerous contracts, and particularly the provisions in respect of (i) the RRX contracts in German Rail and (ii) the WMATA contract in WeDriveU. **Committee action and conclusion** The Committee reviewed the approach taken by management to identify and measure the impact of any onerous contracts, including the continuing relevance of contracts previously identified as onerous. The Committee challenged management as to the adequacy of the onerous contract provisions for the RRX and WMATA contracts and the estimates made to cover the losses associated with running the contract over the remainder of the contract term. The Committee also challenged the appropriateness of the related disclosures and sensitivities. After discussion with management and the external Auditor, the Committee concurred with the approach taken.
Valuation of contract assets (see Note 20 to the Consolidated Financial Statements)	**Key accounting matter** The Committee reviewed the approach taken by management in determining the value of the IFRS 15 Contract Asset in relation to the RME German Rail concession. **Committee action and conclusion** The Committee reviewed the approach taken by management which led to a reassessment in the value of the contract asset (under the long-term RME rail contract) at 31 March 2026 to £nil (31 December 2024 restated: £36.5m) as a result of significantly reduced expectations of future passenger revenue generation and penalties incurred; the former as a result of tariff changes announced by the public authorities in Germany. The Committee noted that the above factors were as they apply to the original RME contract and that management was unable to reflect the anticipated benefit of the renegotiated RME contract in considering the value of the contract asset at 31 March 2026 as it is only considered to represent a contract modification under IFRS 15 upon signing, which was post the period-end. Following discussion with management and the external Auditor, the Committee concurred with the approach taken.
Pension liabilities (see Note 32 to the Consolidated Financial Statements)	**Key accounting matter** The determination of the defined benefit obligation of the UK defined benefit pension scheme depends on the selection of certain assumptions. In particular, a key area of estimation uncertainty is in respect of the discount rate. **Committee action and conclusion** The Committee reviewed the assumptions made by management in determining the defined benefit obligation, including considering the advice from independent qualified actuaries, and concluded that they were appropriate.
Arrangements regarding the provision of vehicles (see Note 33 to the Consolidated Financial Statements)	**Key accounting matter** The committee reviewed the approach taken by management with regards to the accounting for vehicle contracts in UK Bus and UK Coach. In particular, the Committee focused on the determination that under IFRS 16 assets and liabilities were not recognised on the balance sheet for the availability contracts in UK Bus and the coach hire arrangements in UK Coach. **Committee action and conclusion** The Committee reviewed how the arrangements have historically been treated and the facts and circumstances that gave rise to the assumptions made at inception of each contract. For the availability contracts in UK Bus, the Committee challenged management on whether the substitution clauses included in the contracts was substantive. For UK Coach, the Committee challenged on whether termination rights allowed for the short-term lease exemption to be applied to the coach hire arrangements. For both arrangements, the Committee also challenged management on the appropriate level of disclosure required in the Financial Statements. Management has included the value of gross commitments for both items in the notes. After discussion with management and the external Auditor, the Committee concurred with the approach taken.

Appendix 2 – System of internal control

Third line of defence

Board of Directors
Sets and monitors delivery of Group strategy, sets Group risk appetite, assesses the Group's principal and emerging risks and approves significant matters reserved to it

Audit Committee
Assists the Board in assessing risk management and reviews the effectiveness of the internal audit function and the external audit process

Internal Audit Function
Audits the effectiveness of the Company's first and second line internal controls through the independent observation and objective assessment of such controls

Second line of defence

Group Executive Committee
monitors the frameworks, policies and procedures and effectiveness of the functions referred to below

Group Risk Management Framework
sets the methodology under which Group and its divisions identify, assess, manage and monitor existing and emerging risks

Group Policy Compliance Framework
under which corporate policies, such as those on anti-bribery and anti-modern slavery, are created and enforced

Group Safety Policies
set minimum expectations for safety outcomes, such as speeding and driver risk monitoring

Group Standard Operating Procedures
set minimum standards for operations, such as vehicle maintenance and driver rostering

Group Whistleblowing Policy
by which internal and external stakeholders can raise concerns about wrongdoing

Group Cyber Security Programme and Team
set cyber security strategy and control and monitor progress against that strategy and compliance with those controls

Group Environmental Data Reporting Guidelines & Group Sustainability Steering Group
help track delivery of environment strategy and ensure the integrity and consistency of environmental data collection and its reporting

Group Consolidated Financial Reporting & Group Finance Team
consolidate and review Group financial results

Group Treasury & Tax Functions
centrally manage Group treasury activities and set Group tax strategy and review tax compliance

Group Legal Reporting & Group General Counsel
monitor, report and provide legal advice on Group legal risks

First line of defence

Divisional Executive Committees
monitor the policies and procedures and the effectiveness of the functions referred to below

Divisional Safety, Operational, Cyber and Environmental Policies and/or Procedures
which implement Group policies and/or procedures

Divisional Risk Registers & Management
track divisional risks and develop mitigations

Divisional Budgets & Forecasting
set divisional financial expectations and monitor delivery

Divisional Finance Teams
maintain the financial ledgers and prepare divisional accounts

Divisional Legal Teams
provide legal advice and assistance on divisional legal risks

Nominations Committee report

JORGE COSMEN
Nominations Committee Chair

Activity highlights

- Kept Board and Committee composition under review, leading the process to appoint a new Executive Chair and a new Group CFO
- Reviewed senior management succession plans and changes to the Group Executive Committee, including reviewing development plans for internal candidates identified as potential successors in light of the Group's strategic objectives
- Reviewed the diversity of the Group's senior leadership teams and assessed this against the Group's diversity targets

For information on the primary role and key responsibilities of the Nominations Committee, please visit the Committees page of the Company's website: **www.mobicogroup.com/about-us/corporate-governance/committees/**

Membership, meetings and attendance

Committee member	Appointed	Meetings attended/held
Jorge Cosmen (Chair)	01/12/2005	3/3
Karen Geary[1]	01/10/2019	3/3
Carolyn Flowers[1]	30/11/2021	3/3
Enrique Dupuy de Lome Chávarri[1]	11/06/2024	3/3
Helen Weir[2]	31/01/2023	0/1

1 Independent Non-Executive Director

2 Helen Weir ceased to be a member of the Committee on 1 May 2025, when she stepped down as the Chair of the Board and a Director of the Company. She did not attend the scheduled meeting that took place while she was a Committee member as the subject matter was Chair succession

Other attendees: Group Company Secretary, Executive Chair, Group CEO, Group CPO and Group Director of Organisational Effectiveness & Employee Experience

Board and Committee composition during the year under review

Throughout the 15-month period ending 31 March 2026, the Committee kept the composition of the Board and its Committees under review.

In February 2025, Helen Weir informed the Board that for personal reasons she did not intend to stand for re-election as a member of the Board at the Group's 2025 AGM. Following a rigorous recruitment process undertaken with the assistance of consultancy firm Inzito (who is independent of both the Group and its Directors), it was announced in March 2025 that Phil White would become Chair of the Board on 1 May 2025 and that Ms Weir would stand down from the same date. Phil has over 50 years' experience in the transport sector and has held a range of non-executive roles across different industries. He was previously CEO of National Express Group PLC between 1997 and 2006[1], during which time he expanded the business internationally and oversaw the transformational acquisition of Alsa. He has also held a variety of board positions across the wider transport industry, including Yorkshire Rider, Travel West Midlands, Stagecoach, Shearings and Porterbrook. Other previous non-executive roles include chairing Unite Group PLC, Lookers PLC and Kier Group PLC and he was the Senior Independent Director at Vp PLC, the specialist equipment rental company, until 30 June 2025.

In April 2025, it was announced that Ignacio Garat would step down from his position as Group CEO with effect from 30 April 2025. Ignacio joined the Company in 2020 and remained with the Group until July 2025, moving to an advisory role to support a smooth transition. Initially the Board intended to launch a search for his successor with Phil White, the new Chair, taking on the role of Executive Chair on an interim basis with effect from 1 May 2025. However, the Board (on the recommendation of the Committee) concluded that an external search for a CEO should not be undertaken, and that Phil should continue as the Executive Chair for the interim.

Having reviewed and interviewed a strong field of candidates in a process undertaken with the assistance of independent consultancy Inzito, the Board welcomed Brian Egan as the Group CFO on 24 June 2025. Brian has over 25 years' CFO experience having held positions at international organisations, including, Jefferson Smurfit, Petropavlovsk, Dangote Cement, and Coca-Cola. Brian is a qualified Chartered Accountant, having started his career at KPMG. He replaced Helen Cowing who had served as Group CFO on an interim basis since June 2024.

We wish Helen Weir, Ignacio Garat and Helen Cowing all the best for the future.

Following these changes and as at the 31 March 2026, the Board was comprised of eight Directors who, as described in their biographies on **www.mobicogroup.com/about-us/our-leadership-team/** and as shown by the table on page 91, have, between them, a wide range of highly relevant knowledge, skills and experience. This table is used by the Committee when considering Board succession planning.

Post the end of the period in review: (i) Paco Iglesias was appointed as the Group CEO from 1 April 2026. Further details on the appointment will be in next year's Committee report, and (ii) Karen Geary informed the Board that she does not intend to stand for re-election as a member of the Mobico Board at the Group's 2026 AGM.

1 National Express Group PLC was renamed Mobico Group PLC in June 2023

The Committee kept the membership of all the Board's Committees under review during the year to ensure that each Director's knowledge, skill and experience was being put to best use and that Non-Executive Directors were maintaining an appropriate share of Committee responsibilities.

The Remuneration and Audit Committees are each composed of three independent Non-Executive Directors who, between them, have both the requisite disciplinary experience and wider relevant experience. The Nominations Committee remains composed of a majority of independent Non-Executive Directors who, between them, have a good balance of relevant skills and experience.

Name and role of Director	Passenger transport industry experience[1]	Closely adjacent industry experience	UK listed company experience[1]	Operational/ management experience	International business experience[1]	Finance/accounting experience[1]	People/remuneration experience[1]	IT/Digital experience[1]	ESG experience[1]
Phil White Executive Chair	●		●	●	●	●			
Jorge Cosmen Deputy Chair and Nominations Committee Chair	●			●	●				
Brian Egan Group CFO			●	●	●	●			
Karen Geary Senior Independent Non-Executive Director	●		●	●	●		●		●
Ana de Pro Gonzalo Non-Executive Director		●		●	●	●		●	
Carolyn Flowers Non-Executive Director and Sustainability Committee Chair	●			●	●				
Nigel Pocklington Non-Executive Director and Remuneration Committee Chair	●		●	●	●		●	●	●
Enrique Dupuy de Lome Chávarri Non-Executive Director and Audit Committee Chair	●		●	●	●	●			

1 For all Directors, excluding via their directorships with the Company

Board, Committee and Director performance review

During 2025, the performance of the Board, its Committees and of individual Directors was assessed internally through online questionnaires. The process was designed to assess how effectively the Board functions as a whole and how effectively its Committees function and the same questions were used as the prior year (which had been developed as part of the external review in 2024) to allow year-on-year comparisons. The Group Company Secretary, in consultation with the Executive Chair, analysed the results of the performance review by reference to the scores given and the specific observations made, commendations given or improvements suggested, following which such results were presented to and discussed by the Board.

The overall outcome of the performance review identified positive aspects and areas for further improvement. Some of the positives identified where: (i) the Board was generally positive on the agendas and felt that the Board had the right balance of focus on immediate issues and longer-term strategy, (ii) the Board had a good understanding of the views of the brokers, major Shareholders and other key stakeholders, and (iii) the Board's Committees generally were well run and functioned effectively.

Following the 2024 external review, the Board focused on optimising the Board dynamic between Non-Executive and Executive Directors. Through an independent externally facilitated session in early 2025 and key leadership changes, the Board successfully improved Boardroom equilibrium and alignment during the period in review. However, recognising that high-performance dynamics require continuous refinement, the Board has recommitted to this area as a core objective for 2026.

In addition to continuing to improve Board dynamics, the Board identified other objectives with the key ones for 2026 being: (i) reassessing the Group's culture, particularly in the context of the ongoing transformation, to ensure culture has been set in the appropriate way, and (ii) undertaking a refresh of the Group's top risks to ensure there is a better understanding of the risks and emerging risks. Progress against these objectives will be reviewed throughout 2026.

Senior management succession planning

During the 15-month period ending 31 March 2026, the Committee undertook a review of senior management succession planning of the Group Executive Committee. One of the main priorities for the Committee was reviewing the development plans being put in place for internal candidates who had been identified as potential successors for the Group CEO, CFO and CPO roles to ensure that the talent pipeline at the most senior level was being properly developed.

In addition to the appointment of the Executive Chair and the Group CFO during the period, Paco Iglesias was appointed as Group COO in January 2025 (in addition to his role as Alsa CEO). He has since been appointed as the Group CEO from 1 April 2026. The Committee also observed a number of other changes to the Group Executive Committee, with a new Deputy Group CFO, Group CIO, Group CPO and Company Secretary being appointed during the period under review, all of which were internal promotions.

Group commitment to diversity and inclusion

The Group is committed to ensuring diversity in all its forms among its colleagues as these can:

- Improve decision-making at all levels of business by ensuring that diverse perspectives are brought to bear in those decisions;
- Attract, retain and promote the best talent by developing a culture of inclusion where all individuals are respected and supported to reach their full potential; and
- Better serve our customers, other stakeholders and the communities in which we work by ensuring the diversity of our workforce is representative of the diversity of our stakeholders.

The Board's diversity policy is set out below and the Committee believes this remains the right policy by specifically promoting gender and ethnic diversity as well as diversity of thought while ensuring all Board members have the right experience and skills. Committee members are drawn from the Board, and therefore these policy considerations have already been taken into account when considering Committee membership.

The Board's policy on diversity and inclusion is to:

- Achieve and then maintain at least 40% female representation on the Board;
- Achieve and then maintain ethnic minority representation on the Board;
- Ensure that its membership reflects the diversity of the geographies and customers that the Group serves and takes into account wider diversity characteristics; and
- Respect the differences of its members and value and encourage the diversity of thought that such differences can bring,

In each case and always within the context of Board members having, between them, the experience and skills required to support the development, oversight and delivery of the Company's strategy.

As at 31 March 2026, the Board has met two of the three diversity targets introduced by the Listing Rules during 2022. At that date, at least one ethnic minority Director served on the Board and there was one woman in a senior Board role, namely Karen Geary as Senior Independent Director; however, women made up only 37.5% of the Board as at that date given Helen Weir stepped down as Chair in May 2025 and was replaced with Phil White. Between that date and the date of this report: (i) Paco Iglesias was appointed to the Board as the Group CEO on 1 April 2026 meaning that as at the date of this report, women make up 33.33% of the Board, and (ii) Karen Geary has informed the Board that she does not intend to stand for re-election at the Group's 2026 AGM; this could reduce the percentage of women on the Board further and it could mean there is no woman in a senior Board role, depending on the gender of her replacement as Senior Independent Director. Whilst Board gender diversity has decreased as at the date of this report, women on the Group Executive Committee (GEC) has increased to 36% as at the date of this report. The Group remains committed to enhancing diversity at all levels of its organisation, from the Board and senior management team to those working in front-line roles.

The table below sets out the numerical data on diversity as at 31 March 2026 in the standardised table format as required by the Listing Rules. We engaged with the individual members of the Board and the GEC to verify their diversity data.

Diversity is a key consideration in senior management succession planning and diversity within the current senior management team and the talent pipeline is considered as part of the Committee's annual review.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of executive management	Percentage of executive management
Men	5	62.5%	2[1]	7	70%
Women	3	37.5%	1	3	30%
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1 Phil White is an Executive Chair and therefore has been included once in the table above as both CEO and Chair

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of executive management	Percentage of executive management
White British or other White (including minority-White groups)	7	87.5%	3[1]	10	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/ Caribbean/Black British	1	12.5%	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/ prefer not to say	–	–	–	–	–

1 Phil White is an Executive Chair and therefore has been included once in the table above as both CEO and Chair

Gender diversity at Mobico as at 31 March 2026

Board of Directors

Key

Male	**62.5%**
Female	**37.5%**

Group Executive Committee

Key

Male	**70.0%**
Female	**30.0%**

Senior Leadership Team

Key

Male	**75.5%**
Female	**24.5%**

Entire workforce

Key

Male	**83.0%**
Female	**17.0%**

The gender diversity of the Board and GEC as at 31 March 2026 is shown in the numerical data table on the previous page and the pie charts above. The gender diversity of the Group's Senior Leadership Team (SLT) is 24.5% women and 17.0% women for all colleagues within the Group as at 31 March 2026, as shown by the pie charts above. As such, gender diversity has worsened since the prior year across all categories and particularly for the entire workforce as a whole. This is largely due to the sale of the Group's North American School Bus business. The nature of the work in that division, which was predominantly part-time, had attracted a high proportion of female drivers, with women representing over 50% of that workforce. The decrease at a Board and senior management level is due to the Board changes during the period in review and the restructure of the Group and its divisions. The Committee is conscious of the need to address this alongside other strategic priorities.

To this end, the Committee was pleased to hear of some of the initiatives being worked on to reverse the trend, including:

i. Alsa's partnership with the Inspiring Girls Foundation, which provides female role models for young girls;

ii. Alsa's Executive Development programmes which support high potential women;

iii. WeDriveU has launched the Women's Inspiration Network, an employee-led group dedicated to promoting equality and opportunity for women; and

iv. The UK division ran a female-focused attraction campaign to challenge perceived barriers and reserved female slots in training cohorts with the aim of increasing female driver numbers.

In 2023, the Group collated ethnic diversity data for the first time, and in line with the recommendations from the Parker Review, it set ethnicity targets for its senior management. As reported in last year's Annual Report, the Committee noted that the Parker Review clarified that their focus is on senior management within the UK rather than worldwide, whereas the Group's original targets were based on its worldwide senior management population. This, alongside the sale of the Company's North American School Bus business in July 2025, means that the Committee feels that the ethnicity targets initially set are no longer appropriate. Given the turnaround situation the Group is facing and, acknowledging the more limited resources, the Committee agrees that the focus of management should be on reporting its senior management ethnic diversity data and developing diversity initiatives. Accordingly, as at 31 March 2026, 4% of the SLT population identified as an ethnic minority (versus 5% in 2024, and 4% in 2024 when restated for the sale of NASB), which has remained static year-on-year. The Committee was also pleased to hear about some of the diversity initiatives developed to encourage more ethnic diversity at all levels (including senior management), including WeDriveU's employee resource groups (ERGs) such as Ubuntu (African American and Allies Network) and Unidos (Hispanic/ Latino & Allies Network) who host roundtables and arrange for professional development events.

For more on the Group's diversity initiatives, please see the Sustainability section of the Strategic report on page 39.

Proposed election or re-election of Directors

Having regard to the outcome of the internal performance review described in this report and, in particular, the Committee's finding that Board members have, between them, highly relevant knowledge and experience, a broad range of skills and a collective deep understanding of passenger transport, the Committee is satisfied that the Board and its Committees function effectively and that each Director contributes well to the Company.

The Committee has also considered the independence of each individual Director and the overall independent balance of the Board and its Committees. The Board, on the Committee's advice, is satisfied that there is an appropriate balance of independence on the Board and all its Committees and that each Director who is identified as being independent on page 76 is so.

The Committee further considered each individual Director's commitment to the Company, their external commitments and any actual and potential conflicts of interest in line with the Company's policies, as referred to on page 77. The Board, on the Committee's advice, is also satisfied that each Director has dedicated, and is able to dedicate, sufficient time and attention to their duties to the Company.

Accordingly, the Board, on the Committee's advice, is recommending that Shareholders elect Brian Egan and Paco Iglesias and re-elect all the other current Directors of the Company at the 2026 AGM, save for Karen Geary who will stand down from the Board from the conclusion of the 2026 AGM.

Jorge Cosmen
Nominations Committee Chair

28 July 2026

Sustainability Committee report

CAROLYN FLOWERS
Sustainability Committee Chair

Activity highlights

- Assessed the Group's performance against its sustainability strategy and targets and reviewed the plans for achieving its sustainability ambitions, which included a review of KPI dashboards and receiving updates on the Group's Places strategy
- Approved the Group's revised environmental targets following the sale of the North American School Bus business, the targets for which have been approved by SBTi, and reviewed the Group's performance against those revised targets
- Reviewed the Group's performance against its previous Global People strategy and approved the Group's new 'People and Culture' strategy that will be launched in 2026
- Educated on future sustainability reporting requirements, including the Corporate Sustainability Reporting Directive, UK Sustainability Reporting Standards and ISSB Sustainability Standards
- Reviewed and approved the Group's sustainability disclosures reported in this Annual Report

For information on the primary role and key responsibilities of the Sustainability Committee, please visit the Committees page of the Company's website: **www.mobicogroup.com/about-us/corporate-governance/committees/**

Membership, meetings and attendance

Committee member	Appointed	Meetings attended/held
Carolyn Flowers (Chair)[1]	11/05/2022	3/3
Jorge Cosmen	11/05/2022	3/3
Karen Geary[1, 2]	11/05/2022	2/3
Helen Weir[3]	31/01/2023	0/1
Nigel Pocklington[1]	01/08/2023	3/3

1 Independent Non-Executive Director

2 Karen Geary missed one Committee meeting due to exceptional circumstances

3 Helen Weir resigned from the Board on 1 May 2025. She was unable to attend one meeting of the Committee due to exceptional circumstances

Other attendees: Company Secretary, Executive Chair, Group CPO, Group Director of Organisational Effectiveness & Employee Experience, Group Finance Director, Head of Group Accounting and Reporting, and Group ESG Reporting Manager

Governance

The Executive Directors are the sponsors of the Group's sustainability ambitions and are responsible for the delivery of the Group's strategies relating to sustainability, supported by the Group CPO, divisional CEOs and divisional sustainability specialists.

The Committee's role is to review the appropriateness of the Group's sustainability ambitions and strategies in the context of its broader strategy, to monitor and report to the Board on the Group's progress in achieving those ambitions and delivering those strategies. It also plays a key role in overseeing the Group's sustainability reporting.

Reporting and communication

The Group's external report on climate-related risks and opportunities in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) for the 15-month period ending 31 March 2026 is set out on pages 42 to 55. Its mandatory disclosures on energy consumption and carbon emissions, including under the Streamlined Energy and Carbon Reporting regulations (SECR), can be found on page 55. These disclosures have been reviewed and approved by the Committee.

The Committee also received updates during the 15-month period ending 31 March 2026 on the Corporate Sustainability Reporting Directive (CSRD), which the Group will need to comply with over the coming years, and the UK Sustainability Reporting Standards which are expected to be based on the already published ISSB Sustainability Standards and which the Group has partially adopted ahead of expected required compliance.

Progress on internal sustainability reporting has continued during the 15-month period ending 31 March 2026:

i. The Committee continued to review environment and people KPIs, which track key environment and people metrics, enabling the Committee to monitor progress;

ii. The Committee endorsed management's proposal to continue having the Group's Scope 1 and 2 carbon emissions externally assured by Carbon Responsible Limited;

iii. The Committee was pleased to hear of the efforts being made to improve the quality and quantity of disclosure to external ESG rating agencies, including the Group receiving an A score from the Carbon Disclosure Project in January 2026 and the Group being re-confirmed as an AA rating with MSCI in February 2026; and

iv. The Group has partnered with both pollution and biodiversity sponsors.

Last year, the Committee reviewed and approved the Group's Sustainability Report for 2023/24 as part of its role in overseeing how the Group communicates and reports sustainability matters to its stakeholders. The report sets out progress made by the Group against the overarching sustainability strategy, and it is available on the Company's website at: **www.mobicogroup.com/media/whmhnjcf/mobico-sustainability-report-2023-24.pdf**. The Group also has an overarching Environmental Policy, which was approved by the Committee during 2024 and an Emissions Recalculation Policy, both of which can be found at **www.mobicogroup.com/about-us/our-policies/**.

Sustainability overview

The Committee has continued to monitor progress against the Group's overarching sustainability strategy during the 15-month period ending 31 March 2026, which it endorsed during 2023. The strategy is based on three pillars: Planet, People and Places, which are linked to our Purpose, to drive modal shift. Please see pages 35 to 41 for more information.

The Committee monitored progress of each pillar of the overarching sustainability strategy as set out below.

Environment – Planet

Environment ambitions

The Group's environment strategy is centred around transitioning its fleet of vehicles across its operating subsidiaries to Zero Emission Vehicles (ZEVs). Over 90% of the Group's Scope 1 and 2 carbon emissions originate from fuelling its fleet, so the transition to ZEVs will have the greatest effect in reducing the Group's impact on the environment and improving air quality in the communities it serves.

During the period, and following the disposal of the North America School Bus (NASB) business, the Committee agreed to revise its previously stated divisional targets to one Group target: that, by 2040, 100% of the Group's vehicle fleet will be ZEVs. The new Group-wide target reflects developments in the business including the shift to franchising in UK Bus and the Group's continuing need to keep capital expenditure under close control, while remaining fully aligned to the Group's net-zero ambitions.

In accordance with the Group's Emissions Recalculation Policy, the Committee reviewed the Group's previously validated carbon reduction targets following the sale of the NASB business in 2025. As a result, the Group submitted revised near-term carbon reduction targets covering Scope 1, 2 and 3 emissions to the SBTi in order to both obtain external validation of these targets and to ensure continued alignment with the Paris Agreement, with these targets having been reviewed and approved by the Committee prior to submission to SBTi. SBTi completed their validation process in April 2026 and the approved targets are set out on page 54.

Environment performance

The Committee monitored progress against the Group's ZEV transition plan during the period, which included an update on progress against the fleet ambitions and the projected impact on our emissions. As at 31 March 2026, the Group had 1,329 ZEVs in service or on order, compared to 1,100 vehicles in service or on order as at 31 December 2024, which included 64 NASB vehicles. The Committee was pleased to observe that our ZEV portfolio continued to grow during the 15-month period ending 31 March 2026 despite both the sale of the NASB business and our unrelenting focus on cash generation and deleveraging.

The Committee reviewed progress against its SBTi-approved targets during the year, and the results are set out in the table on pages 54. Scope 1 and 2 absolute emissions (under the market-based methodology aligned to our SBTi targets) are down 5.2% in 2025 from 2024 on a calendar year basis. Scope 3 absolute emissions have decreased by 13.8% compared to 2024 on the same basis. See page 54 for further commentary.

As also explained in previous Annual Reports, the Remuneration Committee sets environmental performance metrics in the annual long-term incentive plan (LTIP) awards granted to the former Executive Director(s) in 2023 and 2024. The vesting level of the 2023 LTIP is set out in the Directors' Remuneration Report: see page 103 for further detail.

Social – People and Places

Social ambitions

The Group's people are a critical component of our successful delivery of our goals – including safe and reliable services. The welfare of our employees is a key driver of our target to be the employer of choice. Our focus is to engage with our employees to ensure their physical and mental safety. Our people strategy for the period in question, which was launched in 2022, had three pillars: Embrace, Energise and Elevate, which were underpinned by our Essentials. The Committee was pleased to note progress against all four 'E's during the 15-month period ending 31 March 2026, including the new driver recruitment and retention initiatives, which includes Sumando Conductores (Adding Drivers) in Alsa which aims to bring professionals from other countries or sectors into the driving profession. The overall total driver headcount for the Group has increased by over 200 drivers in 2025 compared to 2024. Driver recruitment and retention continues to be a focus for the divisions.

A new Group 'People and Culture' strategy was endorsed by the Committee in March 2026 under the banner of 'Going further, Being close'. This is closely aligned with the Company's core Values: Excellence, Safety, People, Community & Environment and Customers. These Values are reinforced by our guiding behaviours: the four 'H's – Humility, Honesty, Humanity and Humour. The strategy is structured around four key priorities: (i) powered by talent, (ii) connection makes us stronger, (iii) culture shapes who we are and (iv) driven by diversity, each of which are supported by targeted initiatives linked to the Group's priorities. The new 'People and Culture' strategy reinforces the Group's commitment to being an employer of choice, attracting and developing top talent, and recognising that our people are the drivers of our success. Please see pages 07 and 38 for more information. The Committee will review progress against this new 'People and Culture' strategy going forwards.

The Committee monitored implementation of the Group's overarching wellbeing strategy, 'Be Well', which was launched in 2024 to build on the framework in place within the divisions, and remains part of the new 'People and Culture' strategy. The Group has partnered with Mental Health UK and is focused on actively promoting activities and campaigns that encourage open conversations, reduce stigma and empower colleagues to seek help when needed.

The Committee also received an update on the Places pillar, which is the Group's commitment to serving its communities. Our support for our communities has always been at a divisional level, reflecting the desire to partner with communities and charities that mean the most to our diverse local businesses, with initiatives and best practice being shared amongst the divisions at the meetings of the Global Sustainability Steering Group. During the period, the Committee endorsed continuing with that approach rather than switching to a Group-led approach and was pleased to learn of some of the activities undertaken by the divisions in the communities they serve, including:

i. Local partnerships with 'Stuff the Bus' in WeDriveU and GreenTheUK in Group; and
ii. Electrifying the Glastonbury festival shuttles.

Social performance

The Group has previously tracked its social performance for People through the results of the 'Your Voice Matters' all-employee survey, through improvements to global engagement and eNPS scores. As reported in last year's Committee report, the difficult decision was made to postpone the 2024 'Your Voice Matters' survey with the Group leveraging other methods to measure the Group's culture, engagement and sentiment. Due to the volume of change underway across some of the divisions, it was felt that timing was not practical to run the survey in every part of the business during 2025. In late 2025, the survey was run in Bahrain and Alsa only, and achieved response rates of 93% and 65%, respectively. The Bahrain engagement survey shows strong employee engagement, with high participation and positive sentiment across most experience areas and with results well above benchmark. While many areas improved since 2023, recognition, management communication and collaboration show slight declines, highlighting opportunities to enhance leadership visibility, feedback and cross-team connections. Headline results in Alsa show a slight decline in response rate amongst operational staff following the move away from paper surveys. Engagement also reduced most with operational staff in Spain and Morocco, the largest workforce segment, which drove an overall decline. However, wellbeing scores were high across all regions. Action plans are being devised to target key areas.

The Committee also recognises that it is vital to measure the Group's culture, engagement and sentiment in divisions that did not undertake the formal survey. The Committee was pleased to hear about, and endorsed, alternative methods adopted to ensure that employee engagement was well-monitored during 2025. These included the continued use of pulse surveys (comprising a shorter set of questions issued to specific segments of the workforce as well as a general cross-section). The Group Executive continued to monitor engagement via its 'mood board' which uses information gathered from 'mood checkers' on the Group's intranet, internal and external social and work channels, as well as information from divisional HR directors, with key findings presented to the Committee at each meeting.

These methods provide actionable feedback. The Committee noted that some key themes arising are:

i. The Group's new wellbeing strategy has been well-received by employees, as demonstrated by improved wellbeing responses to pulse surveys and a 28% increase in our external benchmark score; and
ii. The Global Finance team reported more positive responses on work-life balance (which was up 3%) and workload management (which was up 13%).

These were target areas for 2025 and therefore the Committee was pleased to hear of these improvements.

Progress for the Places pillar is monitored though the following KPIs:

i. Passenger journeys;
ii. Cities operated in; and
iii. Public transport contracts won.

Although we disposed of our North America School Bus business in the year, we continue to show strong progress against our Places KPIs, including 29 new public transport contracts won in the period. We remain focused on serving our local communities and we now operate in 50 cities and have carried our passengers over 26 billion passenger miles.

Carolyn Flowers

Carolyn Flowers
Sustainability Committee Chair

28 July 2026

Remuneration Committee report

NIGEL POCKLINGTON
Remuneration Committee Chair

Activity highlights

- Tracked financial results/remuneration outcomes for Executive Directors and senior management
- Reviewed 15m 2026 annual bonus/2023 Long-Term Incentive Plan (LTIP) out-turns for Executive Directors/senior management
- Reviewed the Chair's/Executive Directors'/senior managers' pay/benefits in 2025, in the context of their performance, the Company's performance and the Group's stakeholder experiences
- Considered and set targets and performance conditions for the 2026/27 annual bonus and the 2026/27 LTIP awards to be made to Executive Directors and senior management
- Ongoing remuneration environment/best practice review

For information on the primary role and key responsibilities of the Remuneration Committee, please visit **www.mobicogroup.com/about-us/corporate-governance/committees/**

Membership, meetings and attendance

Committee member	Appointed	Meetings attended/held
Nigel Pocklington (Chair)	01/08/2023	7/7
Karen Geary	01/10/2019	7/7
Ana de Pro Gonzalo[1]	04/12/2021	6/7
Helen Weir[2]	31/01/2023	2/2

Other attendees: Group General Counsel & Group Company Secretary (or their Deputy), Group CEO or Executive Chair, Group CFO, Group CPO, Group Reward Director, Ellason and FIT representatives (independent remuneration advisers). No individual was present when their own remuneration was discussed.

1 Ana de Pro Gonzalo was not able to attend one meeting of the Remuneration Committee as this meeting had to be rescheduled to a date where she already had a pre-existing commitment.

2 Helen Weir stood down from the Board and the Committee on 1 May 2025. She attended all Committee meetings held during the financial period prior to this date.

On behalf of the Board and as Chair of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the 15-month financial period ending 31 March 2026 (15m 2026). As in previous years, this report aims to set out simply and transparently how remuneration has operated across the Group in the financial period, including the decisions made by the Remuneration Committee on Chair, Executive Director and senior management remuneration, the associated rationale for these decisions and how the Remuneration Committee intends to operate the Directors' Remuneration Policy in the year ahead.

The report is split into two sections: this Annual Statement and the Annual Report on Remuneration. Our Remuneration Policy was last submitted to Shareholders at the 2024 AGM, receiving 98.88% votes in favour, and can be found within the Company's Annual Report and Accounts for 2023 which is available on the Company's website. The Annual Report on Remuneration will be subject to an advisory Shareholder vote at the 2026 AGM.

Business performance

In 2025, our new leadership team started the Group's turnaround which has continued with momentum into 2026. We achieved further growth, underpinned by Alsa's double-digit growth, although this was hampered by a challenging trading environment in the UK and operational issues with the WMATA contract in WeDriveU. Safety is a priority, which is integral to our operations and we significantly improved this in the 15m 2026 period. Our environmental credentials also improved, with our Scope 1 & 2 emissions continuing to reduce year-on-year, despite an overall increase in passenger miles.

Wider workforce context

Mobico's performance relies on the hard work and dedication of over 30,000 colleagues across Europe, North America, North Africa and the Middle East, with the Remuneration Committee's decision-making in respect of Executive Directors informed by its responsibilities in overseeing remuneration across the broader business.

The Remuneration Committee is conscious that cost of living continues to pose challenges for our colleagues. Given the range of operations and geographies within the Group, salary increases differ. UK salary increases awarded to non-unionised colleagues will average 3%, with our other geographies following similar approaches. The Group is also committed to supporting employees beyond this and operates a number of support packages for colleagues such as access to hardship loans, employee discounts and financial education webinars, in addition to wider health and wellbeing support through the provision of apps and seminars.

For more information on progress made in supporting colleagues, see page 40.

Remuneration Committee decision-making on developments during the financial period

This period has seen a number of developments which have had implications for Executive Director remuneration. Below we set out how the Remuneration Committee has responded to each of these developments and the rationale for our decision-making.

Changes to the Executive team

During the 15m 2026 period, Mobico announced a number of changes to its Board and Executive team, with the Remuneration Committee tasked with determining the remuneration arrangements for outgoing and incoming Directors in line with the Policy approved by Shareholders.

In April 2025, we announced that Group CEO, Ignacio Garat, would be stepping down from his position and from the Board with effect from 30 April 2025, and would remain with the Group as an adviser until 31 July 2025 to support a smooth handover of leadership responsibilities. Details of Ignacio's leaver arrangements were published to the Company's website at the time of his cessation. He continued to receive salary and other contractual benefits in accordance with his service agreement until 30 April 2026, in addition to a one-off payment in lieu of holiday accrued but untaken prior to his cessation. Reflecting the nature of Ignacio's cessation and noting his contribution to the Group over the last four and a half years – including successful navigation of the Group through the pandemic and delivery of strong revenue growth – the Remuneration Committee treated him as a 'good leaver' for the purposes of variable incentives. Accordingly, Ignacio remained eligible for an annual bonus for the 2025 calendar year, with maximum opportunity pro-rated to reflect the proportion of the period served. He also retained pro-rated interests in the 2023 and 2024 LTIP cycles which will be tested for performance at the normal time. Further details are set out on page 104.

In order to provide time to conduct a thorough search for Ignacio's successor, the Board appointed Phil White to the role of Executive Chair on an interim basis with effect from 1 May 2025. Phil had previously been announced as our new Non-Executive Chair of the Board but took over executive duties to ensure Mobico could continue to accelerate the pace of necessary operational and financial improvements. Phil's package as Executive Chair comprises a base salary of £840,000 per annum and an annual award of salary shares worth £140,000 which will vest and become exercisable on the anniversary of his appointment. Granting part of Phil's package in the form of Mobico shares was seen as an appropriate way of helping to control costs across the business and to recognise feedback from a number of our leading Shareholders around the importance of alignment. Reflecting the temporary nature of his expanded role, Phil is not eligible to participate in the annual bonus or LTIP. As subsequently announced on 25 March 2026, Phil will continue in his role as Executive Chair until 30 September 2026, before reverting to Non-Executive Chair, for which he will receive an all-inclusive fee of £500,000 per annum.

To recognise the importance of the aforementioned financial improvements, Brian Egan was appointed as Group CFO and to the Board with effect from 24 June 2025. In setting Brian's remuneration, the Remuneration Committee sought to recognise his considerable experience at a number of international companies over the last 25-years, including as a PLC Executive Director. Taking this into account, Brian's starting base salary was set at £505,000 per annum with an additional £50,000 to be awarded through salary shares. In line with the Policy, Brian receives a pension contribution of up to 3% of salary, a maximum annual bonus opportunity of 150% of salary and an annual LTIP award of 200% of salary (albeit his 15m 2026 award was below this level reflecting his part-year service).

As announced in February 2025 and discussed in the 2024 Annual Report, Helen Weir resigned her position as Board Chair for personal reasons and departed from the Company on 1 May 2025. Her fees were paid in line with the Remuneration Policy until her point of departure. On behalf of the Remuneration Committee, I would like to thank Helen for her support to the Remuneration Committee during her tenure.

Finally, and as announced on 25 March 2026, Francisco (Paco) Iglesias was appointed as Group CEO with effect from 1 April 2026. Paco brings a wealth of experience to the role, having served as Group COO since February 2025 and as CEO of Mobico's Alsa division since 2016. Reflecting this background and his strong track-record of delivery, the Remuneration Committee approved a starting package for Paco consisting of a base salary of €781,220 per annum, a maximum annual bonus opportunity of 200% of salary and an annual LTIP award of up to 200% of base salary. Other elements of the Policy, including a shareholding guideline, will also apply. Further details are set out on page 99.

Changes to Mobico's financial year end

As noted on page 133, in order to allow sufficient time to prepare financial statements and for our new Auditors, KPMG, to complete their audit, Mobico changed its accounting reference date and financial year end from 31 December 2025 to 31 March 2026. The Remuneration Committee's approach in respect of variable incentives resulting from the change in reporting period is set out below.

2025 annual bonus

To account for the extension to the Company's financial year, the Remuneration Committee approved additional financial targets relating to the three-months ending 31 March 2026, with the Group CFO's final bonus based on a weighted average of these outcomes. The former Group CEO's bonus for the year was assessed in relation to the original 12-month period in accordance with his leaver terms.

2023 LTIP

It was agreed by the Remuneration Committee to assess the 2023 LTIP based on the original targets and performance period ending 31 December 2025, noting that most metrics were tracking below threshold anyway and that the 2026 LTIP would continue to follow a calendar year grant cycle.

Application of malus

In its half-year results for the six-months ending 30 June 2025, the Company reported a statutory loss of £(254.7)m, primarily reflecting a £(238)m non-cash impairment associated with the sale of Mobico's North American School Bus business.

In that context, the Remuneration Committee made a provisional determination in September 2025 that malus/the vesting underpin should be applied to the 2024 LTIP award and 2025 bonus of the former Group CEO, Ignacio Garat, considering his role as Group CEO during the relevant period. The Remuneration Committee communicated this provisional termination to Mr Garat and sought to agree the precise level of the adjustments with him. In agreement with Mr Garat, the Remuneration Committee ultimately determined that malus would be applied to his remuneration as follows: (i) the value of the 2025 bonus ultimately payable to Mr Garat would be reduced by 50%; and (ii) the number of shares that would otherwise vest under his 2024 LTIP award would be reduced by 25%.

Further details are set out on page 105.

Remuneration outcomes for the period

The Remuneration Committee's decisions around executive remuneration continue to be framed by the Group's broader performance context, including growth in passenger numbers and the experience of our different stakeholders. In light of these considerations, the Remuneration Committee approved the following in respect of 15m 2026 incentive outcomes:

Annual bonus

The annual bonus scheme was operated in line with the Policy for Executive Directors in the 15m 2026 period.

In recognition of a large number of outstanding variables at the time – including ongoing PTA negotiations in Germany and the imminent sale of North America School Bus – the Remuneration Committee set provisional targets for the annual bonus in early 2025, before approving final targets at mid-year. As part of this process, the Remuneration Committee approved a change in the primary profit measure from PBT to EBIT to align with the Group's reporting and strengthened both the profit and covenant gearing targets to ensure that they remained of equivalent difficulty to those originally set. As noted above, the Remuneration Committee later set additional targets for the Group CFO to reflect the change in financial year end.

Following a review of performance against the targets set, the Remuneration Committee confirmed that the Group CFO will receive a bonus payout of 64.7% of maximum, pro-rated to reflect the period served. In accordance with his leaver terms, the former Group CEO's bonus was judged against the original 12-month targets, resulting in an overall outcome of 51.8% of maximum (and 25.9% of maximum after the application of malus outlined above), similarly pro-rated to reflect the proportion of the period served. In both cases, 50% of the amounts earned will be deferred in Mobico shares for one-year. Further details, including bonus targets, are included on page 102.

Long-term incentives

LTIP awards made in March 2023 reached the end of their performance period as at 31 December 2025. These awards were based on a combination of underlying EPS, relative TSR, ROCE and two environmental metrics – CO_2 emissions per million passenger kilometres and ZEV fleet growth. Similarly to last year, the Remuneration Committee applied negative discretion to the formulaic ROCE outcome, reducing vesting from 100% to 0% in recognition of wider financial performance. Overall vesting of the 2023 LTIP was 0%. Further details are included on page 103.

Overall pay outcomes for the 15m 2026 period

Taken as a whole, the Remuneration Committee is satisfied that overall pay outcomes, following the application of negative discretion on the 2023 LTIP, are appropriate.

Implementation of the Policy in 2026

Salaries

The Executive Chair's base salary will remain unchanged at £840,000 with a salary shares award of £140,000 to be made as soon as permitted following the first anniversary of his appointment. As noted above, Phil will revert to the role of Non-Executive Chair from 1 October 2026 on an all-inclusive fee of £500,000 per annum.

The Group CFO's salary will be similarly unchanged for the year at £505,000, with a further £50,000 to be granted in the form of salary shares, as soon as permitted following the first anniversary of his appointment, in June 2026.

Paco's starting salary as Group CEO has been set at €781,220 per annum. The average salary increase across the Group will be 3%.

Pension

Total employer pension contributions for the Group CFO will continue to be in line with the offering available to the wider employee population in the UK at 3% of salary. The Group CEO will not receive a pension contribution, in line with the majority of employees in Spain. The Executive Chair does not receive a pension contribution.

Annual bonus

Paco Iglesias and Brian Egan will each participate in the 2026 bonus plan, with a maximum opportunity of 200% of salary and 150% of base salary respectively. The Remuneration Committee remains satisfied that the overall blend of financial and non-financial measures continues to support the Group's strategy and reinforces its Values. For 2026, the Committee has decided to replace the Covenant Gearing metric with Group cash flow, a change which reflects our immediate focus on strengthening liquidity and supporting deleveraging, and which improves participant line-of-sight and provides stronger alignment with the bonus metrics used at a divisional level. For both the financial and non-financial elements, targets have been set to be challenging relative to business plan. Further details are included on page 100.

Long-term incentives

In March 2026, Paco Iglesias and Brian Egan were each granted an award under the 2026-28 LTIP cycle equivalent to 200% of base salary. Consistent with the change made last year, vesting of this award is based entirely on Mobico's TSR performance relative to the constituents of the FTSE 250 Index, underpinned by the Remuneration Committee's assessment of overall corporate performance and the Shareholder experience over the period. Further details are included on page 100.

Concluding thoughts

I hope the above provides helpful context to the decisions taken by the Remuneration Committee this year, and that Shareholders will remain supportive of our approach to executive pay at our 2026 AGM.

As always, the Remuneration Committee is keen to discuss the views of Shareholders and their representative bodies and values their ongoing engagement on remuneration matters. I will be available to answer questions on the Directors' Remuneration Report at the AGM and, if any Shareholder wishes to contact me in advance of that meeting to discuss any matters disclosed in the report, I can be reached via the Group Company Secretary.

Finally, as a Committee we wish to thank all our colleagues throughout the business for their continued hard work and dedication.

Nigel Pocklington
Remuneration Committee Chair

28 July 2026

Annual Report on Remuneration

1. Statement of implementation of current Directors' Remuneration Policy in 2026

(a) Executive Directors' fixed remuneration

As set out in the Chair's Statement, the starting salary for Paco Iglesias has been set at a level that reflects his experience and track-record. The Executive Chair fee and the Group CFO's base salary remain unchanged for the current financial year, and each will receive a salary share award as soon as possible following the anniversary of their respective appointment dates:

Director	Base salary/fee	Salary shares
Paco Iglesias, Group CEO	€781,220	n/a
Phil White, Executive Chair	£840,000	£140,000
Brian Egan, Group CFO	£505,000	£50,000

The Group CEO and the Executive Chair do not receive a pension contribution. The Group CFO's pension contribution level is 3%, in line with that of the UK workforce.

Benefits for the Group CEO comprise family private healthcare, car allowance and assistance on preparation of UK and Spanish tax returns. Benefits for the Group CFO include family private healthcare, car allowance and a travel allowance (£40,000) related to taxable travel costs in connection with commuting from Ireland to the UK.

(b) Executive Directors' annual bonus

For 2026, the maximum bonus opportunity for Paco Iglesias and Brian Egan will be 200% of salary and 150% of salary respectively, with performance assessed by reference to the following measures:

Annual bonus measures	Weighting
Group EBIT	45%
Cash generation	25%
Safety: FWI index score	15%
Personal objectives	15%

For both the financial and non-financial elements of the annual bonus, targets have been set to be challenging relative to the business plan. Reflecting concerns around commercial sensitivity at this time, it is the Remuneration Committee's intention to disclose all targets retrospectively in next year's Remuneration Report.

(c) Executive Directors' LTIP awards

In March 2026, Paco Iglesias and Brian Egan were each granted an award of 200% of salary under the LTIP, as follows:

Director	Grant date	# shares awarded	Face value	Award amount[1]	Performance period
Paco Iglesias	30/03/2026	7,416,281	€1,562,440	200% of salary	01/01/2026–31/12/2028
Brian Egan	30/03/2026	5,525,164	£1,010,000	200% of salary	01/01/2026–31/12/2028

Note Based on the MMQ share price on the last business day preceding the date of grant, being 18.28p on 27 March 2026. Calculation for Paco, based on an exchange rate of £1 = €1.153

Consistent with the change made for the 2025-27 awards, vesting of the 2026-28 LTIP is based entirely on Mobico's TSR performance relative to the constituents of the FTSE 250 Index over the three-year period ending 31 December 2028, with targets as follows:

Measure	Weight	Threshold (25% vest)	Max. (100% vest)
TSR vs. FTSE 250 Index (percentile ranking)	100.0%	50% (median)	80% (upper quintile)

Vesting is calculated on a straight-line basis for performance between points. The TSR condition is subject to an underpin assessment under which the Remuneration Committee can reduce the overall vesting level if it is not reflective of the Company's overall corporate performance and/or the experience of Shareholders. Examples of circumstances in which such an adjustment could be made, include: (i) consideration of whether vesting levels represent windfall gains; (ii) a substantial mis-alignment between the Company's financial performance and the vesting level; and/or (iii) significant concerns in relation to safety.

Any awards vesting will be subject to a two-year holding period. Malus and clawback will apply for two-years from the date of vesting, including post termination of employment. Dividend equivalent entitlements will attach to any vested shares over the vesting period and during the holding period while options remain unexercised and will be satisfied in shares rather than cash.

(d) Non-Executive Directors' fees

Upon reverting to the Non-Executive Chair role from 1 October 2026, Phil White will receive an all-inclusive fee of £500,000 per annum. Other Non-Executive fees will remain unchanged for the current financial year, as follows:

Role	£
Non-Executive Chair fee (from 1 October 2026)	£500,000
Non-Executive Director base fee	£57,568
Fees for additional responsibilities:	
Senior Independent Director	£11,000
Remuneration Committee Chair	£12,000

The letters of appointment for the Chair and the Non-Executive Directors, together with the service agreements for the Executive Directors, are available for inspection at the Company's registered office.

2. Single total figure of remuneration for Executive Directors (audited)

The table below sets out the single total figure of remuneration and breakdown for each Executive Director who served during the 15-month financial period ending 31 March 2026 (15m 2026) with comparative figures provided for the 12-month financial period ending 31 December 2024, where applicable. The subsequent information and tables in this section give more detail on various elements of the Executive Directors' remuneration.

£000	Phil White[1]		Brian Egan[2]		Ignacio Garat[3]	
Financial period	15m 2026	2024	15m 2026	2024	15m 2026	2024
Base salary/fee[4]	**770**	–	**388**	–	**768**	600
Benefits[5]	**–**	–	**70**	–	**90**	26
Pension allowance	**–**	–	**12**	–	**23**	18
Total fixed remuneration	**770**	–	**470**	–	**881**	644
Annual bonus[6]	**–**	–	**377**	–	**187**	–
Vested LTIPs[7]	**–**	–	**–**	–	**–**	16
Total variable remuneration	**–**	–	**377**	–	**187**	**16**
Single total figure of remuneration	**770**	–	**847**	–	**1,068**	660

1 Mr White was appointed as Executive Chair from 1 May 2025. All payments to Mr White in 2025 are in respect of service from that date.

2 Mr Egan was appointed as Group CFO from 24 June 2025. All payments to Mr Egan in 2025 are in respect of service from that date.

3 Mr Garat was the Group's CEO until 30 April 2025 and the 2025 base salary, benefits and pension amounts shown above reflects the period served during the financial period ended 31 March 2026. The terms of all payments made to Mr Garat in connection with his loss of office are shown on page 104.

4 Mr White's base salary amount includes a share-based element of remuneration as part of 2025's fixed pay which will ordinarily time vest and become exercisable as from 1 May 2026. This is valued at £140,000 (531,914 shares awarded at a share price on 3 November 2025 of 26.32p). Mr Egan's base salary amount includes a share-based element of remuneration as part of 2025's fixed pay which will ordinarily time vest and become exercisable as from 24 June 2026. This is valued at £50,000 (189,969 shares awarded at a share price on 3 November 2025 of 26.32p).

5 Benefits comprise the gross of tax value of car allowance and private medical insurance. Benefits for Mr Garat also include the reimbursement of the cost of preparation of Mr Garat's UK and Spanish tax returns. Benefits for Mr Egan include an annual travel allowance of £40,000 related to taxable travel costs in connection with commuting from Ireland to the UK.

6 Full disclosure of the annual bonus amounts and delivery mechanism are set out on page 102.

7 2024 figure: The LTIP figure for Mr Garat has been updated to reflect the market price on the date of vesting (29 April 2025) of 31.96p. The difference in value is £21k. 2025 figure: The 2023 LTIP lapsed in full based on performance to 31 December 2025, as set out on page 103.

(a) Annual bonus (audited)

The maximum annual bonus opportunity in 15m 2026 was 200% of base salary for Ignacio Garat and 150% of salary for Brian Egan, in both cases, calculated with reference to the actual base salary earned during their periods of service. The 15m 2026 annual bonus was based on an additive combination of financial metrics (weighted 70%), safety metrics (15%) and personal objectives (15%).

(i) Brian Egan

As noted in the Chair's Statement, the Remuneration Committee approved final targets for the financial measures of the annual bonus for Brian Egan at mid-year and resolved to amend the primary profit measure from PBT to EBIT to align with the Group's reporting. Following the extension to the Company's financial year, the Remuneration Committee approved additional targets relating to the March 2026 quarter, with Brian Egan's final bonus based on a weighted average of these outcomes. Further details, including the targets set and performance against each of the metrics, are provided below:

Group	Weighting	Threshold	Target	Maximum	Outcome	Achievement (%)
EBIT (£m, 2025)	36%	£153.80	£192.30	£230.80	£198.00	57.4%
EBIT (£m, Q1 2026)	9%	£16.70	£18.60	£20.50	£33.00	100%
Covenant Gearing (Dec-25)	20%	2.5x	2.4x	2.3x	2.7x	0%
Covenant Gearing (Mar-26)	5%	3.4x	3.3x	3.2x	2.9x	100%
Safety (FWI) (2025)	12%		0.0032	0.0028	0.0011	100%
Safety (Mar-26)	3%				0.0011	100%
Personal (2025)	12%					100%
Personal (Mar-26)	3%					100%
Overall Achievement (%)						64.7%

Note:

As the financial targets for CY 2026 are commercially sensitive, all target details will be included in retrospectively in the 2026 report. The EBIT target for the March 2026 quarter is the Budget, with Threshold and Maximum being in a range of +/- 10%.

Noting business priorities at the time of his appointment, Brian's personal objectives related to the optimisation of the Group finance function and the successful appointment of a new Auditor. In both cases, the Remuneration Committee assessed that Brian had achieved his objectives in full and in a timely manner, noting, for example, the significant process improvements implemented, the levels of cost savings achieved and the strong collaboration with key internal stakeholders such as the Audit Committee Chair.

Following an overall assessment of performance, the Remuneration Committee approved an overall outcome for Brian Egan of 64.7% of maximum (£583,690.50). 50% of this bonus earned will be deferred in Mobico shares for one year.

Max. bonus % salary		Bonus outcome % of max.		Salary for period		Bonus outcome
150%	x	64.7%	x	£389,127	=	£377,647

(ii) Ignacio Garat

In accordance with his leaver terms, Ignacio Garat's annual bonus was assessed against the original 12-month measures, as follows:

Measure	Weight	Threshold	Target	Max.	Actual	Bonus achieved
Group PBT (£m, 2025)	45%	92.2	115.5	138.4	122.3	65%
Group Covenant Gearing (Dec-25)	25%	2.5	2.4	2.3	2.7	0%
Safety: FWI index score (2025)	15%		0.0032		0.0011	100%
Personal objectives	15%		See details below			50%

Note:

Ignacio's personal objectives were based on enhancing Shareholder value, providing support to the Executive Chair, Group COO and Board, as and when required and providing support to the Group COO with his development plan. Following an overall assessment of performance, the Remuneration Committee approved an overall outcome for Ignacio Garat of 25.9% of maximum (reduced by 50% after the application of malus as outlined in the Chair's Statement). In accordance with the Policy, 50% of this amount will be deferred in Mobico shares for one year.

Max. bonus % salary		Bonus outcome % of max.		Salary for period		Bonus outcome	After 50% malus
200%	x	25.9%	x	£360,500	=	£373,478	£186,739

(b) LTIP vesting and awards

(i) LTIP awards vesting based on performance to 31 December 2025

LTIP awards granted to Ignacio Garat in 2023 were based on a three-year performance period ending 31 December 2025. Details of the performance conditions attaching to the 2023 LTIP awards, which were granted as nil cost options, and the extent to which they have been met, are set out in the table below.

Similarly to last year, the Remuneration Committee applied negative discretion to the formulaic ROCE outcome, reducing vesting from 100% to 0% for this element in recognition of wider financial performance. Overall vesting of the 2023 LTIP was therefore 0%

Measure	Weight	Threshold	Target	Max.	Actual	Vesting
TSR vs. FTSE 250 Index[1]	25.0%	50%	–	80%	<50%	0.0%
EPS[2]	25.0%	21.7p	24.9p	26.5p	7.9p	0.0%
ROCE[3]	25.0%	9.0%	10.5%	12.0%	18.3%	25.0%
tCO_2e/million passenger km[4]	12.5%	5.0%	5.5%	6.0%	0%	0.0%
Fleet transition[5]	12.5%	2,000	2,200	2,400	1,201	0.0%
Total formulaic vesting						25.0%
After application of discretion						0.0%

Threshold corresponds to 25% vesting for TSR and EPS, and 0% for other metrics. Where defined, Target corresponds to 50% vesting. Vesting is calculated on a straight-line basis for performance between points.

1 Based on percentile ranking versus constituents of the Index.
2 Actual EPS is the fully diluted adjusted earnings per share in the last year of the performance period.
3 Actual ROCE is the average return on capital employed in the last year of the performance period.
4 Based on reduction in tCO_2e/ million passenger km by 2025 relative to 2022 base year.
5 Based on number of zero emission vehicles in service or on order by 31 December 2025.

(ii) LTIP awards granted during the financial period

In June 2025, Brian Egan was granted awards under the LTIP in the form of nil-cost options. Vesting of these awards is based entirely on Mobico TSR performance relative to the constituents of the FTSE 250 Index. Further details:

Director	Grant date	# shares awarded	Face value	Award amount[1]	Performance period
Brian Egan	25/06/2025	2,523,264	£705,000	140% of salary	01/01/2025—31/12/2027

1 Based on the MMQ share price on the last business day preceding the date of grant, being 27.94p on 24 June 2025.

Measure	Weight	Threshold (25% vest)	Max. (100% vest)
TSR vs. FTSE 250 Index (percentile ranking)	100.0%	50% (median)	80% (upper quintile)

Vesting is calculated on a straight-line basis for performance between points. An underpin condition also applies such that the Remuneration Committee retains discretion to override formulaic outcomes in respect of the award where it considers that the level of vesting is not reflective of the Company's overall corporate performance and/or the Company's Shareholder experience. This can include consideration of whether vesting levels represent windfall gains, any substantial mis-alignment between the Company's financial performance and the vesting level, and/or significant concerns in relation to safety.

Vested shares will be subject to a two-year holding period and malus and clawback will apply for two-years from the date of vesting, including post termination of employment. Dividend equivalents are payable on vested shares over the vesting period.

3. Single total figure of remuneration for Non-Executive Directors (audited)

The table below sets out the single total figure of remuneration (fees) for each Non-Executive Director who served during the 15m 2026 period with comparative figures provided for the 12-month financial period ending 31 December 2024, where applicable.

	£000	
Financial period	**15m 2026**	**2024**
Helen Weir (former Chair)[1]	**87**	259
Jorge Cosmen (Deputy Chair and Nominations Committee Chair)	**87**	68
Ana de Pro Gonzalo (Independent Non-Executive Director)	**72**	56
Carolyn Flowers (Independent Non-Executive Director)[2]	**94**	74
Karen Geary (Senior Independent Director)[1]	**85**	74
Nigel Pocklington (Remuneration Committee Chair)[1]	**87**	61
Enrique Dupuy de Lome Chávarri (Audit Committee Chair)[1]	**87**	63

1 Changes in Directors and responsibilities during the periods shown which are relevant to the above are as follows:
a. Helen Weir stepped down as a Director on 1 May 2025.
b. Karen Geary served as Remuneration Committee Chair until 1 August 2024.
c. Nigel Pocklington was appointed as Remuneration Committee Chair from 1 August 2024.
d. Enrique Dupuy de Lome Chávarri was appointed as Audit Committee Chair from 11 June 2024.

2 A travel allowance is also paid to Carolyn Flowers for each Board meeting or other Board-related matter she attends outside the North American continent, in an amount per such meeting or matter of £1,000. For 2025/26, Ms Flowers received £7,000 in respect of this allowance in addition to her base fee, included in the figure above (2024: £6,000).

4. Payments to past Directors and payments for loss of office (audited)

Leaver treatment for Ignacio Garat

Ignacio Garat stepped down as a Director of the Company from 30 April 2025. The following summarises the terms of all payments made to Mr Garat in connection with his loss of office. All payments are made in accordance with his service agreement and the Directors' Remuneration Policy and after applicable tax and social security deductions:

- Mr Garat was entitled to be paid his monthly salary and any other contractual benefits for the 12-months period ending 30 April 2026. These payments were made in monthly instalments and subject to the requirement to take reasonable steps to mitigate; and
- Mr Garat additionally received payments as follows in connection with the termination of his employment:
  - £33,088.95 in respect of Mr Garat's relocation and other expenses connected with his return to Spain following the end of his duties as Group CEO;
  - £35,654 in lieu of holiday which was accrued but untaken up to 30 April 2025; and
  - A contribution of £20,000 plus VAT towards legal fees incurred in connection with the cessation of his employment.

As noted in the Chair's Statement, in recognition of the nature of his cessation and his significant contribution to the Group over his tenure, the Remuneration Committee treated Mr Garat as a 'good leaver' for the purposes of variable incentives:

- Mr Garat remained eligible to participate in the annual bonus on a pro-rated basis for the period which he served during the year. The amount earned after the agreed application of malus was £186,739, as disclosed in the single figure table on page 105; and
- Mr Garat retained outstanding LTIP awards granted in 2023 and 2024 with vesting to be determined in accordance with the performance conditions relating to the LTIP awards in question and pro-rated for time. As noted above, the 2023 LTIP award lapsed in full. The number of shares which would otherwise vest under Mr Garat's 2024 LTIP will be reduced by 25% to reflect the agreed application of malus.

Full details in relation to the malus applied to Mr Garat's awards can be found on page 105 below.

Other

For Ignacio Garat, former Group CEO, and James Stamp, former Group CFO, vesting of previously granted awards during the 15m 2026 period were as follows: 50,636 (9.96% vesting) and 19,599 (9.96% vesting), respectively, under the under the 2022 LTIP on 21 March 2025. Mr Garat's & Mr Stamp's outstanding interests under the 2023 LTIP lapsed in full on 27 March 2026 following application of the performance conditions.

Other than the above, there have been no payments to former Directors during the financial period ending 31 March 2026 in respect of their former roles as Directors.

(6) Malus and clawback provisions

Summary of malus and clawback provisions

Executive Directors' annual bonus awards and LTIP awards are subject to malus and clawback provisions which may be engaged in specified circumstances including, but not limited to: a material misstatement resulting in an adjustment to the audited consolidated accounts; an award or payout having been based on error or inaccurate or misleading information; action, inaction or conduct of a participant which amounts to fraud or gross misconduct, or which has a significant detrimental impact on the reputation of the Company; or insolvency or corporate failure which results in a material reduction in the Company's value for which the individual is deemed responsible.

These provisions may be applied at any time up to two-years following payment (in respect of the annual bonus), or at any time up to two-years following the vesting of an award (in respect of the LTIP). The Remuneration Committee considers that these time periods are appropriate in the context of Mobico's business operations and reflect a period over which the Company's processes and systems are likely to uncover any of the trigger events. Where the Remuneration Committee determines that malus and/or clawback should apply, the Remuneration Committee has full discretion to determine the basis of application and the means by which the provisions will be implemented.

Equivalent malus and/or clawback provisions apply under the rules of the Company's LTIP 2025 (which was approved in June 2025).

Use of malus and clawback provisions

In its half-year results for the six-months ending 30 June 2025 (announced on 9 September 2025), the Company reported a statutory loss of £(254.7)m for H1 2025, primarily reflecting a £(238)m non-cash impairment associated with the sale of Mobico's North America School Bus business to I Squared Capital (the NASB transaction). The NASB transaction was announced on 25 April 2025 and completed on 14 July 2025.

The Remuneration Committee considered whether it would be appropriate to apply malus, clawback and/or the vesting underpin to Mr Garat's variable remuneration, considering his role as Group CEO during the relevant period.

In September 2025, after careful consideration, the Remuneration Committee made a provisional determination that, on the basis that the additional impairment had a significant detrimental impact on the Company's reputation and since Mr Garat held the position of Group CEO at the relevant time, malus / the vesting underpin should be applied to Mr Garat's 2024 LTIP award and 2025 bonus.

The Remuneration Committee communicated this provisional determination to Mr Garat and sought to agree the precise level of the adjustments with him. In doing so, the Remuneration Committee took into account a range of relevant considerations, including but not limited to: legal advice on the scope of its malus and clawback powers; the importance of ensuring outcomes were fair and proportionate; alignment with Shareholder expectations and governance standards; and the desirability of achieving a timely and mutually agreed resolution.

In December 2025, an agreement was reached with Mr Garat under which malus would be applied to his remuneration as follows:

- **2025 bonus:** the value of the bonus ultimately payable to Mr Garat will be reduced by 50%; and
- **2024 LTIP:** the number of shares that will otherwise vest will be reduced by 25%.

The value of the remuneration subject to reduction is therefore £186,739 in respect of the 2025 bonus and up to £49,274 in respect of the 2024 LTIP (based on the Company's share price of £0.1732 as at 31 March 2026).

The Remuneration Committee concluded that this outcome was appropriate and was aligned with the interests of the Company and its Shareholders. The Remuneration Committee formally exercised its discretion to implement these adjustments in January 2026.

Other than as set out above, malus and clawback provisions were not applied to the Company's Executive Directors in the financial period ending 31 March 2026.

5. Statement of Directors' shareholdings and share interests (audited)

(a) Executive Directors' interests in shares

Details of the Executive Directors' and their connected persons' beneficial interests in the Company's shares, and of the Executive Directors' other interests in shares, as at 31 March 2026 are shown in the table below:

		Phil White	Brian Egan
Shares held directly	Shareholding target (% salary)	0%[2]	200%[3]
	Shareholding value (% salary)[1]	**n/a**	**0%**
	Beneficially owned	337,500	0
Other share interests	Forfeitable shares held under the EDBP not subject to performance conditions	0	0
	Forfeitable salary shares not subject to performance conditions	531,914	189,969
	Outstanding LTIP share option awards subject to performance conditions	0	8,048,428
	Vested but unexercised LTIP share option awards	0	0

1 The Company's closing share price of 17.32p as at 31 March 2026 has been used for the purposes of this calculation and has been applied to the beneficially owned shares in arriving at the shareholding value as at 31 March 2026.

2 Reflecting the temporary nature of his role, Mr White is not subject to a shareholding requirement.

3 Mr Egan's current shareholding requirement applies to the five-year period commencing on his date of appointment and therefore Mr Egan has until 24 June 2030 to reach his shareholding requirement.

The following tables provide more information about Executive Directors' interests in shares.

Award type	Date of grant	Held at 01/01/25	Granted	Exercised/ eligible for exercise	Lapsed	Held at 31/03/26	Vesting date	Latest exercise date
Brian Egan								
LTIP	25/6/2025	–	2,523,264	–	–	2,523,264	27/3/2028	27/3/2030
LTIP	30/3/2026	–	5,525,164	–	–	5,525,164	30/3/2029	30/3/2031
Salary shares	4/11/2025	–	189,969	–	–	189,969	24/6/2026	24/9/2028
Total		**–**	**8,238,397**	**–**	**–**	**8,238,397**		
Phil White								
Salary shares	4/11/2025	–	531,914	–	–	531,914	1/5/2026	1/5/2028
Total		**–**	**531,914**	**–**	**–**	**531,914**		
Ignacio Garat								
LTIP	21/3/2022	478,369	–	50,636	430,723	50,636	21/3/2025	21/3/2027
LTIP	27/3/2023	714,894	–	0	714,894	0	27/3/2026	27/3/2028
LTIP	20/6/2024	1,781,170	–	–	927,694	853,476	20/6/2027	20/6/2029
Total		**2,974,433**	**–**	**50,636**	**2,073,311**	**904,112**		

1 Awards vesting under the LTIP are subject to a two-year exercise period and holding period which run concurrently. Latest exercise dates are shown only for those LTIP awards which have either yet to vest, or which have vested and are yet to be exercised

2 All LTIP awards are granted in the form of nil-cost options, save for LTIP-approved CSOP awards which are granted as market value share options with an exercise price per share equal to the share price at grant. LTIP approved CSOP awards comply with the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 and can be exercised by way of effective set-off against any shares vesting under the corresponding LTIP award

3 Due to the effective set-off arrangements explained in the note above, the number of shares subject to LTIP-approved CSOP awards are not counted in the total number of awards held as this would result in a double-count

4 Mr Garat stepped down as a Director on 30 April 2025. He was treated as a good leaver for the purpose of his awards granted under the Company's Long-Term Incentive Plan and therefore awards were pro-rated, as set out in the table above. As at the date of his cessation, Ignacio Garat held shares equivalent to 2.62% of his base salary

(b) Non-Executive Directors' interests in shares

Details of the Non-Executive Directors' and their connected persons' interests in shares as at 31 March 2026, all of which are held beneficially, are shown in the table below:

	Beneficially owned[1]
Jorge Cosmen[2]	47,826
Ana de Pro Gonzalo	4,347
Carolyn Flowers	10,000
Karen Geary	14,347
Nigel Pocklington	40,000
Enrique Dupuy de Lome Chávarri	0

1 As at the date of her cessation, Helen Weir held 126,000 shares.

2 Neither Jorge Cosmen or any of his connected persons has such a relationship with, or interest in, any of the Cosmen family companies that hold shares in the Company (including European Express Enterprises Ltd which is a major Shareholder in the Company) as would require the shares held by those companies to be treated as the interests of Mr Cosmen or any of his connected persons in shares of the Company.

(c) Other information

The Register of Directors' interests maintained by the Company contains full details of the Directors' holdings in shares and options over shares in the Company. The closing price of a Company ordinary share at 31 March 2026 was 17.32p (31 December 2024: 79.3p) and the range during the 15m 2026 period was highest 82.20p to lowest 17.06p per share.

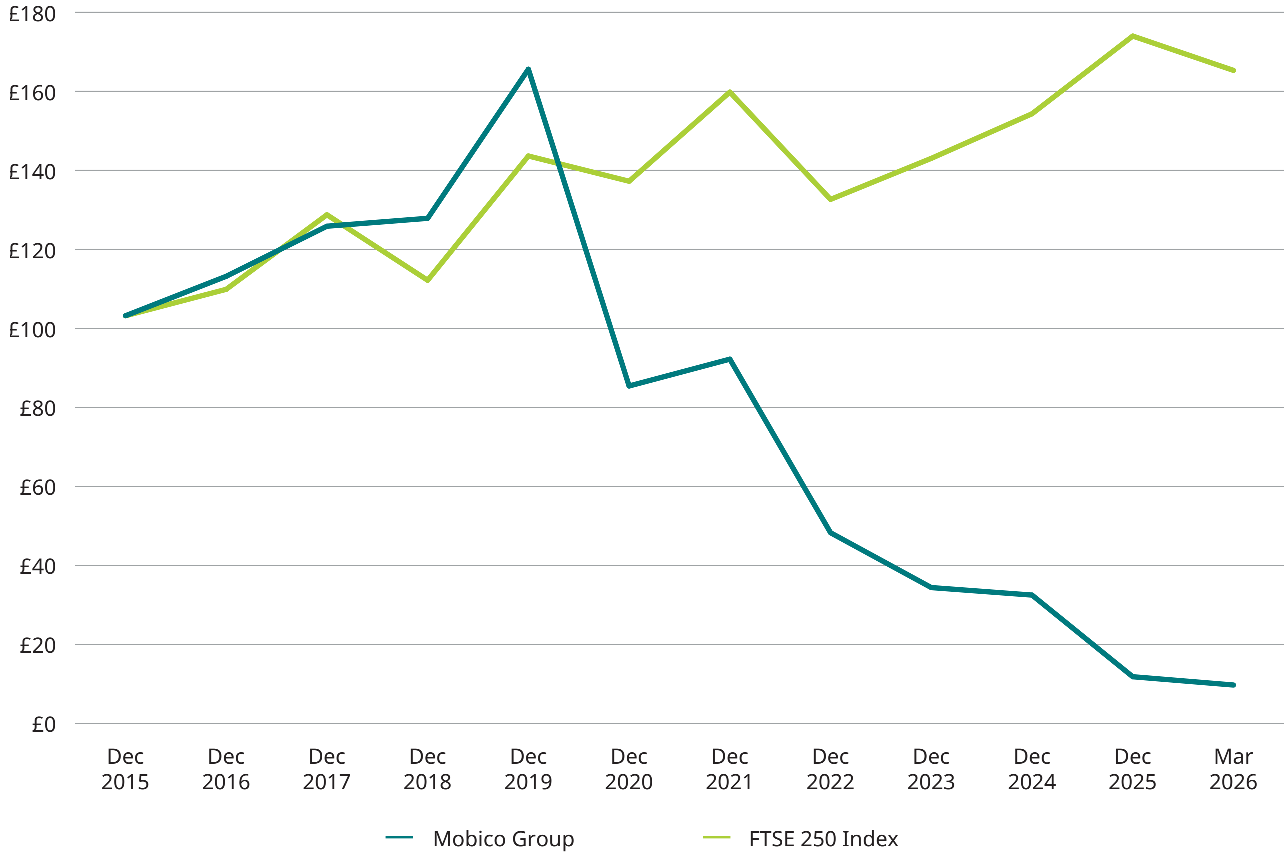
(d) Changes since year end

There have been no changes in current Directors' shareholdings between 31 March 2026 and the date of this report.

6. Comparison of Group CEO pay and Company performance

The graph below shows a comparison of the Company's cumulative total Shareholder return (i.e. share price growth plus dividends paid) and annual return against the FTSE 250 Index over the last 10-years. The FTSE 250 Index has been selected as the Company has been a constituent of that Index for the majority of the 10-year period. The table below the graph sets out the total remuneration paid to the Group CEO (and in the 15m 2026 period, the Executive Chairman) over the last 10-years, valued using the methodology applied to the single total figure of remuneration.

Value of £100 invested on 31 December 2015



Financial period	2016	2017	2018	2019	2020	2021	2022	2023	2024	15m 2026[4]
Group CEO[1 2 3]	D Finch	D Finch	D Finch	D Finch	D Finch I Garat	I Garat	I Garat	I Garat	I Garat	**I Garat P White**
Single figure of remuneration (£'000)	3,887	4,225	4,318	3,048	531 137	1,050	1,218	616	681	**1,137 770**
Annual bonus (as % of max. opportunity)	83.5%	95.0%	90.0%	100.0%	0.0% n/a	47.5%	69.0%	0.0%	0.0%	**25.9% n/a**
LTIP vesting (as % of max. opportunity)	80.8%	86.9%	96.0%	91.5%	0.0% n/a	n/a	n/a	0.0%	10.0%	**0.0% n/a**

1 Mr Finch served as Group CEO until 31 August 2020.

2 Mr Garat served as Group CEO between 1 November 2020 and 30 April 2025.

3 Mr White has served as Executive Chairman since 1 May 2025. Mr White does not participate in annual bonus or LTIPs.

4 Figures for 15m 2026 reflect a 15-month financial period compared to a 12-month comparative period.

7. Context of Director pay

The following table sets out, for each of the last five financial periods, the actual annual percentage changes for certain elements of the remuneration for the persons who served as Directors during the most recent financial period, compared with the average percentage change in those same elements of remuneration for the Company's employees. It also sets out, by way of voluntary disclosure, a comparison with the Group's whole UK employee population as this provides a more meaningful comparison in view of the fact that the Company itself only employs a small proportion of the Group's employees.

The elements of each Executive Director's remuneration included in the table below comprise base salary, benefits and annual bonus calculated in the same way as in the single total figure of remuneration table on page 101. The Non-Executive Directors' fees included in the table below are calculated in the same way as in the single total figure of remuneration table on page 104.

	Actual/Average percentage increase/(decrease) from prior financial period to...[1,2,3]				
Base salary/fees	**15m 2026**	**2024**	**2023**	**2022**	**2021**
Phil White	**n/a**	n/a	n/a	n/a	n/a
Brian Egan	**n/a**	n/a	n/a	n/a	n/a
Ignacio Garat	**2.3%**	4.3%	0.0%	0.0%	499.0%
Helen Weir	**(66.2)%**	0.0%	0.0%	n/a	n/a
Jorge Cosmen	**0%**	0.0%	0.0%	0.0%	25.9%
Ana de Pro Gonzalo	**0%**	0.0%	0.0%	0.0%	(5.9)%
Carolyn Flowers	**0%**	1.4%	4.3%	99.0%	n/a
Karen Geary	**(9.5)%**	1.4%	7.4%	17.5%	(5.9)%
Nigel Pocklington	**11.5%**	165.2%	n/a	n/a	n/a
Enrique Dupuy de Lome Chávarri	**7.9%**	596.3%	n/a	n/a	n/a
Company employees	**4.3%**	6.5%	11.0%	7.2%	4.4%
Company Group UK employees	**6.5%**	10.4%	8.3%	8.5%	2.3%

Benefits	15m 2026	2024	2023	2022	2021
Phil White	**n/a**	n/a	n/a	n/a	n/a
Brian Egan	**n/a**	n/a	n/a	n/a	n/a
Ignacio Garat	**234.2%**	7.5%	(23.6)%	(35.4)%	200.6%
Company employees	**5%**	3.3%	5.2%	(1.2)%	(8.2)%
Company Group UK employees	**6.5%**	6.5%	4.6%	4.6%	(17.0)%

	Actual/Average percentage increase/(decrease) from prior financial period to...[1,2,3]				
Performance related bonus	**15m 2026**	**2024**	**2023**	**2022**	**2021**
Phil White	**n/a**	n/a	n/a	n/a	n/a
Brian Egan	**n/a**	n/a	n/a	n/a	n/a
Ignacio Garat	**0%**	0.0%	(100.0)%	45.1%	100.0%
Company employees	**36.9%**	0.0%	(100.0)%	(12.1)%	100.0%
Company Group UK employees	**8.1%**	0.0%	(100.0)%	(10.1)%	100.0%

1 Changes in Directors and responsibilities during the periods shown which are relevant to the above are as follows:
   a. Phil White has served as Executive Chairman since 1 May 2025.
   b. Brian Egan has served as Group CFO since 24 June 2025.
   c. Ignacio Garat served as Group CEO between 1 November 2020 and 30 April 2025.
   d. Helen Weir served as a Director between 1 October 2022 and 30 April 2025. The increase from 2022 to 2023 is shown as £nil as the fees earned in 2022 reflected time spent as Chair Designate. She became Chair on 1 January 2023.
   e. Jorge Cosmen received an additional Chair fee from 2021.
   f. Carolyn Flowers has served as a Director since 1 June 2021, and as Sustainability Committee Chair since 1 May 2022.
   g. Karen Geary served as Remuneration Committee Chair between 3 December 2021 and 1 August 2024.
   h. Nigel Pocklington has served as a Director since 1 August 2023, and as Remuneration Committee Chair since 1 August 2024.
   i. Enrique Dupuy de Lome Chávarri has served as a Director since 1 November 2023, and as Audit Committee Chair since 11 June 2024.

2 Figures for 2021 reflect salary sacrifices made in April and May 2020 in light of the pandemic.

3 Figures for 15m 2026 reflect a 15-month financial period compared to a 12-month comparative period.

8. CEO pay ratios

The Remuneration Committee reviewed the Company's Group CEO pay ratios and the Group's employee pay policies and practices, when formulating the Directors' Remuneration Policy, and is satisfied that the structure and quantum of remuneration for the Executive Directors is appropriate in view of their relative roles and responsibilities.

The following table sets out ratios that compare the Group CEO's total remuneration in the Company's 15m 2026 financial period to that of the Group's UK employees whose full-time equivalent remuneration ranks them at the lower quartile (P25), median (P50) and upper quartile (P75) of pay for all of the Group's UK employees (together with that data for the Company's previous five financial years).

Year	Methodology	P25	P50	P75
15m 2026	**Option A**	**15:1**	**13:1**	**11:1**
2024	Option A	20:1	17:1	14.1
2023	Option A	20:1	17:1	14:1
2022	Option A	46:1	39:1	31:1
2021	Option A	43:1	37:1	31:1
2020	Option A	31:1	26:1	23:1

Option A was used to calculate the pay ratios as it is the most statistically accurate method and the relevant pay data was available to the Company in time for the preparation of this report. The UK employees at the lower quartile, median and upper quartiles were identified as at 31 March 2026 and their full-time equivalent total remuneration was calculated in respect of the 15m 2026 financial period on the basis explained further below.

The Group CEO's remuneration for 15m 2026 was calculated as per the single total figure shown on page 102, and reflects a combination of Ignacio Garat (until his cessation as Group CEO) and Phil White (from his appointment as Executive Chair).

The total remuneration of the UK employees (including those at the lower quartile, median and upper quartiles) has been calculated using the same methodology as for the Group CEO's single total figure of remuneration, noting that:

- A large number of the Group's UK employees, such as bus and coach drivers and customer service centre staff, work full-time but are paid by the hour (rather than having an annual fixed base salary). Their wages have been calculated as the actual number of hours worked in the year multiplied by the relevant hourly rates of pay applicable during the year; and
- A number of the Group's UK employees work part-time. Those who are paid on a salaried basis have had their salaries and benefits grossed up to the full-time equivalent salary for their role.

For further details on the calculation methodology for previous years please refer to the Annual Report for that year. Note for 2020 and 2021, where the Group's UK employees were placed on furlough during any part of 2020 or 2021, the amounts actually paid to them have been included, including amounts subsequently reimbursed to the Company and its UK subsidiaries by the UK government under the Coronavirus Job Retention Scheme and topped-up amounts funded by the Company's Group.

The table below shows the Group CEO's total remuneration and the salary component of that total remuneration and that of each of the UK employees at the lower quartile (P25), median (P50) and upper quartile (P75) of the Group's UK employee population for the 15m 2026 period:

Pay data	Group CEO/Executive Chair	P25	P50	P75
Salary	£560,000	£25,192	£36,624	£47,338
Total pay	£560,000	£36,335	£42,176	£50,314

The Remuneration Committee considers that the median pay ratio is consistent with the Company's pay, reward and progression policies. This is because, when setting Group CEO pay, the Remuneration Committee has regard to the same core considerations as those taken into account by the UK management team when setting UK employee pay, including the Company's policy to pay market rates of pay that reward employees fairly for work done and that have due regard to individual performance and Company performance where the individual has the ability to influence wider Company performance. The Group CEO has ultimate responsibility for, and the greatest ability to influence, the Company's performance and returns to Shareholders and, to reflect this, a much higher proportion of the Group CEO's remuneration is comprised of performance-related pay (in the form of an annual bonus and LTIP award vesting) compared with the majority of UK employees. This means that the pay ratios will fluctuate depending on the outcomes of incentive plans each year.

9. Relative importance of spend on pay

The table below sets out the total spend on pay and distributions in the 15-month financial period ended 31 March 2026 compared with such values in the 12-month financial period ending 31 December 2024:

Measure	15m 2026 (£m)	2024 (£m)	% change
Spend on pay including Directors	**1,615.2**	1,772.2 (restated)	(8.9)%
Profit distributed by way of dividend	**0.0**	0.0	0%

Spend on pay was calculated by aggregating the Group's costs of salaries and wages, social security costs, pension costs and share-based payments for all the Group's employees whether employed in the UK or overseas in the relevant year.

10. Historical results of Shareholder voting on remuneration matters

The votes cast on the resolution seeking approval of the 2024 Annual Report on Remuneration at the 2025 AGM and the resolution seeking approval of the current Policy at the 2024 AGM were as follows:

Resolution	Votes For	Votes Against	Votes withheld
Annual Report on Remuneration (2025 AGM)	348,152,321 (99.15%)	2,998,956 (0.15%)	629,900
Directors' Remuneration Policy (2024 AGM)	413,472,293 (98.88%)	4,677,681 (1.12%)	259,696

A vote withheld is not a vote at law and is not counted in the calculation of votes For or Against a resolution.

11. Advisers to the Remuneration Committee

During the period both Ellason and FIT Remuneration Consultants LLP (FIT) acted as external remuneration advisers to the Remuneration Committee. Neither has any other connection to the Group or its Directors.

Both Ellason and FIT did not provide any services other than in relation to advising the Remuneration Committee during the period – the Remuneration Committee is satisfied that no conflict of interest can arise as a result of these services. Both Ellason and FIT have voluntarily signed up to the Remuneration Consultants Group Code of Conduct. In view of these factors, the Remuneration Committee is satisfied that the advice it received from Ellason and from FIT during the financial period is objective and independent. For the period under review, Ellason received fees of £19,650, which were charged on a time cost basis, and FIT received fees of £142,000 which were charged on a time cost basis.

12. Dilution

The Company has permitted share dilution authority reserved to it under the rules of its 2025 LTIP, to use up to 10% of issued share capital for its share plans over a 10-year period.

Predominantly the Company's funding strategy has been to satisfy all outstanding share incentive awards granted under the LTIP (and its other incentive plans) through the delivery of market-purchased shares via the Company's Employee Benefit Trust, as opposed to by the issue and allotment of new shares. Accordingly, the Company has to date made only limited use of its permitted share dilution authority under the LTIP.

On behalf of the Board

Nigel Pocklington
Remuneration Committee Chair

28 July 2026

Directors' report

The information set out on pages 111 to 114 (inclusive), together with the information referred to below which is incorporated by reference, comprises the Directors' report for the 15-month period ended 31 March 2026.

The Company has chosen, in accordance with Section 414(C)(11) of the Companies Act 2006 (as amended), to set out certain information required to be included in this Directors' report in the Strategic report. The Company has also set out certain other information required to be included in this Directors' report in the Corporate Governance report and the Consolidated Financial Statements. The location of such information is shown in the table below:

Information	Annual Report section	Annual Report page no(s)
Business model and future business developments	Strategic report	Pages 08 and 09
Principal risks and uncertainties	Strategic report	Pages 54 to 65
Fostering relationships with suppliers, customers and others	Strategic report	Pages 31 to 33
	Corporate Governance report	Pages 81 to 83
Engagement with and other matters relating to employees	Strategic report	Pages 38 to 40
	Corporate Governance report	Pages 82 and 83
Financial instruments	Consolidated Financial Statements	Pages 191 to 199
Governance matters, including Corporate Governance Statement and a description of the composition and operation of the Company's administrative, management and supervisory bodies and their committees	Corporate Governance report	Pages 70 to 110
Description of diversity policies, objectives, implementation, and results	Nominations Committee report	Pages 92 and 93
Internal control and risk management arrangements for financial reporting	Audit Committee report	Pages 84 to 89
Streamlined Energy and Carbon Reporting (SECR)	Strategic report	Page 55

This Directors' report and the Strategic report together form the Management Report for the purposes of Rule 4.1.8 of the Disclosure Guidance and Transparency Rules.

The relevant information required to be disclosed under Rule 6.6.1 of the UK Listing Rules is as follows:

Listing Rule	Nature of information	Section and page(s) of Annual Report
UKLR 6.6.1(11)	Dividend waivers by Shareholders	Directors' report, page 112

Company status and branches

Mobico Group PLC is the holding company of the Mobico group of companies.

The Company is a public limited company incorporated under the laws of England and Wales. It is listed in the Equity Shares in Commercial Companies (ESCC) category of the FCA's Official List (LON:MCG).

One of the Company's Spanish subsidiaries, NEX Continental Holdings, S.L.U., has a branch in Portugal, NEX Continental Holdings S.L, Sucursal Em Portugal. Other than that branch, neither the Company nor any member of its Group has any branches.

Results and dividends

The Company's and the Group's results for the 15-month period ending 31 March 2026 are set out, respectively, in the Company Financial Statements and the Consolidated Financial Statements on pages 127 to 237.

Important events since the end of the financial year

There have been no important events that have affected the Company or the Group since 31 March 2026, save for those disclosed in Note 39 to the Consolidated Financial Statements.

Dividends

As the Group remains focused on deleveraging, the Board has determined not to recommend a final dividend in respect of the 15-month period ending 31 March 2026 (2024: 0.0p). As the Board did not pay an interim dividend (2024: 0.0p) the total dividend for the 15-month period ending 31 March 2026 is 0.0 pence per share (2024: 0.0p).

Share capital

The Company has a single class of shares in issue in its capital comprising ordinary shares of nominal value 5 pence each, all ranking pari passu. As at 31 March 2026, there were 614,086,377 ordinary shares in issue and fully paid. The rights attached to the ordinary shares of the Company are defined in the

Company's Articles of Association (Articles). Further details about the Company's share capital can be found in Note 31 to the Consolidated Financial Statements.

Share rights, obligations and restrictions on transfer of shares

Shareholders are entitled to participate in dividends paid or declared by the Company and any return of capital made by the Company in proportion to their holdings of ordinary shares in the Company. Shareholders are also entitled to attend and vote at all general meetings of the Company. Every Shareholder has one vote on a show of hands and one vote for each ordinary share held on a poll on each resolution put before a general meeting. Electronic and paper proxy appointments, and voting instructions, must be received by the Company's registrar not less than 48-hours before a general meeting.

Shareholders are subject to the obligations set out in the Articles, including the principal obligation to pay up any unpaid amount on their ordinary shares.

There are no limitations on the holding of the Company's shares. There are also no restrictions on the transfer of the Company's shares other than: (i) the typical restrictions set out in the Articles (for example, in respect of non-fully paid shares). For further detail see the Articles which are available for download here: **www.mobicogroup.com/about-us/corporate-governance/governance-framework/**); (ii) restrictions imposed by law (such as insider trading laws); and (iii) restrictions imposed on the Directors and certain other employees of the Company and members of its Group pursuant to the Company's share dealing code.

The Company is not aware of any agreements between existing Shareholders that may result in restrictions on the voting rights attaching to, or the transfer of, the Company's ordinary shares.

Special control rights over shares

There are no special control rights attaching to the Company's shares, save that the Company can direct the Company's Employee Benefit Trust to release the shares that it holds in the Company to satisfy the vesting of outstanding awards under the Company's various share incentive plans (see Employee Benefit Trust).

Authority to issue shares

The Directors were granted the authority at the Company's 2025 Annual General Meeting (AGM) to allot new shares in the Company subject to the limits set out in the notice to that AGM (which is available to download here: **www.mobicogroup.com/investors/shareholder-centre/agm/2025/**). No new shares were issued by Directors under the authorities granted to them at the Company's 2025 AGM during the period up to 28 July 2026[1]. Such authorities remain valid until the Company's 2026 AGM or 30 June 2026, whichever is earlier. The Directors propose to renew the Directors' authorities to issue and allot new shares and to disapply pre-emption rights on such issue and allotment at the Company's 2026 AGM to give the Company flexibility to respond to circumstances and opportunities as they arise.

Authority to purchase own shares

The Company was granted authority at its 2025 AGM to make market purchases of up to 61,408,637 of its own shares, representing approximately 10% of its issued share capital. No shares were purchased under this authority during the period up to 28 July 2026[1]. Such authority remains valid until the Company's 2026 AGM or 30 June 2026, whichever is earlier. The Directors propose to renew this authority at the 2026 AGM to give the Company the ability to return value to Shareholders in this way in appropriate circumstances.

1 being the date that this Directors' report was approved.

Employee Benefit Trust

IQ EQ Corporate Services (Jersey) Ltd is a Shareholder in the Company and acts as the trustee (Trustee) of the National Express Group Employee Benefit Trust (EBT). It is used to purchase Company shares in the market from time to time and hold them for the benefit of Directors and employees, including for satisfying awards that vest under the Company's various share incentive plans. The EBT also holds Company shares in particular ringfenced accounts for specific employees who have had options over such shares vest to them under the Company's WMT LSOS share plan but have not yet exercised those options and for named Directors who have forfeitable share awards which are subject to a one year vest period.

The EBT purchased a total of 6,186,542 shares in the market during the 15-month period ending 31 March 2026 for an aggregate consideration of £1,709,111.54 (including dealing costs) and released 5,080,181 shares to satisfy vested share plan awards. As at 31 March 2026, the EBT held 4,849,234 Company shares in trust (representing 0.79% of the Company's issued share capital). The Trustee may vote the shares it holds in the Company at its discretion, but where it holds any shares in a ringfenced account for the benefit of named Directors during the one year vest period, it may seek their instructions on how it exercises the votes attached to those shares. A dividend waiver is in place from the Trustee in respect of dividends payable by the Company on the shares in the Company held in the EBT, except the shares it holds in ringfenced accounts for named Directors where it receives the dividends on such shares and passes them through to such Directors subject to any terms applicable to those shareholdings.

Major shareholdings

As at 31 March 2026, the Company had been notified under DTR 5 of the following interests in its shares representing 3% or more of the voting rights in its issued share capital.

Shareholder	Number of ordinary shares	Percentage of total voting rights[1]
European Express Enterprises Limited	141,258,361	23.00%
Aberforth Partners LLP	33,304,860	5.42%
M&G PLC	30,663,661	4.99%
Liontrust Investment Partners PLC	30,497,148	4.97%
Newton Investment Management Limited	29,583,062	4.82%
J O Hambro Capital Management Limited	25,165,433	4.10%
Azvalor Asset Management SGIIC SA	18,463,215	3.01%
Northern Express Enterprises Limited	18,430,795	3.00%

1 The total number of voting rights attaching to the issued share capital of the Company on 31 March 2026 was 614,086,377.

It should be noted that these holdings may have changed since the Company was notified of them as notification of any change is not required until the next notifiable threshold (up or down) is crossed.

Between 31 March 2026 and 28 July 2026, being the period from the end of the Company's last financial year to the date on which this Directors' Report was approved, the Company was notified under DTR 5 of the following interests relating to its' shares:

Shareholder	Number of ordinary shares	Percentage of total voting rights[1]
Tartaro de Murera, S.A.	18,545,890	3.02%

1 The total number of voting rights attaching to the issued share capital of the Company on 31 March 2026 was 614,086,377.

Directors

The names of the persons who were Directors of the Company at any time during the 15-month period ending 31 March 2026, together with the periods during which they served as Directors, are:

Director	Period served during 2025-2026
Helen Weir	01/01/2025 – 01/05/2025
Phil White	01/05/2025 – 31/03/2026
Jorge Cosmen	01/01/2025 – 31/03/2026
Ignacio Garat	01/01/2025 – 30/04/2025
Enrique Dupuy de Lome Chávarri	01/01/2025 – 31/03/2026
Carolyn Flowers	01/01/2025 – 31/03/2026
Karen Geary	01/01/2025 – 31/03/2026
Nigel Pocklington	01/01/2025 – 31/03/2026
Ana de Pro Gonzalo	01/01/2025 – 31/03/2026
Brian Egan	24/06/2025 – 31/03/2026

Directors' interests

Save as disclosed:

a. None of the Directors, nor any person closely associated with them, has any interest in the Company's shares, debt instruments, derivatives or other linked financial instruments and there has been no change in the information in the Directors' Remuneration report regarding such interests between 31 March 2026 and 28 July 2026, being the date this Directors' report was approved (and also being a date which is not more than one-month before the date of the Notice of the Company's 2026 AGM); and

b. In Note 35 to the Consolidated Financial Statements, none of the Directors has or had at any time during the 15-month period ending 31 March 2026 a material interest, directly or indirectly, in any contract of significance with the Company or any of its subsidiary undertakings (other than the Executive Directors in relation to their service agreements).

Directors' service agreements and letters of appointment

The Executive Directors, including the Executive Chair, are party to service agreements with the Company which contain a rolling term subject to the giving by the Company or relevant Executive Director of relevant notice to terminate. All the Non-Executive Directors are party to letters of appointment with the Company which contain a rolling term, subject to the giving by the Company or the Non-Executive Director of relevant notice to terminate. All Directors' continued appointments are subject to annual election or re-election by Shareholders and the powers of Shareholders to remove Directors.

These Directors' service agreements and letters of appointment are available for inspection at the Company's registered office. Further details of these agreements and letters are included in the current Directors' Remuneration Policy, a copy of which is available on the Company's website at: **www.mobicogroup.com/about-us/corporate-governance/remuneration/**.

Directors' powers

Subject to the Companies Act 2006 (Act), the Articles and any directions given by special resolution of the Shareholders, the business of the Company is managed by the Board which may exercise all the powers of the Company. The Articles may be amended by a special resolution of the Shareholders.

The Directors may pay interim dividends where, in their opinion, the financial position of the Company justifies such payment and the Directors may recommend that Shareholders declare final dividends and, if so declared by ordinary resolution of Shareholders, arrange for payment of such dividends. The Directors have the power to allot shares as described under the 'Authority to issue shares' section above. The Directors may also appoint other Directors in the circumstances described below.

Appointment and replacement of Directors

The rules for the appointment and replacement of Directors are set out in the Act and related legislation and the Articles.

The Board may appoint a Director either to fill a casual vacancy or as an additional Director provided that the total number of Directors does not exceed any maximum number of Directors prescribed in the Articles. Each incumbent Director must retire and seek election or re-election to office at each AGM of the Company.

In addition to the powers of removal conferred by the Act, the Company may, by ordinary resolution of which special notice is given, remove any Director before the expiry of their period of office. The Company may also by ordinary resolution appoint a Director either to fill a casual vacancy or as an additional Director.

In accordance with the Articles and the provisions of the UK Corporate Governance Code, all the current Directors will retire at the Company's 2026 AGM and offer themselves for election or re-election, save for Karen Geary who will stand down from the Board from the conclusion of the 2026 AGM. The Board is satisfied that each of the Directors is qualified for election or re-election to office by their contribution and commitment to the Board, their key strengths in support of the Company's strategy and for the reasons given in the Nominations Committee report.

Directors' indemnities and insurance

The Company has granted qualifying third-party indemnities to each Director and the Company Secretary (as defined by section 234 of the Companies Act 2006) in relation to losses or liabilities incurred by the Company's Directors and Company Secretary to third parties in the actual or purported execution or discharge of their duties as officers of the Company and of its associated companies which indemnities remain in force as at 28 July 2026[1]. The Company also maintains Directors' and Officers' liability insurance which provides appropriate cover in respect of legal action brought against its Directors and Company Secretary.

1 being the date that this Directors' report was approved.

Significant agreements affected by a change of control

The Company is party to the following significant agreements that could be altered or terminate on a change of control of the Company following a takeover bid.

Under the terms of the Company's revolving credit facilities, the Company would, upon a change of control, have five days to notify the lenders of such change of control and if, following 10 days of negotiations to either confirm or alter the terms of such facilities, no agreement has been reached, outstanding balances under such facilities could become repayable.

Under the terms of the Company's: (i) EMTN programme (as last updated on 12 September 2023), (ii) the Note Purchase Agreement dated 29 October 2019 and (iii) the Company's hybrid bond issued on 24 November 2020, a change of control following a takeover bid could result in the notes issued thereunder being redeemed, repaid or purchased in accordance with their specific terms. See the Company's website for further information: **www.mobicogroup.com/investors/debt-investors/**

Under the terms of some of the Group's vehicle leasing facilities, where the Company is a guarantor of such facilities, a change of control of the Company may amount to an event of default which could result in outstanding balances under such leasing facilities becoming repayable.

Under the rules of each of the Group's active share schemes, following a change of control of the Company, the vesting of awards made under such schemes will be accelerated and, where performance targets are attached to the awards, the number of awards to vest will be determined according to the extent to which performance targets have been met. Each of the share schemes also allows, under certain circumstances and where the acquiring company has agreed, new awards to be granted in the acquiring company in place of the original awards to give substantially equivalent value to the awardees.

Due to the size of certain of the Company's credit facilities, note purchase agreements and leasing facilities, absent consent from the relevant lenders, noteholders and lessors to a change of control following a takeover bid or the bidder being able to refinance such facilities and borrowings upon its takeover bid being accepted and taking effect, their repayment, termination or default upon such change of control could create significant liquidity issues for the Company and could also trigger cross-defaults into other of the Company's and the Group's credit and leasing facilities.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid, save that the provisions of the Group's active share incentive schemes may cause awards made under them to Directors and employees in the form of share options to vest on a takeover bid being accepted and taking effect, or, under certain circumstances and where the acquiring company agrees, new awards to be made in the acquiring company in place of the original awards to give substantially equivalent value to the awardees.

Employee matters

Pages 38 to 40 of this Annual Report set out how the Company: engages with its workforce and takes their views into account; involves employees in Company performance; promotes common awareness among employees of financial and economic factors affecting the Company performance; and summarises how the Company is an equal opportunities employer.

Political donations, contributions and expenditure

The Company did not make any political donations or contributions or incur any political expenditure during the 15-month period ended 31 March 2026 (2024: £nil political donations, contributions and political expenditure). The Company's policy is that neither it nor its subsidiaries make what are commonly regarded as donations or contributions to political parties. However, the Act's definition of political donations includes expenditure that could capture other business activities which would not normally be thought of as political donations or contributions, such as subscriptions, payment of expenses and support for bodies representing either the transport industry specifically or the business community in general in policy review or reform. The resolution being proposed at the Company's 2026 Annual General Meeting to authorise political donations, contributions and expenditure is to ensure that these normal business activities are permitted and that neither the Company nor its UK subsidiaries commit any technical breach of the Act.

Audit information

Each of the persons who are Directors as at 28 July 2026[1] confirms that, so far as they are aware, there is no relevant audit information of which the Company's Auditor, KPMG LLP, is unaware and that they have taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Annual General Meeting

The Company's 2026 Annual General Meeting (AGM or Meeting) will be held at BMA House, British Medical Association, Tavistock Square, London WC1H 9JP at 10.30 am on Wednesday, 9 September 2026. A separate circular, comprising a letter from the Executive Chair, Notice of the Meeting and explanatory notes on the resolutions proposed, accompanies this Annual Report. Both documents can also be found on the Company's website at: **www.mobicogroup.com**.

Approval

This Directors' report was approved by the Board on 28 July 2026.

By Order of the Board

G Saunderson

Gillian Saunderson
Group Company Secretary

Mobico Group PLC

Company number 2590560

1 being the date that this Directors' report was approved.

Directors' responsibility statement

Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant, and reliable and, in respect of the parent Company financial statements only, prudent;
- For the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- For the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- Assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' Remuneration report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule (DTR) 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The Auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic report and Directors' report, taken together, includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors and is signed on its behalf by:

Phil White
Executive Chair

28 July 2026

Paco Iglesias
Group CEO

28 July 2026

Brian Egan
Group CFO

28 July 2026

Financial report


BC
Cruise Services

Independent Auditor's Report

to the members of Mobico Group PLC

1. Our opinion is unmodified

We have audited the financial statements of Mobico Group PLC ("the Company") for the period ended 31 March 2026 which comprise the Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Group Statement of Changes in Equity, Group Statement of Cash Flows, Company Balance Sheet, Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2026 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 25 November 2025. The period of total uninterrupted engagement is for the one financial period ended 31 March 2026.

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. Apart from the matters noted below, no other non-audit services prohibited by that standard were provided.

In mid-2025 the Board and Audit Committee invited us to tender for the audit. Before we agreed to participate, we assessed our independence including services provided to the group.

Our assessment identified that certain KPMG member firms had provided services to the company and to some of the Group's subsidiaries during the period ended 31 March 2026 that would have been prohibited for the auditor to provide. For most of the services a large proportion of the work was performed in the preceding period, being completed in the early part of the period under audit and all services were completed before the end of July 2025. The services included: people and HR services; dispute advisory services; accounting related valuation advice; and vendor due diligence and accounting advisory services in relation to a potential transaction. None of these services involved management-decision making. The size of the fees is not considered to impair independence taking into account the implications for us and the context and overall audit fee.

The accounting related valuation advice was provided to one subsidiary in relation to a transaction which took place in the preceding year (2024). As a safeguard, we used a non-KPMG audit firm as component auditor for work over the first 12 months of the current period for the relevant component. Based on our assessment, taking into account the nature of the services, related fees and the cessation of the services, we concluded that our integrity and objectivity to be auditor for the current period has not been compromised and we believe that an objective, reasonable and informed third party would reach the same conclusion. The audit committee also concurred with this view.

This conclusion was discussed with the FRC and the FRC granted a waiver to permit our participation in the audit tender under powers granted to the FRC in the Companies (Directors' Remuneration and Audit) (Amendment) Regulations 2025.

Overview

Materiality: Group financial statements as a whole	£12.0m 0.4% of Group Revenue from continuing operations
Key audit matters	Going concern
	Measurement of the RRX onerous contract provision and RME contract asset
	Judgements in respect of leases and off-balance sheet financial commitments
	Parent company investment recoverability

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Going concern Refer to page 84 (Audit Committee Report), page 133 (accounting policy) and pages 133 to 135 (financial disclosures).	**Forecast-based assessment and disclosure quality:** The financial statements detail how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Company. That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group's and Company's financial resources or ability to continue operations over a period of at least 12 months from the date of approval of the financial statements. The risks most likely to adversely affect the Group's and Company's available financial resources and metrics relevant to debt covenants over this period were: • the potential negative impact of the failure to execute cost saving initiatives; • the potential negative impact of market competition; and • the potential effects of the timing and nature of the transition to bus franchising in the West Midlands The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed. In addition, we identified a fraud risk arising from the potential for management bias in the underlying forecasts used for the going concern assessment due to the need to comply with covenants and thereby maintain access to the revolving credit available under the Facility Agreement.	We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts, taking account of severe but plausible adverse effects that could arise from these risks individually and collectively. We used our knowledge of the Group, its industry, and the general economic environment to identify conditions that presented risks to be taken into account in the going concern assessment. **Our procedures also included:** • **Funding assessment:** We inspected the Group's Facility Agreement to ascertain the committed level of financing and the related covenant requirements. • **Historical comparisons:** We assessed the directors' ability to forecast accurately, including in respect of the impacts of market competition, by comparing the historical forecasts, including forecasting potential downside scenarios, to actual results. • **Benchmarking assumptions:** We compared the directors' key assumptions, such as cost inflation, to externally derived data where relevant. • **Sensitivity analysis:** We considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts, in particular debt covenant compliance. We assessed the severe but plausible downside scenario and in particular whether that scenario reflected plausible impacts of uncertainty in the economy and the challenges relating to cost saving programs. • **Evaluating the directors' intent:** We evaluated the achievability of the actions the directors consider they would take to improve the position should the severe but plausible risks materialise, which included cost reductions, taking into account the extent to which the directors can control the timing and outcome of these. • **Assessing transparency:** We considered whether the going concern disclosure in Note 2 to the financial statements gives a full description of the directors' assessment of going concern, including the identified risks. **Our results** • We found the use of the Going Concern Basis of Preparation and the associated disclosures to be acceptable.

	The risk	Our response
Measurement of the RRX onerous contract provision and RME contract asset (RRX onerous contract provision £112.9 million; RME contract asset £nil) Refer to page 88 (Audit Committee Report), pages 136, 141 and 142 (accounting policy) and pages 180 and pages 184 to 185 (financial disclosures).	**Subjective estimate:** The Group recognises an onerous contract provision in relation to its two Rhine-Ruhr rail contracts ("RRX 1 and RRX 2&3" or "RRX contracts") and in addition has remeasured the previously recognised contract asset in relation to the Rhine-Munster Express rail contract ("RME") to £nil during the period. The RRX contracts earn revenue through a variable cost-based subsidy from German Passenger Transport Authorities ("PTAs") with the Group bearing no passenger revenue risk. Costs, such as energy and labour costs, are partly mitigated through subsidies, linked to relevant indices, receivable from the PTAs. The RME contract earns external passenger revenue and also subsidy income from the PTAs. Costs of providing the service are recognised as incurred. The Group reached an agreement in principle with the PTAs in January 2026, and final contract agreement in June 2026, to: • In relation to the RRX contracts, end the contract in 2030 rather than 2033. • In relation to RME, extend the contract from 2030 to 2032 and to earn revenue directly from the PTAs, rather than bearing passenger revenue risk. The measurement of both the RRX onerous contract provision and the RME contract asset is highly sensitive to several key inputs and assumptions, such as energy costs and subsidies, discount rate and, specifically in respect of RME, passenger revenue, where individual changes in assumptions could have a material impact on the amounts recognised. There is a risk that, as a consequence of either fraud or error, the use of inappropriate or incorrect assumptions may result in a material misstatement of the onerous contract provision or contract asset balance. The effect of these matters is that, as part of our risk assessment, we determined that the RRX onerous contract provision and RME contract asset have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (notes 2 and 26) disclose the estimation uncertainty in the amount recorded by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Our procedures included:** • **Methodology choice:** Evaluating the model used by management in its calculation of the RRX onerous contract provision and the RME contract asset and its process surrounding the preparation of the model; • **Methodology choice:** Evaluating the accounting impacts of the agreement in principle reached with the PTAs in January 2026 and inspecting other communications, including amended agreements which were signed in June 2026; • **Reperformance:** Assessing the mathematical accuracy of the model; • **Test of detail:** Comparing the model used by management to the contractual arrangements in place for the RRX and RME contracts; • **Benchmarking assumptions:** Comparing inputs used in the onerous contract and contract asset calculations (the model) for key assumptions such as personnel and energy costs, subsidies, penalties and additionally passenger revenue in respect of RME only, to externally derived data including market forecasts as well as actual data or most recent actual trends; • **Reperformance:** Recalculating the RME contract subsidy to be recognised in the period; • **Benchmarking assumptions:** Challenging the appropriateness of the discount rate applied in the calculation by comparing inputs to external data points; • **Assessing Transparency:** Evaluating the adequacy of the Group's disclosures, including whether the disclosures appropriately describe the principal risks and the key assumptions applied. **Our results** • We found the measurement of the RRX onerous contract provision and RME contract asset to be acceptable.

	The risk	Our response
Judgements in respect of leases and off-balance sheet financial commitments Key accounting judgements disclosures – refer to page 140 Off-balance sheet arrangements – refer to pages 209 and 210 Short term lease commitments – refer to page 210 Prior period adjustment – refer to page 136 and 137 Refer to page 88 (Audit Committee Report), page 140 (accounting policy) and pages 209 and 210 (financial disclosures).	**Accounting treatment:** *Availability agreements for provision of vehicles in UK Bus* The Group has entered into availability agreements for the provision of electric buses. Under the terms of that arrangement, a set number of vehicles are provided from the supplier's wider fleet management pool together with services that include charging stations, infrastructure and battery management services. The contracts include a substitution clause that allows the supplier to substitute a vehicle with a replacement roadworthy equivalent specification vehicle. The Directors have exercised significant judgement in determining the appropriate accounting treatment for these arrangements. Specifically, at the inception of each agreement, the Directors have assessed whether the arrangement contains a lease. They have concluded that the existence of a substantive substitution right for the supplier means that these contracts should be treated as an off-balance sheet financial commitment, and consequently, no right-of-use assets or lease liabilities are recognised for these arrangements. The Group is also party to other, similar arrangements where buses are supplied by other third party providers under contractual arrangements that include substitution rights by the provider and where a similar assessment is required. The Group has recognised a prior year adjustment to recognise right-of-use assets and lease liabilities in respect of these other arrangements. *Other significant judgements in respect of leases and off-balance sheet financial commitments* In addition to the above, the Group delivers coach services utilising coaches provided under contracts with several third party coach operators. The contracts with those operators have differing operational and termination arrangements include contracts with no expiry but with a notice period of 12 months; contracts with a notice period of 12 months or less; and contracts with a fixed duration but require no notice for termination. These arrangements generally meet the definition of a lease and would fall to be accounted for as such. However, given the terms of the contracts, the Directors have exercised significant judgement in respect of the lease term and have concluded that these leases have terms of 12 months or less, and therefore that the Group may take advantage of the short-term lease exemption from the requirement to recognise right-of-use assets and lease liabilities. In respect of both of the above matters, the risk for our audit was that the judgement exercised by the Directors was inappropriate, or that adequate and appropriate disclosure of these arrangements was not included in the Group's financial statements.	**Our procedures included:** • **Test of details:** For the electric vehicle availability agreement, inspecting the evidence available to the Directors at inception relevant to their conclusion that the supplier's substitution right under the agreement is substantive. • **Enquiry of suppliers:** Obtaining an understanding of the arrangement by meeting with the supplier to assess the arrangement from their perspective, including whether they have a practical ability to substitute vehicles, and believe there is an economic benefit to them from doing so. • **Accounting analysis:** Challenging the Directors over their assumptions as to whether charging stations, infrastructure and battery management services give rise to separate units of account and whether alternative judgements in this respect would have affected the conclusions subsequently reached by the Directors. • **Accounting analysis:** Critically evaluating, taking into consideration the evidence obtained from the above procedures and the requirements of relevant accounting standards, the appropriateness of the judgements taken by the Directors in reaching their conclusions. • **Test of details:** Inspecting the standard contractual terms used by the group when engaging with third-party coach operators to assess the nature of the arrangements and critically challenging whether those terms are consistent with the Group's rationale for the accounting treatment adopted. • **Assessing transparency:** Assessing the completeness and adequacy of the Group's disclosures including recalculating the off-balance sheet commitments with reference to the underlying contracts. **Our results** We found the judgements made by the Directors and associated disclosures in the financial statements to be acceptable.

	The risk	Our response
Recoverability of parent Company's investments in subsidiaries (£1,797.7 million) Refer to page 87 (Audit Committee Report), pages 140 and 141 (accounting policy) and pages 232 and 233 (financial disclosures).	**Forecast-based assessment:** The carrying amount of the parent company's investments in subsidiaries is significant and at risk of impairment given the losses incurred by the Group. Indicators of impairment exist as the net assets of the investments do not support the investment balance, whilst the market capitalisation of the Group is significantly below the carrying value of the investments at the balance sheet date. The Directors have performed their recoverability assessment by calculating the Equity Value, using the Enterprise value derived from value-in-use assessments for each investment. As a result, the estimated recoverable amount of these balances is subjective due to the inherent uncertainty in forecasting trading conditions and cash flows used in budgets. The effect of these matters is that, as part of our risk assessment we determined that the carrying value of parent company's investments in subsidiaries had a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole and possibly many times that amount. The financial statements (note 3 of the Company accounts) disclose the sensitivity estimated by the Company.	We performed the tests below rather than seeking to rely on any of the parent Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Our procedures included:** • **Test of details:** Comparing the carrying amount of each investment with the relevant subsidiary's draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount; • **Comparing valuations:** For investments where the carrying amount exceeds their net asset value, comparing the carrying amount of the investment with the expected value of the business based on value in use calculations, adjusting the enterprise value to derive an equity valuation; • **Methodology choice and implementation:** assessing the methodology adopted by the Directors, with assistance from our own valuation specialists, and checking that it has been appropriately implemented. • **Our sector experience:** evaluating the assumptions made in the cash flows forecasts used to determine the value in use calculations, based on our knowledge of the Group and the markets in which the subsidiaries operate. • **Historical comparisons:** assessing the reasonableness of the budgets by considering the historical accuracy of the previous forecasts; • **Our valuation expertise:** challenging, with assistance from our own valuation specialists, the appropriateness of the discount rate and long-term growth rate applied, by comparing inputs to external data points; • **Assessing transparency:** assessing the adequacy of the parent company's disclosures in respect of the investment in subsidiaries. **Our results** We found the carrying amount of the Company's investments in subsidiaries and the related impairment charge to be acceptable.

3. Our application of materiality and an overview of the scope of our audit

Our application of materiality

Materiality for the Group financial statements as a whole was set at £12.0m, determined with reference to a benchmark of Group revenue from continuing operations, of which it represents 0.4%.

Materiality for the parent Company financial statements as a whole was set at £9.0m, determined with reference to a benchmark of Company net assets, of which it represents 1.1%.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality for the Group was set at 50% of materiality for the financial statements as a whole, which equates to £6.0m. Performance materiality for the parent company was set at 65% of materiality for the financial statements as a whole, which equates to £5.9m. We applied this percentage in our determination of performance materiality based on the level of identified control deficiencies during the prior period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.6m, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Overview of the scope of our audit

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 7 components, having considered the Group's operational structure, the presence of key audit matters and our ability to perform audit procedures centrally.

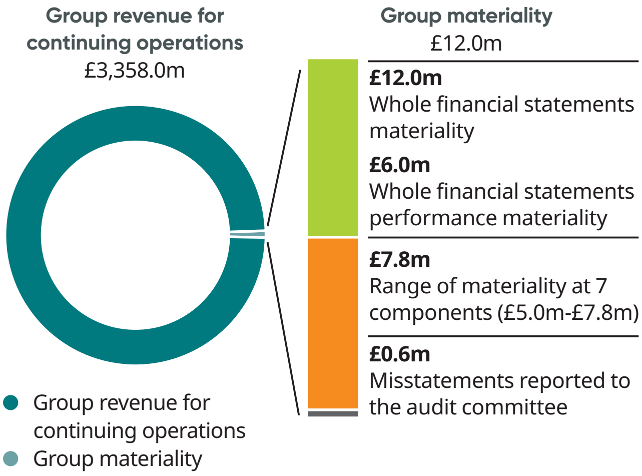
Of those, we identified 5 quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

We also identified 2 components as requiring special audit consideration, owing to Group risks relating to measurement of the RRX onerous contract provision and RME contract asset and judgements in respect of leases and off-balance sheet financial commitments.

Accordingly, we performed audit procedures on 7 components. We involved component auditors on 7 components. We set the component materialities, ranging from £5.0m to £7.8m, having regard to size and risk profile.

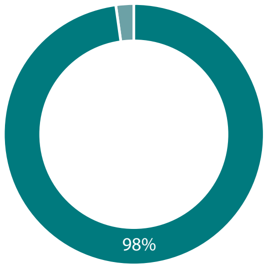
Our audit procedures covered 98% of Group revenue from continuing operations. The Group auditor performed the audit of the parent Company.

The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.



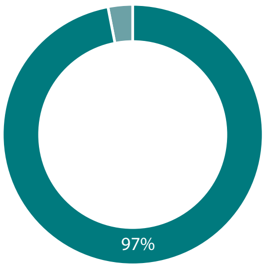
Our audit procedures covered the following percentage of Group revenue for continuing operations:

Group revenue for continuing operations

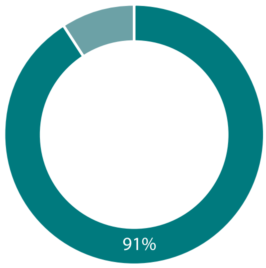


We performed audit procedures in relation to components that accounted for the following percentages of Group profit before tax for continuing operations and Group total assets:

Group total assets



Group profit before tax for continuing operations



Group oversight

In working with component auditors, we:

- Included the component auditors' engagement partners and managers in the Group planning discussions to facilitate inputs from component auditors in the identification of matters relevant to the Group audit.
- Issued Group audit instructions to component auditors on the scope and nature of their work.
- Visited 7 component auditors in person as the audit progressed to understand and evaluate their work, and organised regular video conferences with the component auditors. At these visits and video conferences, the results of the planning procedures communicated to us were discussed in more detail and any further work required by us was then performed by the component auditors.

- We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed, with a particular focus on measurement of the RRX onerous contract provision and RME contract asset and judgements in respect of leases and off-balance sheet financial commitments.

4. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

An explanation of how we evaluated management's assessment of going concern is set out section 2 of our report.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable; and
- the related statement under the UK Listing Rules set out on page 27 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit committee, sustainability committee, nominations committee and remuneration committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors, including the Group EBIT target for management remuneration.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Our forensic professionals assisted us in identifying key fraud risks. This included attending the Risk Assessment and Planning Discussion, holding a discussion with the engagement partner and engagement quality control reviewer, and assisting with designing relevant audit procedures to respond to the identified fraud risks.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit . This included communication from the Group auditor to component auditors of relevant fraud risks identified at the Group level and requesting component auditors performing procedures at the component level to report to the Group auditor any identified fraud risk factors or identified or suspected instances of fraud.

As required by auditing standards, and taking into account possible pressures to meet performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group and component management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates, such the RRX onerous contract provision, the RME contract asset and the carrying value of the parent Company's investments in subsidiaries.

We also identified a fraud risk related to the going concern assumption in response to possible pressures to meet covenant targets. Further detail in respect of going concern is set out in the key audit matter disclosures in section 2 of this report.

We also performed procedures including:

- Identifying journal entries to test at the Group level and for all components based on risk criteria and comparing the identified entries to supporting documentation. These included unusual account pairings, journals with descriptions including certain keywords, unexpected postings above and below EBITDA and journals posted by unexpected users.
- Evaluated the business purpose of significant unusual transactions.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and others management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group auditor to component auditors of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly , the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, regulatory capital and liquidity, and certain aspects of company legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability statement (pages 66 and 67) that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the Viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions. We are also required to review the Viability statement, set out on pages 66 and 67 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Governance report relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review. We have nothing to report in this respect.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 115, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities**.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

9. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Neale
(Senior Statutory Auditor)

for and on behalf of KPMG LLP,
Statutory Auditor

Chartered Accountants
15 Canada Square, Canary Wharf, London, E14 5GL

28 July 2026

Group Income Statement

For the 15-months ending 31 March 2026

	Note	Adjusted result 15-months ending 31 March 2026 £m	Adjusting items (notes 5 & 19) 15-months ending 31 March 2026 £m	Total 15-months ending 31 March 2026 £m	(Restated) Adjusted result 12-months ending 31 December 2024[1] £m	(Restated) Adjusting items (notes 5 & 19) 12-months ending 31 December 2024[1] £m	(Restated) Total 12-months ending 31 December 2024[1] £m
Revenue	4	**3,419.9**	**(61.9)**	**3,358.0**	2,597.5	–	2,597.5
Operating costs	6	**(3,188.9)**	**(157.4)**	**(3,346.3)**	(2,418.1)	(147.1)	(2,565.2)
Group operating profit/(loss)		**231.0**	**(219.3)**	**11.7**	179.4	(147.1)	32.3
Share of results from associates and joint ventures	18	**0.1**	**–**	**0.1**	(0.3)	–	(0.3)
Finance income	10	**7.1**	**–**	**7.1**	2.2	–	2.2
Finance costs	10	**(102.1)**	**(6.0)**	**(108.1)**	(81.8)	(2.8)	(84.6)
Profit/(loss) before tax		**136.1**	**(225.3)**	**(89.2)**	99.5	(149.9)	(50.4)
Tax (charge)/credit	11	**(65.0)**	**18.8**	**(46.2)**	(50.8)	(43.2)	(94.0)
Profit/(loss) for the period from continuing operations		**71.1**	**(206.5)**	**(135.4)**	48.7	(193.1)	(144.4)
Profit/(loss) for the period from discontinued operations	19	**(0.1)**	**(193.1)**	**(193.2)**	6.0	(662.7)	(656.7)
Profit/(loss) for the period		**71.0**	**(399.6)**	**(328.6)**	54.7	(855.8)	(801.1)
Profit/(loss) attributable to equity shareholders		**63.1**	**(399.6)**	**(336.5)**	45.7	(855.8)	(810.1)
Profit/(loss) attributable to non-controlling interests		**7.9**	**–**	**7.9**	9.0	–	9.0
		71.0	**(399.6)**	**(328.6)**	54.7	(855.8)	(801.1)
Earnings per share:							
Earnings per share from continuing operations	13						
– basic earnings per share				**(28.2)p**			(28.6)p
– diluted earnings per share				**(28.2)p**			(28.6)p
Earnings per share from continuing and discontinued operations							
– basic earnings per share				**(59.9)p**			(136.0)p
– diluted earnings per share				**(59.9)p**			(136.0)p

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and prior period restatements; see notes 2 & 19 respectively for further information.

Group Statement of Comprehensive Income

For the 15-months ending 31 March 2026

	Note	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Loss for the period		**(328.6)**	(801.1)
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (losses)/gains on defined benefit pension plans	32	**(54.5)**	11.2
Deferred tax charge on actuarial losses/gains	27	**(0.9)**	(2.8)
Gains on financial assets at fair value through Other Comprehensive Income	17	**0.3**	9.1
		(55.1)	17.5
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on retranslation of foreign operations	31	**10.0**	(31.6)
Exchange differences on retranslation of non-controlling interests		**2.2**	(1.5)
(Losses)/gains on net investment hedges	31	**(21.6)**	21.3
Gains on cash flow hedges	31	**16.8**	3.8
Cost of hedging	31	**0.1**	0.2
Hedging losses/(gains) reclassified to Income Statement	31	**3.1**	(1.6)
Deferred tax charge on foreign exchange differences	27	**–**	(0.5)
Deferred tax charge on cash flow hedges	27	**(7.2)**	(0.7)
Net investment hedges recycled to the income statement on disposal of subsidiary	19	**(1.8)**	–
Foreign exchange reclassified to income statement on disposal of subsidiary	19	**(87.3)**	–
		(85.7)	(10.6)
Other comprehensive (expense)/income for the period		**(140.8)**	6.9
Total comprehensive expense for the period		**(469.4)**	(794.2)
Total comprehensive (expense)/income attributable to:			
Equity shareholders		**(479.5)**	(801.7)
Non-controlling interests		**10.1**	7.5
		(469.4)	(794.2)

1 Restated for prior period restatements, see note 2 for further information.

Group Balance Sheet
At 31 March 2026

	Note	31 March 2026 £m	(Restated) 31 December 2024[1] £m	(Restated) 31 December 2023[1] £m
Non-current assets				
Intangible assets	14	**967.3**	986.2	1,551.8
Property, plant and equipment	15	**769.1**	1,238.5	1,215.8
Derivative financial instruments	30	**4.4**	0.2	0.1
Financial assets at fair value through Other Comprehensive Income	17	**8.6**	25.0	15.2
Investments accounted for using the equity method	18	**3.7**	6.5	11.1
Other non-current receivables	20	**129.1**	155.2	139.1
Finance lease receivable	33	**13.4**	14.8	6.5
Deferred tax assets	27	**–**	–	168.0
Defined benefit pension assets	32	**0.1**	0.1	0.2
Total non-current assets		**1,895.7**	2,426.5	3,107.8
Current assets				
Inventories	21	**19.5**	34.0	33.7
Trade and other receivables	22	**421.9**	547.5	573.1
Finance lease receivable	33	**4.4**	3.2	2.7
Derivative financial instruments	30	**16.6**	12.6	11.1
Current tax assets		**0.6**	0.6	12.4
Cash and cash equivalents	23	**425.6**	244.5	356.3
Assets classified as held for sale	19	**–**	–	18.2
Total current assets		**888.6**	842.4	1,007.5
Total assets		**2,784.3**	3,268.9	4,115.3
Non-current liabilities				
Borrowings	28	**(1,249.0)**	(1,294.5)	(1,332.9)
Derivative financial instruments	30	**(4.1)**	(3.4)	(15.3)
Deferred tax liabilities	27	**(34.9)**	(28.3)	(28.8)
Other non-current liabilities	25	**(164.6)**	(134.6)	(129.5)
Defined benefit pension liabilities	32	**(53.3)**	(11.6)	(32.8)
Provisions	26	**(186.5)**	(174.5)	(160.5)
Total non-current liabilities		**(1,692.4)**	(1,646.9)	(1,699.8)
Current liabilities				
Trade and other payables	24	**(919.6)**	(1,032.5)	(963.9)
Borrowings	28	**(346.3)**	(219.4)	(280.7)
Derivative financial instruments	30	**(8.5)**	(44.7)	(31.6)
Current tax liabilities		**(24.3)**	(9.5)	–
Provisions	26	**(98.2)**	(115.8)	(108.3)
Total current liabilities		**(1,396.9)**	(1,421.9)	(1,384.5)
Total liabilities		**(3,089.3)**	(3,068.8)	(3,084.3)
Net (liabilities)/assets		**(305.0)**	200.1	1,031.0
Shareholders' equity				
Share capital	31	**30.7**	30.7	30.7
Share premium		**533.6**	533.6	533.6
Own shares		**(2.5)**	(4.3)	(3.6)
Hybrid reserve		**498.8**	513.0	513.0
Other reserves	31	**305.9**	396.7	397.6
Retained earnings		**(1,718.8)**	(1,305.7)	(470.5)
Total shareholders' (deficit)/equity		**(352.3)**	164.0	1,000.8
Non-controlling interests in equity		**47.3**	36.1	30.2
Total (deficit)/equity		**(305.0)**	200.1	1,031.0

1 Restated for prior period restatements, see note 2 for further information.

Phil White
Executive Chair

Paco Iglesias
Group CEO

Brian Egan
Group CFO

28 July 2026

Group Statement of Changes in Equity

For the 15-months ending 31 March 2026

	Share capital (note 31) £m	Share premium £m	Own shares (note 31) £m	Hybrid reserve (note 31) £m	Other reserves (note 31) £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total (deficit)/ equity £m
At 1 January 2025 (as previously reported)[1]	30.7	533.6	(4.3)	513.0	396.7	(1,284.9)	184.8	36.1	220.9
Adjustment[1]	–	–	–	–	–	(20.8)	(20.8)	–	(20.8)
At 1 January 2025 (restated)[1]	30.7	533.6	(4.3)	513.0	396.7	(1,305.7)	164.0	36.1	200.1
(Loss)/profit for the period	–	–	–	–	–	(336.5)	(336.5)	7.9	(328.6)
Other comprehensive (expense)/income for the period	–	–	–	–	(87.6)	(55.4)	(143.0)	2.2	(140.8)
Total comprehensive (expense)/income	–	–	–	–	(87.6)	(391.9)	(479.5)	10.1	(469.4)
Shares purchased	–	–	(1.7)	–	–	–	(1.7)	–	(1.7)
Own shares released to satisfy employee share schemes	–	–	3.5	–	–	(3.5)	–	–	–
Share-based payments	–	–	–	–	–	5.1	5.1	–	5.1
Deferred tax charge on share-based payments	–	–	–	–	–	(1.7)	(1.7)	–	(1.7)
Accrued payments on hybrid instrument	–	–	–	28.3	–	(28.3)	–	–	–
Payments on hybrid instrument	–	–	–	(42.5)	–	–	(42.5)	–	(42.5)
Transfer on disposal of equity instruments at FVOCI to retained earnings	–	–	–	–	(9.0)	9.0	–	–	–
Hedging gains and losses and costs of hedging transferred to the cost of inventory	–	–	–	–	5.8	–	5.8	–	5.8
Purchase NCI	–	–	–	–	–	(1.8)	(1.8)	3.1	1.3
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(3.0)	(3.0)
Other movements with non-controlling interests	–	–	–	–	–	–	–	1.0	1.0
At 31 March 2026	30.7	533.6	(2.5)	498.8	305.9	(1,718.8)	(352.3)	47.3	(305.0)

1 Restated for prior period restatements, see note 2 for further information.

Group Statement of Changes in Equity

For the 12-months ending 31 December 2024

	Share capital (note 31) £m	Share premium £m	Own shares (note 31) £m	Hybrid reserve (note 31) £m	Other reserves (note 31)[1] £m	(Restated) Retained earnings[1] £m	(Restated) Total[1] £m	Non-controlling interests £m	(Restated) Total equity[1] £m
At 1 January 2024 (as previously reported)[1]	30.7	533.6	(3.6)	513.0	397.6	(457.0)	1,014.3	30.2	1,044.5
Adjustment[1]	–	–	–	–	–	(13.5)	(13.5)	–	(13.5)
At 1 January 2024 (restated)[1]	30.7	533.6	(3.6)	513.0	397.6	(470.5)	1,000.8	30.2	1,031.0
(Loss)/profit for the period	–	–	–	–	–	(810.1)	(810.1)	9.0	(801.1)
Other comprehensive income/(expense) for the period	–	–	–	–	–	8.4	8.4	(1.5)	6.9
Total comprehensive (expense)/income	–	–	–	–	–	(801.7)	(801.7)	7.5	(794.2)
Shares purchased	–	–	(2.2)	–	–	–	(2.2)	–	(2.2)
Own shares released to satisfy employee share schemes	–	–	1.5	–	–	(1.5)	–	–	–
Share-based payments	–	–	–	–	–	4.6	4.6	–	4.6
Deferred tax credit on share-based payments	–	–	–	–	–	0.1	0.1	–	0.1
Accrued payments on hybrid instrument	–	–	–	21.3	–	(21.3)	–	–	–
Payments on hybrid instrument	–	–	–	(21.3)	–	–	(21.3)	–	(21.3)
Deferred tax charge on hybrid instrument payments	–	–	–	–	–	(15.4)	(15.4)	–	(15.4)
Hedging gains and losses and costs of hedging transferred to the cost of inventory	–	–	–	–	(0.9)	–	(0.9)	–	(0.9)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(1.6)	(1.6)
At 31 December 2024	30.7	533.6	(4.3)	513.0	396.7	(1,305.7)	164.0	36.1	200.1

1 Restated for prior period restatements, see note 2 for further information.

Group Statement of Cash Flows

For the 15-months ending 31 March 2026

	Note	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Cash generated from operations	37	**282.0**	367.8
Corporate income tax paid		**(37.8)**	(15.0)
Interest paid		**(93.3)**	(85.0)
Interest received		**5.0**	1.0
Net cash flow from operating activities		**155.9**	268.8
Cash flows from investing activities			
Payments to acquire businesses, net of cash acquired	19	**(1.2)**	(29.2)
Deferred consideration for businesses acquired	19	**(13.4)**	(16.2)
Proceeds on disposal of subsidiaries, net of cash disposed	19	**209.0**	–
Purchase of property, plant and equipment		**(204.9)**	(195.6)
Proceeds from disposal of property, plant and equipment		**13.1**	47.4
Payments to acquire intangible assets		**(8.6)**	(6.4)
Proceeds from disposal of intangible assets		**2.5**	3.6
Principal lease receipts	33	**5.0**	3.8
Payments to settle net investment hedge derivative contracts		**(20.3)**	(9.2)
Receipts on settlement of net investment hedge derivative contracts		**26.9**	8.3
Receipts relating to joint ventures and associates		**0.9**	7.3
Proceeds from disposal of financial asset at fair value through other comprehensive income		**16.5**	–
Net cash flow from investing activities		**25.5**	(186.2)
Cash flows from financing activities			
Dividends paid to holders of hybrid instrument		**(42.5)**	(21.3)
Principal lease payments	33	**(73.8)**	(74.3)
Increase in borrowings		**119.9**	121.1
Repayment of borrowings		**(148.8)**	(182.7)
Transaction costs relating to new borrowings		**–**	(0.3)
Payments to settle foreign exchange forward contracts		**(36.0)**	(29.7)
Receipts on settlement of foreign exchange forward contracts		**58.8**	20.4
Purchase of own shares		**(1.7)**	(2.2)
Acquisition of non-controlling interests		**(8.7)**	–
Dividends paid to non-controlling interests		**(3.0)**	(1.6)
Net cash flow from financing activities		**(135.8)**	(170.6)
Increase/(decrease) in net cash and cash equivalents		**45.6**	(88.0)
Opening net cash and cash equivalents		**203.1**	293.7
Increase/(decrease) in net cash and cash equivalents		**45.6**	(88.0)
Foreign exchange		**(7.1)**	(2.6)
Closing net cash and cash equivalents	23	**241.6**	203.1

1 Restated for prior period restatements, see note 2 for further information.

Cash flows from discontinued operations are included within the Consolidated Group Statement of Cash Flows, with the amounts relating to discontinued operations disclosed within note 19. Principal lease receipts have been reclassified to investing activities.

Notes to the Consolidated Accounts

1 Corporate information

The Consolidated Financial Statements of Mobico Group PLC and its subsidiaries (the Group) for the 15-month period ended 31 March 2026 were authorised for issue in accordance with a resolution of the Directors on 28 July 2026. Mobico Group PLC is a public limited company incorporated in England and Wales whose shares are publicly traded on the London Stock Exchange.

The principal activities of the Group are described in the Strategic Report that accompanies these Financial Statements.

2 Accounting policies

Basis of preparation

a) Consolidated Financial Statements

The Consolidated Financial Statements have been prepared in accordance with UK-adopted international accounting standards (UK-adopted IFRS).

They are presented in pounds Sterling and all values are rounded to the nearest one hundred thousand pounds (£0.1m) except where otherwise indicated.

The Consolidated Financial Statements are prepared for a 15-month period to 31 March 2026. The comparative information is for the 12-month period to 31 December 2024. The Group Balance Sheet also includes a comparative as at 31 December 2023. On 26 November 2025 the Group announced that its accounting reference date and financial period will be changed to 31 March. The change was made to allow the Group sufficient time to prepare the financial statements and for the Group's new auditor, KPMG LLP, sufficient time to complete the audit. As a result, amounts presented in the financial statements are not entirely comparable.

b) Parent Company Financial Statements

The separate accounts of the Parent Company are presented as required by the Companies Act 2006. The accounts have been prepared on a going concern basis and under the historical cost convention, except for financial instruments which have been measured at fair value, and in accordance with applicable accounting standards in the United Kingdom.

The Parent Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, the Parent Company Financial Statements have been prepared in accordance with Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework as issued by the Financial Reporting Council.

The Parent Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, IFRS 16 Leases, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are included within the Group Consolidated Financial Statements.

No Income Statement is presented by the Parent Company as permitted by Section 408 of the Companies Act 2006. The profit or loss attributable to the Parent Company is disclosed in the footnote to the Company's Balance Sheet.

The key accounting policies for the Group and the Parent Company are set out below and have been applied consistently except where indicated. Where policies are specific to the Group or to the Parent Company this is set out in the relevant policy.

Going concern

Group

The financial statements have been prepared on a going concern basis. In adopting this basis, the Directors have considered the Group's business activities, principal risks and uncertainties, exposure to macroeconomic conditions, financial position, covenant compliance, liquidity and borrowing facilities.

The Directors have concluded that the appropriate period for the purposes of the assessment of the going concern basis of preparation is a period of at least 12 months from the date of approval of the Financial Statements. In reaching that conclusion the Directors have considered whether any extension of this period was necessary based on the base-case projections, which cover the period to December 2027, as discussed further below.

The Group continues to maintain a strong liquidity position, with £0.8bn in cash and undrawn committed facilities available to it as of 31 March 2026 and total committed facilities of £1.9bn at this date (see note 28 and 29). Within the going concern outlook period, in May and June 2027, £232.8m of USPP borrowings are due to expire. Refinancing of these facilities is not assumed in the going concern assessment. The Group has positive engagement and regular dialogue with its lenders. Certain of the Group's borrowings (£1bn) are subject to covenant tests on gearing and interest cover on a bi-annual basis. A gearing covenant whereby Covenant net debt must be no more than 3.5x Covenant EBITDA and an interest covenant whereby Covenant EBITDA must be at least 3.5x Covenant Net Interest Expense apply to the Group. Each input is subject to certain adjustments from reported to covenant measure as defined in the facility agreements, principally for presentation on a pre-IFRS 16 basis.

In the period to 31 March 2026, the Group has achieved strong revenue generation, particularly in the Alsa business, and continued to deliver on its turnaround strategy. As announced in February 2026, we are targeting £75m in cost savings for calendar year 2026 with an annual run-rate of £100m from 2027 onwards. We consider we are on track to deliver these savings. While there remain a small number of contracts which are not profitable, significant progress has been made during the period in addressing these, including the contract modifications secured in German Rail in June 2026 and the exit of the WMATA contract from May 2026, which will reduce cash onerous contract outflows. UK Coach continues to face a challenging market with significant competition, resulting in revenue generation being below prior year in the period, however the business has delivered substantial savings (c.£12m annualised) through network rationalisation and structural reorganisation, as well as from the integration into the Alsa business which was substantially complete from the 1 January 2026. Further savings initiatives plans are underway and we anticipate there will be upside from annualisation of the already implemented savings from 1 January 2027 onwards.

The Group remains closely focused on cash flow, and a reduction in debt and leverage. During the year, disposal of the capital-intensive North America School Bus business was completed, with proceeds retained for deleveraging. The Group has a particular focus on reducing the cash burden of vehicle capex requirements, with progress made throughout the period to 31 March 2026 and further benefits from this expected in the near term. This has been achieved through partnerships with customers, for example through securing IFRIC 12 and sublease arrangements, or agreeing that customers instead will provide the fleet.

2 Accounting policies continued

While the Group has faced challenging trading conditions in some markets during the period to 31 March 2026, it has delivered a robust Adjusted operating profit, above the guidance range. Directors remain confident in the longer-term outlook for the Group and its proposition as a value-for-money mass transit operator. This ambition is underlined by government policy which is highly supportive of public transport as part of the solution to climate change.

The base case projections, cover the period to December 2027 and are based on the Group's latest forecast for the remainder of 2026, and the Board Approved strategic plan for 2027. The key points to note regarding the base case are as follows:

- In UK Coach, challenging market conditions with intense competition on intercity routes are expected to continue in 2026 and beyond. Management has developed a detailed and comprehensive action plan in response to this, which includes the benefit of network rationalisation, structural reorganisation and pricing reviews. The integration into the Alsa business results in synergy savings as well as the benefit of world-class expertise from running highly successful long haul coach operations in Spain. Growth is also expected in the Ireland business as a result of new contract wins. The elimination of losses following disposal of NXTS in 2025 also results in improved profitability (see note 19).
- In Alsa, the projections for 2026 and 2027 assume a continuation of the Single Ticket and Young Summer initiatives which have benefited recent trading, with demand momentum expected to remain strong, albeit a negative impact due to increased competition from high-speed rail is included in the projections. The impact of upcoming concession renewals has also been considered in projections, with all contracts assumed to be renewed given the excellent track record demonstrated previously. For Long Haul, the majority of concession renewals are now expected to take place outside of the Going Concern period. Growth through asset-light contract wins is assumed to continue, with several diversification opportunities included in plans.
- In the WeDriveU business, the loss-making WMATA contract has been terminated effective May 2026 (see Note 39), which will result in a reduction in cash losses, while a number of other low margin contracts have also been exited, allowing for focus on a more profitable portfolio. Growth wins, focused on capex-light contracts, are assumed going forwards, underpinned by a strong pipeline of opportunities.
- In Germany, following the landmark agreement reached with PTAs in Q1 of 2026 to restructure our rail contracts (see note 39), we have de-risked the business and ensured long-term sustainability of operations. Full driver staffing levels are assumed going forwards, having reached this position by December 2025, following two years of scarcity challenges which led to penalties. Management now expects the German business to operate on a cash-neutral basis over the remaining lifespan with the potential for a small positive benefit (excluding the repayment of advances to the PTAs).
- In UK Bus, we have worked collaboratively with transport authorities and the projections assume successful completion of our assets monetisation (mainly fleet and depots) and associated relief of future liabilities strategy in Q4 2026 ahead of the transition to franchising in the West Midlands. The completion of such a transaction is anticipated to require approval of the lenders that provide the Group's RCF (see note 29) and the forecasts assume that approval is obtained with no change to the amount or terms of the relevant facilities. The current, publicly announced, schedule for the transition to franchising is a phased approach of tranches in October 2027, Summer 2028 and finally Spring 2029.
- The remainder of 2026 and future years will continue to benefit from cost reduction programmes that were launched in the period to 31 March 2026, with an annualisation benefit included in the Group's forecasts. Further cost rationalisation plans are also under development to deliver an improvement in profitability.

The Directors have also considered a reasonable worst case (RWC). The RWC modifies the base case to model downsides in a number of areas, including, but not limited to:

1. Reduced passenger demand adversely affecting revenues by up to 2% in those lines of business without passenger revenue protection, fewer new contract wins and increased competition from other operators and modes of transport.
2. A reduction of the new growth opportunities assumed in plan as a result of heightened competition.
3. Higher inflation on the cost base, both for labour (with additional wage inflation increases in most divisions) and general costs (increasing by up to 0.5% above base case levels), with none of this being able to be passed on to customers.
4. A material reduction in cost savings realised as part of the Simplify for Success programme and other cost saving programmes within each division, both as a result of a shortfall in actual savings delivery or a delay in the implementation of savings.
5. Consistent with the Group's principal risks, a risk of climate-related or safety and security-related disruption is also modelled.
6. A severe, but plausible cash downside across the contingent liabilities described in our disclosures (see note 34).
7. A delay in the monetisation of our UK Bus assets during the transition to franchising in the West Midlands, such that the monetisation and associated relief of future liabilities is aligned to, rather than ahead of, the timing of the announced franchising steps.

Against this severe but plausible downside scenario, we apply cost saving mitigations which would be within our control and which could be reasonably enacted without material short term damage to the business. The quantum and nature of these mitigations is broadly consistent with those assumed in prior years' assessments and include but are not limited to:

1. Reduced discretionary spending, with up to £5m per annum of cost savings across Travel & Accommodation, Advertising & Marketing, Training & Development and Legal & Professional fees which is more than achievable as demonstrated during the Covid-19 pandemic. The quantum of mitigation assumed has been reduced since savings in these cost items are already assumed through the cost saving initiatives in progress.
2. The removal of any planned annual bonus payments.

The Directors have reviewed the base case and RWC projections and in both scenarios the Group has a strong liquidity position over the going concern assessment period and would be able to comply with the covenant tests, albeit under the RWC, is reliant upon delivery of the cost saving measures discussed above.

In addition to the base case and RWC scenarios, the Directors have reviewed reverse stress tests, in which the Group has assessed the set of circumstances that would be necessary for the Group to

2 Accounting policies continued

either breach the limits of its borrowing facilities or breach any of the covenant tests.

In applying a reverse stress test to liquidity the Directors have concluded that the set of circumstances required to exhaust it are considered remote. As ever, covenants that include Covenant EBITDA as a component are more sensitive to reverse stress testing; the Directors have therefore conducted in-depth stress testing on all covenant tests at September 2026, December 2026, June 2027 and December 2027. In doing so, the Directors have considered all cost mitigations that would be within their control if faced with another short-term material Covenant EBITDA reduction and no lender support to amend or waive Covenant EBITDA-related covenants. Taking this into account the Directors concluded that the probability was remote that circumstances arise that cause covenants to be breached. Reverse stress tests have been performed against a reduction in revenue, incremental cost inflation that cannot be recovered, and an inability to achieve planned cost savings and in all instances, the set of circumstances that would give rise to a covenant breach are considered remote.

In any case, should there be a more severe set of circumstances than those assumed in the RWC, a number of further mitigating actions are available to the Group which would improve EBITDA and/or benefit adjusted net debt, including: deeper and broader cost cutting measures, sale and leaseback of vehicles, disposal of properties, delays or reductions to capital expenditure and disposal of investments or other assets. The Group could also seek to raise further equity or seek further amendments or waivers of covenants, as was demonstrated during the Covid-19 pandemic.

Middle East conflict

In this going concern assessment the impact of the ongoing conflict in the Middle East has been considered. Whilst the Middle East conflict creates heightened macroeconomic uncertainty, the Board has exercised judgement and concluded that it does not give rise to a material uncertainty and feels that the Group has appropriate protection in place to minimise negative impacts through mechanisms such as fuel hedging agreements and contract protection such that it would not cause significant doubt upon the Group's ability to continue to be viable for the going concern period.

Conclusion

In conclusion, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements for the period ended 31 March 2026.

Parent company

The Company holds investments in all trading entities of the Group, employs colleagues working for the Group PLC and holds the majority of the Group's external debt and derivative financial instruments; and doesn't itself generate external revenues. It relies on the trading entities of the Group to generate income – both via dividends received and through the Group's transfer pricing policy. At 31 March 2026 the Company had net current liabilities of £84.2m (2024: net current liabilities of £117.7m). The net current liabilities position at the end of March 2026 has reduced compared to the end of 2024 with higher cash on hand; with creditors due under one year predominantly due to intercompany loans owed to trading divisions. At 31 March 2026 the Company had £600.0m of undrawn, unsecured committed revolving credit facilities. Please refer to management's going concern assessment of the Group detailed above. The Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12-months from the date of approval of the Financial Statements.

Changes in accounting policies and the adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial period except for changes arising from new standards and amendments to existing standards that have been adopted in the current period.

The following amendments have been applied for the first time with effect from 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21)

This amendment did not have a material impact on the financial statements.

New standards and interpretations not applied

Certain new or revised accounting standards and amendments have been published and UK adopted that are not mandatory as at 31 March 2026 and have not been early adopted by the Group:

- IFRS 18 Presentation and Disclosures in Financial Statements
- Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments
- Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements
- Annual Improvements to IFRS Accounting Standards — Volume 11

With the exception of IFRS 18 which is discussed below, these amendments are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

IFRS 18

On 9 April 2024, the IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements' which was formally adopted by the UK Endorsement Board in December 2025.

The impacts of the new standard are pervasive. Many aspects of financial statement presentation and disclosure will be affected; however IFRS 18 does not impact the recognition or measurement of items in the financial statements.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the Income Statement;
- required disclosures for certain alternative performance measures e.g. reconciliation with IFRS-defined sub-totals within the financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The new standard is effective for accounting periods commencing on or after 1 January 2027 and will apply retrospectively to comparative figures. We will consider the requirements of the new standard in the period up to its implementation but our initial assessment has not identified any material impacts on the Group's financial reporting.

2 Accounting policies continued

Prior period restatements

A. German Rail RME contract

During the preparation of the financial statements for the 15-month period ending 31 March 2026, an error was identified in the German Rail division, in relation to the calculation of revenue recognition under the Rhine-Munster Express (RME) contract as well as an understated accrual balance, as further described below.

Subsidy revenue under the RME contract under IFRS 15 is recognised over the life of the contract, by using the input method to measure progress against the performance obligation. The amount of subsidy revenue recognised in each period is a proportion of the total subsidy revenue to be earned over the term of the contract, and is based on a percentage of completion, applying net costs (passenger revenue less costs) incurred as a proportion of total expected net costs, which is what the subsidy is intended to compensate for.

The calculation of total expected net costs over the life of the contract have been underestimated in error in relation to train maintenance works.

Specifically, the contractual requirements for maintenance levels at handback (being the end of the contract in 2030) were materially underestimated in error. This error existed at both 31 December 2023 and 31 December 2024. Whilst these maintenance costs will not need to be incurred by the Group until near the end of the contract, their omission from the total expected net costs calculation materially affects the cumulative revenue that should have been recognised to date and therefore the value of the IFRS 15 contract asset on the balance sheet.

In addition, an exercise to review the German Rail divisional balance sheet during the period has highlighted an understatement of an accrual, which also relates to the RME contract pertaining to train maintenance costs. While the impact on the prior period is not material for the Group accounts individually, the Directors have elected to include in the restatement of prior period balances; particularly as this error also has an impact on the calculation of revenue recognition under IFRS 15, which has been reflected as part of the prior period restatement.

The financial effect of the restatement is set out below.

The effect of the restatement as at 31 December 2023 is:

- A decrease in the IFRS 15 contract asset (within other non-current receivables) of £14.7m
- An increase in accruals (within trade and other payables) of £3.3m
- A total impact on balance sheet net assets of (£18.0m)

The effect of the restatement on the period ending 31 December 2024 and as at 31 December 2024 is:

- A decrease in the IFRS 15 contract asset (within other non-current receivables) of £14.5m
- An increase in accruals (within current trade and other payables) of £3.5m
- An in-period reduction in revenue of £0.5m
- An in-period increase in operating costs of £0.4m
- A total impact on balance sheet net assets of (£18.0m)

There is no tax impact of the restatement.

B. UK Bus supplier rebates

The Group receives payments from a number of suppliers in the normal course of business, often in relation to rebates, refunds or compensation for underperformance against service agreements. In UK Bus, payments were received in 2022-2024 from suppliers of vehicles and related services that were booked as income in the period. Following a review of the original accounting it was assessed that these payments related to the long term contracts the Group had entered into for the provision of related vehicles and infrastructure. Therefore, management had determined that the benefit from these payments should be spread over the life of the contracts to which they relate. These contracts are 16 years in length.

In addition, several of the 16 year contracts have payment profiles which start with lower contractual payments which “step up” over time. Previously the lower payments have been expensed to the Income Statement, however upon review it has been determined that, because the services delivered remain consistent over the contract period, the costs should be recognised on a straight line basis, not in line with the contractual payment profile. This results in a higher cost in 2024 than was originally accounted for.

This has been collectively been corrected for as a prior period restatement. The financial effect of the restatement is set out below.

The effect of the restatement as at 31 December 2023 is:

- An increase in other payables (within other non-current liabilities) of £14.3m
- An increase in deferred tax assets of £3.6m
- A total impact on balance sheet net assets of (£10.7m)

The effect of the restatement on the period ending 31 December 2024 and as at 31 December 2024 is:

- An increase in other payables (within other non-current liabilities) of £17.7m
- An in-period increase in operating costs of £3.4m
- An in-period increase in the tax charge of £3.6m
- A total impact on balance sheet net assets of (£17.7m)

C. UK Coach lease accounting

The UK Coach division has certain vehicle lease agreements in place with third parties that include a contractual substitution right in favour of the lessee within the agreement. At the inception of the agreements, it was determined that the substitution rights were substantive in accordance with IFRS 16, and therefore the arrangements were deemed not to contain an identified asset. As a result, no right of use asset nor lease liability was recognised on the Balance Sheet, with lease charges being expensed to the Income Statement as incurred. Following a review of the original accounting judgement during the current period, it was determined that the substitution rights under these arrangements were not substantive, and that an error was made at inception in that a right of use asset and lease liability should have been recognised under IFRS 16.

This has been corrected as a prior period restatement. The financial effect of the restatement is set out below.

2 Accounting policies continued

The effect of the restatement at 31 December 2023 is:

- An increase in right of use assets (within property, plant and equipment) of £51.3m
- An increase in non-current lease liabilities (within borrowings) of £42.3m
- An increase in current lease liabilities (within borrowings) of £9.5m
- A total impact on balance sheet net assets of (£0.5m)

The effect of the restatement on the period ending 31 December 2024 and as at 31 December 2024 is:

- An increase in right of use assets (within property, plant and equipment) of £44.9m
- An increase in non-current lease liabilities (within borrowings) of £35.7m
- An increase in current lease liabilities (within borrowings) of £10.5m
- An in-period reduction in operating costs of £1.7m
- An in-period increase in finance costs of £2.5m
- A total impact on balance sheet net assets of (£1.2m)
- There is no cash impact of the restatement, however in terms of classification in the Group Statement of Cash Flows, cash generated from operations increases by £12.3m, interest paid increases by £2.5m, and principal lease payments increases by £9.8m.

There is no tax impact of the restatement.

D. Dilapidations provisions

During the current period, a review of the Group's exposure to dilapidation costs at the end of property leases was undertaken. This review highlighted an understatement of dilapidations provisions in the UK Bus and Coach divisions which should have historically been recognised, amounting to £2.3m. While the impact on the prior period is not material for the Group accounts, the Directors have elected to correct this error through a restatement of prior period balances.

The effect of the restatement at 31 December 2023 is:

- An increase in provisions of £2.3m
- A total impact on balance sheet net assets of (£2.3m)

The effect of the restatement on the period ending 31 December 2024 and as at 31 December 2024 is:

- An increase in provisions of £2.3m
- A total impact on balance sheet net assets of (£2.3m)

There is no tax impact of the restatement.

E. Deferred tax

During the current period, the Group has reviewed its deferred tax balance to ensure that International Financial Reporting Standards (IFRS) adjustments are treated appropriately applying IFRS 16, IFRIC 12 and IAS 12.

This review has led to a restatement and a reduction in deferred tax liability which represents a non-cash, accounting-only adjustment required solely to align divisional deferred tax positions with IFRS reporting standards. These temporary differences arise purely from timing and valuation variances between IFRS reporting principles and local Spanish tax accounting laws.

In accordance with IAS 8, this prior period error was corrected by restating each of the affected financial statements for the prior periods presented.

The effect of the restatement at 31 December 2023 is:

- A reduction in deferred tax liabilities of £18.0m
- A total impact on balance sheet net assets of £18.0m

The effect of the restatement on the period ending 31 December 2024 and as at 31 December 2024 is:

- A reduction in deferred tax liabilities of £18.5m
- An in-period reduction in the tax charge of £1.3m
- A total impact on balance sheet net assets of £18.5m

The collective impact of the prior period restatements are shown in the following tables, comparing the restated amounts against what was originally reported. The line items affected by each prior period restatement are denoted by a letter key on each line per the sub-headings above. Note that the Income Statement also reflects the impact of discontinued operations (see note 19).

2 Accounting policies continued

Group Income Statement

	As previously reported			Restated		
	Adjusted result 2024 £m	Adjusting items 2024 £m	Total 2024 £m	Adjusted result 2024 £m	Adjusting items 2024 £m	Total 2024 £m
Continuing operations						
Revenue (A)	3,412.4	–	3,412.4	2,597.5	–	2,597.5
Operating costs (A, B, C)	(3,224.7)	(707.6)	(3,932.3)	(2,418.1)	(147.1)	(2,565.2)
Group operating profit/(loss)	**187.7**	**(707.6)**	**(519.9)**	**179.4**	**(147.1)**	**32.3**
Share of result from associates	3.2	–	3.2	(0.3)	–	(0.3)
Finance income	2.4	–	2.4	2.2	–	2.2
Finance costs (C)	(92.2)	(2.8)	(95.0)	(81.8)	(2.8)	(84.6)
Profit/(loss) before tax	**101.1**	**(710.4)**	**(609.3)**	**99.5**	**(149.9)**	**(50.4)**
Tax charge (B, E)	(41.4)	(143.1)	(184.5)	(50.8)	(43.2)	(94.0)
Profit/(loss) for the period from continuing operations	**59.7**	**(853.5)**	**(793.8)**	**48.7**	**(193.1)**	**(144.4)**
Profit/(loss) for the period from discontinued operations	–	–	–	6.0	(662.7)	(656.7)
Profit/(loss) for the period	**59.7**	**(853.5)**	**(793.8)**	**54.7**	**(855.8)**	**(801.1)**
Profit/(loss) attributable to equity shareholders	50.7	(853.5)	(802.8)	45.7	(855.8)	(810.1)
Profit/(loss) attributable to non-controlling interests	9.0	–	9.0	9.0	–	9.0
Basic EPS from continuing and discontinued operations			(134.8)p			(136.0)p
Diluted EPS from continuing and discontinued operations			(134.8)p			(136.0)p

Group Statement of Comprehensive Income

	As previously reported 2024 £m	Adjustment £m	Restated 2024 £m
Loss for the period (A, B, C, E, Note 19)	(793.8)	(7.3)	(801.1)
Total comprehensive expense for the period	(786.9)	(7.3)	(794.2)
Total comprehensive (expense)/income attributable to:			
Equity shareholders	(794.4)	(7.3)	(801.7)
Non-controlling interests	7.5	–	7.5
	(786.9)	0.5	(786.4)

Group Balance Sheet

	As previously reported 31 December 2024 £m	Adjustment £m	Restated 31 December 2024 £m	As previously reported 31 December 2023 £m	Adjustment £m	Restated 31 December 2023 £m
Property, plant & equipment (C)	1,193.6	44.9	1,238.5	1,164.5	51.3	1,215.8
Deferred tax assets (B)	–	–	–	164.4	3.6	168.0
Other non-current receivables (B)	169.7	(14.5)	155.2	153.8	(14.7)	139.1

2 Accounting policies continued

	As previously reported 31 December 2024 £m	Adjustment £m	Restated 31 December 2024 £m	As previously reported 31 December 2023 £m	Adjustment £m	Restated 31 December 2023 £m
Total non-current assets	**2,396.1**	**30.4**	**2,426.5**	**3,067.6**	**40.2**	**3,107.8**
Total assets	**3,238.5**	**30.4**	**3,268.9**	**4,075.1**	**40.2**	**4,115.3**
Borrowings (C)	(1,258.8)	(35.7)	(1,294.5)	(1,290.6)	(42.3)	(1,332.9)
Other non-current liabilities (B)	(116.9)	(17.7)	(134.6)	(115.2)	(14.3)	(129.5)
Provisions (D)	(172.2)	(2.3)	(174.5)	(158.2)	(2.3)	(160.5)
Deferred tax liabilities (E)	(46.8)	18.5	(28.3)	(46.8)	18.0	(28.8)
Total non-current liabilities	**(1,609.7)**	**(37.2)**	**(1,646.9)**	**(1,658.9)**	**(40.9)**	**(1,699.8)**
Trade and other payables (A)	(1,029.0)	(3.5)	(1,032.5)	(960.6)	(3.3)	(963.9)
Borrowings (C)	(208.9)	(10.5)	(219.4)	(271.2)	(9.5)	(280.7)
Total current liabilities	**(1,407.9)**	**(14.0)**	**(1,421.9)**	**(1,371.7)**	**(12.8)**	**(1,384.5)**
Total liabilities	**(3,017.6)**	**(51.2)**	**(3,068.8)**	**(3,030.6)**	**(53.7)**	**(3,084.3)**
Net assets	**220.9**	**(20.8)**	**200.1**	**1,044.5**	**(13.5)**	**1,031.0**
Retained earnings (All)	(1,284.9)	(20.8)	(1,305.7)	(457.0)	(13.5)	(470.5)
Total shareholders' equity	**184.8**	**(20.8)**	**164.0**	**1,014.3**	**(13.5)**	**1,000.8**
Total equity	**220.9**	**(20.8)**	**200.1**	**1,044.5**	**(13.5)**	**1,031.0**

Group Statement of Changes in Equity

	As previously reported			Restated		
	Retained earnings £m	Total £m	Total equity £m	Retained earnings £m	Total £m	Total equity £m
At 1 January 2024	**(457.0)**	**1,014.3**	**1,044.5**	**(470.5)**	**1,000.8**	**1,031.0**
Loss for the period (A, B, C, E)	(802.8)	(802.8)	(793.8)	(810.1)	(810.1)	(801.1)
Total comprehensive (expense)/income	**(794.4)**	**(794.4)**	**(786.9)**	**(801.7)**	**(801.7)**	**(794.2)**
At 31 December 2024	**(1,284.9)**	**184.8**	**220.9**	**(1,305.7)**	**164.0**	**200.1**

Group Statement of Cash Flows

	As previously reported 2024 £m	Adjustment £m	Restated 2024 £m
Cash generated from operations (C)	355.5	12.3	367.8
Interest paid (C)	(82.5)	(2.5)	(85.0)
Net cash flow from operating activities	**259.0**	**9.8**	**268.8**
Cash flows from financing activities			
Principle lease payments (C)	(64.5)	(9.8)	(74.3)
Net cash flow from financing activities	**(160.8)**	**(9.8)**	**(170.6)**

Critical accounting judgements and key sources of estimation uncertainty

The preparation of Financial Statements requires the Group to make estimates and judgements that affect the application of the Group's accounting policies and reported amounts.

Critical accounting judgements represent key decisions made by management in the application of the Group accounting policies. Where a significant risk of materially different outcomes exists due to management assumptions or sources of estimation uncertainty, this will represent a key source of estimation uncertainty. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

2 Accounting policies continued

Management considered, throughout the period, the financial reporting impact associated with our identified principal risks, which includes the effects of climate change and inflation.

(i) Critical accounting judgements

Adjusting items

The Directors believe that profit measured before adjusting items provides additional useful information to shareholders on the performance of the Group. These measures are consistent with how business performance is measured internally by the Board and the Group Executive Committee. In addition, the lender covenant calculations are closely aligned to the accounting recognition for adjusting items and therefore the accounting judgment can also have an impact on covenant headroom.

The classification of adjusting items requires significant management judgement after considering the nature, cause of occurrence and the scale of the impact of that item on reported performance. The Group's definition of adjusting items is outlined in the accounting policies section. Note 5 provides further details on current period adjusting items.

Arrangements regarding the provision of vehicles

The UK Bus division is party to availability agreements for the provision of electric buses from a single service provider. The initial contract commenced in 2021, with a number of subsequent inceptions as new vehicles were ordered. The agreements commenced on vehicle delivery and run for a 16-year period. The expiry of the arrangements is therefore between 2037 and 2042; noting that the agreements are currently expected to novate to the local authority upon franchising being implemented in the West Midlands over the next few years.
The agreement includes a substitution clause whereby the service provider makes available to us a set number of vehicles each day from their wider pool of vehicles. The agreement also makes available to us the associated electric charging infrastructure and various vehicle services.

In the Directors' view, at each inception date, the arrangements do not meet the definition of a lease under IFRS 16. The service providers have control of the vehicles and the associated infrastructure; and in relation to the vehicles have a substantive substitution right, having both the practical ability to substitute the vehicles and an economic incentive to do so.

Consequently, no right-of-use asset or lease liability is recognised on the Balance Sheet, and payments under the agreements are charged to the Income Statement on a straight line basis.

The value of the commitment, which will arise as a future income statement expense, is significantly material and as such this is considered a key accounting judgement. The gross current commitments under these arrangements amount to £440.3m at 31 March 2026 (2024: £450.6m), which, when discounted at the rate implicit in the arrangement would be £291.3m at 31 March 2026 (2024: £285.0m). In making the determination that the substitution rights of the service provider are substantive, the key judgements include the following:

- The contract provides the service provider with a legal right to substitute the vehicles throughout the contract term
- The service provider has a pool of available vehicles of a similar or identical specification to enable substitution throughout the contract term
- The service provider has an economic incentive to substitute vehicles throughout the contract term arising from the following key facets (which are not exhaustive):
    - Pooling of spare vehicles across multiple fleets
    - Optimisation of operational cost base and maximising residual values of vehicles
    - Offering short term rental agreements to third parties to further increase fleet utilisation
    - Incentive to use idle capacity and substitution rights to pursue market growth opportunities

Further detailed information, including the maturity analysis of the future commitment payments and detail of the annual Income Statement expense is shown in note 33.

The UK Coach division delivers scheduled coach travel services through third party operators who provide coaches in addition to other resources required to run the services. There are a number of different contractual arrangements in place with the third-party operators, including arrangements which are indefinite, with no fixed expiry date, but with the ability for each party to terminate with 12 months' notice for no cost.

These arrangements would generally contain an embedded lease. However, in the Directors' view the ability of both parties to terminate for no cost with 12 months' notice means that the arrangements have a term of 12 months or less, and therefore, the Directors have determined that they are short-term leases which are exempt from the requirements under IFRS 16 to recognise a right of use asset and lease liability.

The forecast gross commitments under these arrangements over the next 12 months (being the minimum unilateral termination period) is £110.3m at 31 March 2026 (2024: £120.5m).

(ii) Key sources of estimation uncertainty

Management have considered the following are key sources of estimation uncertainty during the period.

Goodwill impairment
In the prior period, the goodwill impairment of the UK cash-generating units was identified as a key source of estimation uncertainty. Following the restructuring of the UK business during the period, a separate UK Coach CGU has been identified, for which no source of estimation uncertainty has been identified given the level of available headroom. Goodwill impairment of the Alsa and WeDriveU CGUs continues to not be considered a key source of estimation uncertainty given the significant headroom the remote possibility that this will be exhausted within the next 12 months.

Parent company only – impairment of investments in subsidiaries

The Company determines whether its investment in subsidiary National Express Intermediate Holdings Limited is impaired when indicators of impairment exist or based on the annual impairment assessment. The annual assessment requires an estimate of the equity value, which has been derived from the enterprise value calculations with relevant adjustments to the fair value of adjusted net debt and fair value of surplus assets, of the underlying investments. This investment holds subsequent investments in all of the Group's trading companies.

Estimating the equity value requires the Company to make an estimate of the expected future cash flows from the investment and discount this to net present value. The resulting calculation is sensitive to the assumptions in respect of future cash flows and the discount rate applied.

The recoverable amount has been determined with reference to the equity value of each of the underlying trading companies,

2 Accounting policies continued

calculated on the same basis as detailed in note 14 to the Group Consolidated Financial Statements for Alsa, UK Coach and WeDriveU; with the same methodology applied for the other divisions. When performing the annual impairment assessment for National Express Intermediate Holdings Limited based on the same calculations as used for the Group goodwill impairment assessment, an impairment charge of £465.0m (2024: £836.6m) was identified and recorded.

Given the level of headroom and impairment charges recorded, it continues to be considered that reasonably possible changes in key inputs (such as discount rates or growth rates) could result in a further impairment charge within the next 12-months. Sensitivities are detailed in note 3 to the Parent Company Financial Statements.

Insurance and other claims

The claims provision arises from estimated exposures at the period end for auto and general liability, workers' compensation and environmental claims, the majority of which will be utilised in the next five years. The estimation of the claims provision is based on an assessment of the expected settlement of known claims together with an estimate of settlements that will be made in respect of incidents occurring prior to the balance sheet date but for which claims have not been reported to the Group. The Group makes assumptions concerning these judgemental matters with the assistance of advice from independent qualified actuaries. At 31 March 2026 the claims provision was £100.5m (2024: £82.2m).

In certain limited cases, additional disclosure regarding these claims may seriously prejudice the Group's position and consequently this disclosure is not provided. Given the differing types of claims, their size, the range of possible outcomes and the time involved in settling these claims, there is a reasonably possible chance that a material adjustment would be required to the carrying value of the claims provision in the next financial period. These different factors also make it impracticable to provide sensitivity analysis on one single measure and its potential impact on the overall claims provision. For further information see note 26.

RRX rail contracts

The Group operates the Rhine-Ruhr RRX1, and RRX 2&3 contracts in German Rail, where the Group receives subsidy revenue for operating the contract. These contracts are gross cost contracts with no exposure to passenger revenue risk.

Following the mobilisation of the RRX 2&3 rail contract in 2019, significant cost increases in respect of energy consumption and personnel costs versus the original bid model were identified, leading to the contract being identified as onerous in 2021. When the contract became onerous, related assets on the Balance Sheet were impaired, and a provision was booked for the anticipated losses expected to be incurred while operating the contract over the remaining term. The provision is re-measured each period end based on the latest estimate of losses expected to be incurred operating the services under the contract.

The RRX1 franchise commenced in 2023, succeeding the Emergency Award contract that had been in operation from 2022 up until that point, after Abellio (former competing train-operator) had discontinued its operations in Germany. RRX1 was assessed as onerous from the end of 2023.

Across both the RRX1 and RRX 2&3 contracts, there were material adverse cost pressures suffered in 2024, predominantly due to driver shortage and the material impact of track closure and timetable disruption associated with engineering work impact on the network, resulting in a worsening in expectations of the forecast losses over the remaining contract term, which were recognised in FY24. As a result, the onerous contract provision (OCP) relating to the RRX contracts at the end of FY24 was £176.1m.

On 29 January 2026, the Group announced that it had entered into an agreement in principle with five German PTAs to realign contract terms for its rail service in North Rhine-Westphalia and adjacent regions. The agreement at the time was subject to entering into formal legally binding agreements between the relevant parties. This process was concluded in June 2026 with legally binding agreements for both the RME and RRX contracts being signed following the balance sheet date of 31 March 2026.

In the OCP assessment as at 31 March 2026 the Group has reflected the impact of the new agreement in its forward-looking assessment of the future RRX contract performance as under IAS 37 the new contract terms reflect management's best estimate of the future losses as at the period end.

The key changes as pertaining to the RRX contracts are as follows:

- A shortening of the loss-making contracts from 2033 to 2030; and
- Other operational and quality improvements stipulated in the new agreement, for example being compensated for additional double traction services and the implementation of improved turn around arrangements on various services

In addition, good progress was made in addressing and mitigating the driver shortage issue in the current period, which the Group had suffered significantly from since 2023 – with a return to full service achieved in Q4 2025 broadly in line with the planned recovery profile. This improvement reflects the benefit of our investment in driver recruitment and training and other mitigating actions taken; resulting in lower penalties being incurred from reduced mileage and cancellations.

These factors have had a beneficial impact on the OCP, however this has been substantially offset by adverse movements in the forward-looking operating cost forecast in other areas; detailed as follows:

In the remaining years of the contract there is expected to be a significantly greater impact of track maintenance and construction work than had been previously anticipated, which will have an expected material impact on the contract performance; this has the impact of:

- Higher penalties incurred under the contract from delays and cancellations
- Higher rail replacement costs that are not fully offset from subsidy income
- Higher track access and empty running costs driven by the reduction in network and operating efficiency
- An increase in driver churn due to the challenging operational conditions that are anticipated to arise

As a result of all of the above, the remeasurement of the RRX OCP through the Income Statement amounted to a £4.7m credit in the 15-month period ending 31 March 2026 (12-months ending 31 December 2024: £86.4m charge), and the provision now totals £112.9m at 31 March 2026 (31 December 2024: £176.1m). In reaching this conclusion, significant estimation uncertainties have been identified in future energy costs and the level of energy compensation to be received, together with assumptions on how

2 Accounting policies continued

certain published indices used to calculate energy compensation respond to changes in wholesale prices; and the discount rate.

The key assumptions and estimates adopted have been based on third party information where available, including the forecasts for energy prices, the compensation for which is based on energy index data published by the German Federal Statistical Agency, and regression models which are used to forecast the behaviour of the indices relative to energy cost assumptions. We have included further detail relating to associated sensitivities in note 26.

The re-measurement of the RRX provision has been included in adjusting items (note 5) consistent with previous periods and the Group policy on adjusted profit.

RME rail contract

The Group operates the Rhine-Münster Express (RME) rail contract, which under the original contract runs to 2030 and where the Group receives both passenger revenue and subsidy revenue for operating the contract. Under the original contract, passenger revenue is recognised when passengers travel, and the subsidy revenue is recognised over the life of the contract, by using the input method to measure progress against the performance obligation. The amount of subsidy revenue recognised in each period is a proportion of the total subsidy revenue to be earned over the term of the contract, and is based on a percentage of completion, applying net costs (passenger revenue less costs) incurred as a proportion of total expected net costs, which is what the subsidy is intended to compensate for. Cost drivers under the RME contract are very similar to those under the RRX contracts as described above.

At each balance sheet date, the Group reforecasts the contract out-turn and performs a re-assessment of the subsidy revenue to be recognised by reference to the stage of completion.

On 29 January 2026, the Group announced that it had entered into an agreement in principle with five German PTAs to realign contract terms for its rail service in North Rhine-Westphalia and adjacent regions. The agreement at the time was subject to entering into formal legally binding agreements between the relevant parties. This process was concluded in June 2026 with legally binding agreements being signed following the balance sheet date of 31 March 2026.

The Group has concluded that under IFRS 15, a contract modification only occurred at the point the legally binding agreements to amend the RME contract were signed – post the balance sheet date – as only at this point have the existing enforceable rights and obligations of the parties to the contract been changed.

As a result, the Group has continued to apply the provisions of the original contract in its IFRS 15 contract asset assessment as at 31 March 2026. This therefore reflects (a) a reassessment of forecasted future passenger revenue under the original contract, not taking into account the impact of the new contract is taken into account which will convert the RME contract to a gross contract structure, removing revenue risk; and (b) the original RME contract end date of 2030, not taking into account the extension to 2032 (with an option of an additional year's extension to the end of 2033 at the authorities' discretion) that has been agreed in the new RME contract.

Please refer to note 39 for an assessment of expected changes to the accounting recognised in future accounting periods as a result of entering into the legally binding agreement to amend the RME contract following the period end, in June 2026.

At the end of 2024, the Group assumed that the €58 ticket scheme (or an equivalent thereof) would continue beyond the end of 2025 to the end of the contract; and if the scheme were to end during this period, it was assumed that there would be further intervention from the authorities to support the market and therefore revenue to German Rail under the contract. In our view, this was consistent with previous guidance from the authorities regarding tariff setting in recent periods, and the underlying intention of the contract. This was noted as a key assumption underpinning the contract asset valuation at the end of 2024.

However, during the current period, the authorities announced that they would change the forward growth assumptions for the current €58 compensation scheme from 2026 onwards – removing a revenue growth factor that had been confirmed in both the 2024 and 2025 schemes and that underpinned our future revenue forecasts. This has a highly material adverse impact on forward revenue model and hence impacts on the future contract profitability under the terms of the original contract. The revised passenger revenue forecast continues to be based on both historical data and using a market forecast informed by an independent third party.

There has also been a significant deterioration in the future penalty assumptions, driven by improved visibility of future construction and maintenance work activity until the end of the original contract period.

As a result of the above factors, the reassessment during the current period resulted in a decrease to the IFRS 15 contract asset recognised on the balance sheet to £nil at 31 March 2026 (31 December 2024 restated: £36.5m). The impact on the Income Statement of £41.3m has been treated as an adjusting item (see note 5) as it is considered significant in nature and value and not in the normal course of business, in line with the Group's policy on adjusting items.

No OCP for the RME contract has been recognised at 31 March 2026 as the Group's assessment on future contract performance considers the new contract which was formally approved following the balance sheet date. The new contract, which has not been fully recognised here, is likely to have a materially positive impact on the profitability of the RME contract in future periods and is not expected to be onerous.

WMATA OCP

The Group holds an OCP at 31 March 2026 in relation to the Washington Metropolitan Area Transit Authority ("WMATA") contract in WeDriveU. Total WeDriveU OCPs amounted to £29.2m at the balance sheet date (31 December 2024: £2.2m), with the majority of the increase due to the WMATA contract which became newly onerous during the period.

The WMATA OCP at 31 March 2026 reflects the best estimate of the probable economic outflow based on the expected value of the losses in fulfilling the contract.

A key source of estimation uncertainty is the expected length of the contract where losses will be incurred. The initial five-year period of the contract runs from July 2024 to the end of June 2029, with five subsequent one-year renewal options which are all exercisable at WMATA's discretion, up a maximum possible contract end date of July 2034.

The best estimate of the probable economic outflow reflected in the OCP at 31 March 2026 is based on the expected value of the losses to the end of June 2029, the initial five-year period of the contract, up to the first extension option available to WMATA, as it is not considered likely that this would be exercised.

2 Accounting policies continued

Were the contract to continue in operation in the current performance conditions beyond July 2029 there would be a material adverse movement in the OCP given the extended losses that the Group would then incur. Sensitivities in relation to this source of estimation uncertainty are shown in note 26.

The re-measurement of the WeDriveU OCPs has been included in adjusting items (note 5) consistent with previous years and the Group policy on adjusted profit.

Please also refer to note 39 regarding a non-adjusting post balance sheet event in relation to the WMATA contract.

Pensions

The determination of the defined benefit obligation of the UK defined benefit pension scheme depends on the selection of certain assumptions which include the discount rate, inflation rate and mortality rates. At 31 March 2026 the UK defined benefit pension liability was £53.3m (2024: £11.3m). Please refer to note 32 for an explanation of the movement in the period. The key areas of estimation uncertainty are in respect of the discount rate, rate of inflation, assumptions on post-retirement pension increases, and mortality rate. While the Board believes that the assumptions are appropriate, significant differences in actual experience or significant changes in assumptions may significantly change the pension obligation. The Group makes assumptions with the assistance of advice from independent qualified actuaries. Details of the assumptions are set out in note 32 to these Financial Statements, along with their sensitivities.

Consideration of climate change

The Group has performed an assessment of the impact that climate change may have on the amounts recognised in the financial statements. The output of the climate change risk assessment and scenario modelling is set out in the TCFD section of the Strategic Report. The Group has considered the impact of the climate change related risks to which the Group is exposed in the preparation of these financial statements, including the consideration of the impact of climate change related risks on management's judgments and estimates, the carrying value of assets and their useful economic lives. The risks are long term in nature, and whilst they will provide a need for investment in the future, ultimately the Group has concluded that there is no material impact on the carrying amount of assets or liabilities recognised in the financial statements, nor do they lead to any additional key sources of estimation or judgment.

Basis of consolidation

These Consolidated Financial Statements comprise the Financial Statements of Mobico Group PLC and all its subsidiaries. Adjustments are made to bring any dissimilar accounting policies that may exist in the subsidiaries into line with the Group's accounting policies.

The Consolidated Income Statement includes the results of subsidiaries and businesses purchased from the date control is assumed and excludes the results of disposed operations and businesses sold from the date of disposal.

Intra-group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

Non-controlling interests represent the portion of comprehensive income and equity in subsidiaries that is not attributable to the parent Company shareholders and is presented separately from parent shareholders' equity in the Consolidated Balance Sheet.

Summary of material accounting policies

Subsidiaries

Subsidiaries are entities over which the Company has control. Control exists when the Company has power over an entity, exposure to variable returns from its involvement with an entity and the ability to use its power over the entity to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are also considered when assessing control.

Interests in joint ventures

The Group has a contractual arrangement to share control of an entity. The Group recognises its interest in the assets and liabilities of the entity using the equity method of accounting. The Group Balance Sheet includes the appropriate share of the joint ventures' net assets or liabilities and the Income Statement includes the appropriate share of their results after tax.

Financial Statements of joint ventures are prepared for the same reporting period as the Group. Adjustments are made in the Group's Financial Statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its joint venture. The Group ceases to use the equity method from the date it no longer has joint control over the entity.

Interests in associates

Companies, other than subsidiaries and joint ventures, in which the Group has an investment representing not less than 20% of the voting rights and over which it exerts significant influence are treated as associates. The Consolidated Financial Statements include the appropriate share of these associates' results and net assets based on their latest Financial Statements under the equity method of accounting.

Foreign currencies

The trading results of foreign currency denominated subsidiaries, joint ventures and associates are translated into Sterling, the presentation currency of the Group and functional currency of the parent, using average rates of exchange for the period as a reasonable approximation to actual exchange rates at the dates of transactions.

The Balance Sheets of foreign currency denominated subsidiaries, joint ventures and associates are translated into Sterling at the rates of exchange prevailing at the period end and exchange differences arising are taken directly to the translation reserve in equity. On disposal of a foreign currency denominated subsidiary, the deferred cumulative amount recognised in the translation reserve (since 1 January 2004 under the transitional rules of IFRS 1) relating to that entity is recognised in the Income Statement. All other translation differences are taken to the Income Statement, with the exception of differences on foreign currency borrowings and forward foreign currency contracts which are used to provide a hedge against the Group net investments in foreign enterprises. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the Income Statement.

Adjusting items

The Group Income Statement has been presented in a columnar format to enable users of the Financial Statements to view the adjusted results of the Group. The Group's policy is to adjust for items that are considered significant in nature and value or not in the normal course of business, or are consistent with items that were treated as adjusting in prior periods. Treatment as adjusting items provides users of the accounts with additional useful information to assess the trading performance of the Group. The adjusted profit measures are not recognised profit measures

2 Accounting policies continued

under IFRS and may not be directly comparable with adjusted profit measures used by other companies. Further details relating to adjusting items are provided in note 5 and a full listing of the Group's alternative performance measures (APMs) are provided in the Alternative Performance Measures section of this Annual Report.

Revenue recognition

Revenue is measured based on the consideration specified in the contract with a customer and is recognised when the performance obligations of the contract have been fulfilled.

Contract revenues

For the purposes of disclosures, the Group has applied the term 'contract revenues' to describe documented contracts that typically cover periods of at least one year, excluding concessions and subsidies. The contracts primarily relate to transit contracts in North America, urban bus contracts in Spain and coach contracts in the UK. In addition, the Group has a number of service concession arrangements for the provision of transport services.

Revenues relating to the provision of transport services are recognised as the services are provided and in accordance with the terms of the contract. Revenue relating to any additional performance measures in the contract are recognised when the performance has been met and in accordance with the terms of the contract.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring services to the customer. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is resolved and when it becomes highly probable that a significant revenue reversal will not occur. Variable consideration is assessed on an annual basis, and where an adjustment is required this is recognised in the Income Statement in the current period.

For the RME contract in Germany, revenue is recognised over the life of the contract, by using the input method to measure progress against the performance obligation. The amount of subsidy income recognised in each period is based on a percentage of completion, applying net costs (passenger revenue less costs) incurred as a proportion of total expected net costs, which is what the subsidy is intended to compensate for.

Passenger revenues

Passenger revenues primarily relate to ticket sales in UK bus and scheduled coach, the RME German Rail contract, intercity coach and certain regional bus services in Spain and urban bus services in Morocco.

Passenger revenue is recognised in the Income Statement in the period in which the related travel occurs. Revenue from tickets that cover more than one day, for example monthly travelcards and season tickets, is initially deferred as a contract liability and released to the Income Statement on a straight-line basis over the applicable period of the ticket.

Contract liabilities are reduced when an eligible cancellation arises. Also, where applicable, contract liabilities are reduced for ticket breakage, being the portion of future travel that is not expected to be exercised.

Other ancillary revenues relating to ticket sales are recognised at point of sale or, if material and related to a future performance period, recognised by reference to that period.

Passenger revenue in the German Rail RME contract is allocated between the various transport providers in each region by the tariff authority responsible for that region, and is recognised based on passenger counts, tariff authority estimates and historical trends.

Private hire

Private hire operations are contracts provided in the UK and Alsa divisions and are typically of a short duration. Revenue is recognised over the period in which the private hire is provided to the customer.

Other revenues

Other revenues primarily comprise non-passenger services in Spain and advertising revenues and ancillary sales around the Group. Other revenue also includes sub-leasing income where the Group acts as the lessor and the sub-lease is an operating lease.

Revenues for non-passenger services are recognised when the performance of the service has been fulfilled and in accordance with the terms of the contract. Advertising revenue is recognised over the period of the advertising contract.

Contract costs

Costs to obtain a contract

The incremental costs to obtain a contract with a customer are recognised within 'contract costs' if it is expected that those costs will be recoverable. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense in the period.

Costs to fulfil a contract

Costs that relate directly to a contract, generate resources that will be used in satisfying the contract and are expected to be recovered are recognised within 'contract costs' on the Balance Sheet. Contract fulfilment costs covered within the scope of another accounting standard, such as property, plant and equipment or intangible assets, are not capitalised as contract fulfilment assets but are treated according to those standards.

Contract costs are amortised on a straight-line basis over the term of the specific contract they relate to, consistent with the pattern of recognition of the associated revenue.

Contract assets and liabilities

Contract assets are recognised where the Group has performed its obligations to allow the recognition of revenue, but the revenue allowed to be recognised exceeds the amounts received or receivable from a customer at that time.

Contract liabilities are recognised when amounts are advanced by customers and the Group has not yet met the performance obligation under the contract to allow the recognition of the balance as revenue. Contract liabilities are recognised as revenue when the Group performs such obligations under the contract.

Contract assets and liabilities are also recognised when the financial asset model is applied to service concession arrangements.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attached to it.

Grants and subsidies relating to the provision of transport services are included within revenue when the terms of the agreement specify that they are intended to compensate the Group for services rendered, or to subsidise any revenue shortfall. The grants and subsidies are recognised as the services are provided. When

2 Accounting policies continued

the grant is awarded to compensate the business for incurring expenses, it is recognised in operating costs within the Income Statement over the period necessary to match on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to property, plant and equipment, the value is included in liabilities as deferred income and credited to the Income Statement over the expected useful economic life of the assets concerned.

Government grants received in excess of the amounts recognised in the Income Statement are held as deferred grant income within trade and other payables, whereas government grants recognised in the Income Statement that are yet to be received are held as grant receivables in trade and other receivables.

For government grants that do not explicitly outline what the award is compensating, management applies its judgement as to whether it should be recognised within revenue or operating costs. Typically grants targeted at maintaining service levels are recognised within operating costs and those intended to compensate reduced fares or patronage are recognised within revenue.

Service concession arrangements

The Group provides certain services through public-private partnerships with public authorities responsible for the provision of public transport services.

Concession arrangements involve the transfer of operating rights for a limited period, under the control of the local authority, using dedicated facilities supplied by the Group, or made available to it for or without consideration.

The characteristics of these contracts vary depending on the country and activities concerned.

Financial asset model

The Group applies the financial asset model when the concession grantor contractually guarantees the payment of amounts specified in the contract or the shortfall, if any, between amounts received from users of the public service and amounts specified.

Financial assets or liabilities resulting from the application of IFRIC 12 Service Concession Arrangements are recorded in the Group Balance Sheet within contract assets or contract liabilities respectively, forming part of working capital. These financial assets are measured at amortised cost as the Group's business objective is to collect the contractual cashflows from the customer. They are assessed for impairment in line with the provisions of IFRS 9.

Income received from the public authorities is recognised in line with the requirements of IFRS 15. Subsidy income from the local authority is recognised as the services are provided and in accordance with the terms of the contract.

Intangible asset model

The Group applies the intangible asset model when income is directly received from the passengers and there is no contractual guarantee from the concession grantor. The intangible asset corresponds to the right granted by the public authority to the Group to charge passengers of the public service. In addition, when the concession grantor has an option to purchase infrastructure assets at the end of the contract term, an intangible asset is recognised.

Intangible assets resulting from the application of IFRIC 12 are recorded in the Group Balance Sheet and are amortised on the basis of the expected pattern of consumption applicable over the term of the concession.

Income received from passengers is recognised in line with the requirements of IFRS 15 and the policy detailed in the Revenue section of these accounting policies.

Infrastructure assets provided by the Group are either purchased or subject to a 'lease style' arrangement. Where the Group purchases the assets on its standard supplier terms (typically one year), the related liability is recorded in contract liabilities until it is settled. Where the assets are 'leased', the liability is recorded at the present value of the future payments in contract liabilities in accordance with IFRIC 12, as opposed to IFRS 16. Where lease payments on infrastructure assets are directly reimbursed from the customer, the asset is recorded according to the underlying classification of the IFRIC 12 contract (as set out above).

Taxes

Current tax

Current tax is provided on taxable profits earned according to the local tax rates applicable where the profits are earned. Income taxes are recognised in the Income Statement unless they relate to an item accounted for in Other Comprehensive Income or Equity, in which case the related tax is recognised directly in Other Comprehensive Income or Equity. The tax rates and tax laws used to compute the current tax are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred tax is provided in full in respect of all material temporary differences at the balance sheet date between the tax base and their carrying amounts for financial reporting purposes, apart from the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill;
- where an asset or liability is recognised in a transaction that is not a business combination and that at the time of the transaction affects neither accounting nor taxable profit or loss; and
- in respect of investment in subsidiaries, associates and joint ventures where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured on a non-discounted basis at tax rates that are expected to apply in the periods in which the temporary differences reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is considered probable that future taxable profits will be available against which the underlying temporary differences can be deducted. For this purpose, forecasts of future taxable profits are considered by assessing the Group's forecast revenue and profit models, taking into account future growth predictions and operating cost assumptions, as well as assumptions on the tax elections within the Group's control.

Accordingly, changes in assumptions to the Group's forecasts may have an impact on the amount of future taxable profits and therefore the period over which any deferred tax assets might be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and when the Group intends to settle its current tax assets and liabilities on a net basis.

2 Accounting policies continued

Where a temporary difference arises between the tax base of employee share options and their carrying value, a deferred tax asset should arise. To the extent that the future tax deduction exceeds the related cumulative IFRS 2 'Share-Based Payment' ('IFRS 2') expense, the excess of the associated deferred tax balance is recognised directly in equity. To the extent that the future tax deduction matches the cumulative IFRS 2 expense, the associated deferred tax balance is recognised in the Consolidated Income Statement.

Business combinations

On the acquisition of a business, identifiable assets and liabilities acquired are measured at their fair value. Contingent liabilities assumed are measured at fair value unless this cannot be measured reliably, in which case they are not recognised but are disclosed in the same manner as other contingent liabilities.

The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued. Any contingent consideration is recognised at fair value at the acquisition date and subsequently until it is settled.

The cost of the acquisition in excess of the Group's interest in the net fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement.

Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable, the asset (or disposal group) is available for immediate sale in its present condition, management is committed to the sale and the sale is expected to complete within one year from the date of classification. Assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and either represents a separate major line of business or geographical area; is part of a plan to dispose of a separate major line of business or geographical area; or is a subsidiary acquired exclusively for resale.

Discontinued operations are excluded from the results of continuing operations and presented as a single amount after tax. Comparatives are also represented to reclassify the operation as discontinued.

Intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets and liabilities of the acquired subsidiary at the date of acquisition. Goodwill arising on the acquisition of an associate or joint venture is recognised within the carrying amount of the investment.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses and is not amortised.

Goodwill is allocated to cash-generating unit groups for the purpose of impairment testing. A cash-generating unit is identified at the lowest aggregation of assets that generate largely independent cash inflows, and which is reviewed by management for monitoring and managing the Group's business operations. These are then aggregated into groups for the purposes of goodwill allocation, which are aligned to the Group's reportable segments.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

Customer contracts

Customer contracts acquired as part of a business combination are initially recorded at the fair value attributed to those contracts on acquisition.

Service concession intangibles

Service concession intangible assets represent a right to charge passengers for the use of the public service.

Contract costs

Contract costs include costs to obtain and costs to fulfil a contract.

Software

Acquired and internally developed software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software or fair value if acquired as part of a business combination. Computer software that is integral to a tangible fixed asset is recognised within property, plant and equipment.

Amortisation is charged on a straight-line basis over the expected useful lives of the assets as follows:

Customer contracts	– over the life of the contract (1 to 33 years)
Contract costs	– over the term of the specific contract (1 to 15 years)
Service concession intangibles	– over the term of the specific contract (1 to 15 years)
Software	– over the estimated useful life (3 to 7 years)

The useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis. Intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Repairs and maintenance costs are expensed as incurred.

Freehold land is not depreciated. All other property, plant and equipment is depreciated on a straight-line basis over its estimated useful life as follows:

Land and buildings	– 15 to 50 years
Public service vehicles	– 7 to 20 years
Plant and equipment, fixtures and fittings	– 3 to 15 years

Useful lives and residual values are reviewed annually and adjustments, where applicable, are made on a prospective basis. Specifically, as the Group transitions away from diesel powered vehicles towards zero emissions vehicles, the impact on the useful life, and residual value of diesel vehicles is reviewed. In addition, as

2 Accounting policies continued

new vehicles are purchased, useful lives are set considering these factors.

An item of property, plant and equipment is derecognised upon disposal with any gain or loss arising included in the Income Statement in the period of derecognition.

Impairment

Intangible assets with definite useful lives, and property, plant and equipment are tested for impairment when events or circumstances indicate that their carrying value may not be recoverable. Goodwill is subject to an impairment test on an annual basis, or more frequently if there are indicators of impairment; at an aggregated CGU level as defined in the Goodwill section above, after first considering other CGU assets. Assets that do not generate independent cash flows are combined into cash-generating units.

The impairment testing of individual assets or cash-generating units requires an assessment of the recoverable amount of the asset or cash-generating unit. If the carrying value of the asset or cash-generating unit exceeds its estimated recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs of disposal and value in use. Value in use is assessed based on estimated future cash flows discounted to their present value using a pre-tax discount rate that is based on the country-specific weighted average cost of capital (WACC). The outcome of such an assessment is subjective, and the result sensitive to the assumed future cash flows to be generated by the cash-generating units or assets, the growth rate used to extrapolate the cash flows beyond the five-period period and discount rates applied in calculating the value in use.

Impairment losses relating to goodwill cannot be subsequently reversed.

Parent company investments

Investments are held at historical cost less any provision for impairment.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group determines the classification of its financial instruments at initial recognition. Financial instruments are initially measured at fair value.

Financial assets

Financial assets are classified at initial recognition as either (i) subsequently measured at amortised cost, (ii) fair value through Other Comprehensive Income, or (iii) fair value through profit and loss. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Financial assets subsequently measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables (including service concession financial assets) and cash and cash equivalents in the Balance Sheet.

(ii) Financial assets at fair value through Other Comprehensive Income

The Group has elected to recognise its non-listed equity investments at fair value through Other Comprehensive Income. Gains and losses on these financial assets are never recycled to the Income Statement. Dividends are recognised as other income in the Income Statement when the right of payment has been established. Where there is no active market for the Group's investments, fair value is determined using valuation techniques including recent commercial transactions, discounted cash flow analyses and share of net assets. Equity instruments designated at fair value through Other Comprehensive Income are not subject to impairment assessment.

(iii) Financial assets at fair value through Profit and Loss

Financial assets at fair value through Profit or Loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through Profit or Loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the Group Balance Sheet at fair value, with net changes in fair value recognised in the Income Statement within finance costs. Transaction costs arising on initial recognition are expensed in the Income Statement.

The Group's financial assets at fair value through Profit and Loss are primarily derivatives which are not hedge accounted.

Financial liabilities

Financial liabilities are measured either at fair value or amortised cost. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables (including service concession financial liabilities), loans and borrowings including bank overdrafts, and derivative financial instruments. Subsequent measurement depends on its classification as follows:

(i) Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

(ii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised. Amortisation is included as finance costs in the Income Statement. This category applies to interest-bearing loans and borrowings.

For some contracts where the cash flows are back ended, the Group enters into a non-recourse factoring arrangement with a bank to factor the future cash flows in advance of invoicing the customer, with the resultant liability with the bank recorded in loans and borrowings. On subsequent receipt of the cash from the customer this is then immediately repaid to the bank. Both the

2 Accounting policies continued

cash receipt and the repayment to the bank are recorded within cash flows from financing activities in the Statement of Cash Flows.

(iii) Put liabilities

Put liabilities are recognised by the Group when put options have been issued by the Group in a business combination. Liabilities are recorded at the present value of the purchase price upon acquisition. The present value of purchase price is re-measured at each reporting date, with subsequent changes recorded in profit and loss through adjusting items. Unwind of the discount of the liability is recorded within interest costs.

Equity instruments

Hybrid instruments

Hybrid instruments issued by the Group are classified on initial recognition according to the substance of the arrangement. Hybrid instruments are recorded within equity where the contractual terms of the instruments allow the Group to defer coupon payments and the repayment of the principal amount indefinitely. These features give the Group the unconditional right to avoid the payment of cash or another financial asset for the principal or coupon and consequently are classified as equity instruments. These equity instruments are not re-measured from period to period. Coupon payments made are treated the same as an equity dividend distribution and, where not made, are accrued within the hybrid reserve, with a corresponding reduction in retained earnings.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as fuel derivatives, interest rate derivatives, foreign exchange forward contracts and cross currency interest rate swaps to hedge its risks associated with fuel price, interest rate fluctuations and foreign currency. Such derivative financial instruments are initially recognised at fair value and subsequently re-measured to fair value for the reported Balance Sheet. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The fair value of the derivatives is calculated by reference to market exchange rates, interest rates and fuel prices at the period end.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group's interest rate derivatives are designated as fair value hedges. For fair value hedges, the gain or loss on the hedging instrument is recognised immediately in the Income Statement. The carrying amount of the hedged item is adjusted through the Income Statement for the gain or loss on the hedged item attributable to the hedged risk, in this case movements in the risk-free interest rate.

For instruments designated as cash flow hedges (which are primarily fuel derivatives), the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity. The gains or losses deferred in equity in this way are recycled through the Income Statement in the same period in which the hedged underlying transaction or firm commitment is recognised in the Income Statement. Foreign exchange forward contracts and cross currency interest rate swaps used to hedge the Group's net investment in foreign currency denominated operations, to the extent they are designated and effective as net investment hedges, are matched in equity against foreign exchange exposure in the related assets and liabilities. Gains and losses on the hedging instruments are recognised in other comprehensive income and accumulated in equity. Gains and losses accumulated in equity are included in the Income Statement when the foreign operation is partially disposed of or sold.

The Group also uses foreign exchange forward contracts to hedge certain transactional exposures. These contracts are not hedge accounted and all gains and losses are taken directly to the Income Statement.

For derivatives that do not qualify for hedge accounting, gains or losses are taken directly to the Income Statement in the period. Similarly, any material ineffective portion of the Group's cash flow and net investment hedges is recognised in the Income Statement.

Movements in the fair value of the hedging instrument arising from costs of hedging for cash flow and net investment hedges are recognised in equity, disclosed separately and amortised to the Income Statement over the term of the hedge relationship on a rational basis.

Any material ineffectiveness is recognised in the Income Statement within operating costs for fuel derivatives and finance costs for all other derivatives.

Hedge accounting is discontinued when the hedging instrument or hedged item expires, is sold, terminated or exercised, or no longer qualifies for hedge accounting. For fuel derivatives, this can arise due to a change in the highly probable forecast transaction as a result of a change in divisional volume requirements. In such instances, accumulated fair value gains or losses are transferred from Other Comprehensive Income to the Income Statement for affected trades when hedge accounting has been discontinued.

Inventories

Inventories are valued at the lower of cost and net realisable value on a first in, first out basis, after making due allowance for obsolete or slow moving items.

Trade and other receivables

Trade receivables are initially recognised at the transaction price determined under IFRS 15 and other receivables are initially recognised at fair value. Trade and other receivables are subsequently recognised at amortised cost less a provision for impairment. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected

2 Accounting policies continued

loss allowance for trade receivables (including grant receivables), contract assets and finance lease receivables. The Group uses provision matrices based on historical ageing of receivables and credit loss experience, adjusted as necessary for any forward-looking factors specific to the debtors and economic environment.

Trade receivables are derecognised where the Group enters into factoring arrangements without recourse and the risks and rewards have been fully transferred. The Group classifies the cash flows from receivable factoring arrangements within cash from operating activities in the Statement of Cash Flows.

Cash and cash equivalents

Cash and cash equivalents as defined for the Statement of Cash Flows comprise cash in hand, cash held at bank with immediate access, other short-term investments and bank deposits with maturities of three months or less from the date of inception, and bank overdrafts that are repayable on demand in accordance with IAS 7. Bank overdrafts form an integral part of the Group's cash management strategy as they arise from the Group's cash pooling arrangement with its bank and can fluctuate from positive to negative balances during the period. In the Consolidated Balance Sheet, cash and cash equivalents are presented net of bank overdrafts where there is a legal right of offset and intention to net settle, or otherwise are included within borrowings in current liabilities.

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material using a pre-tax discount rate. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are obligations that arise from past events that are dependent on future events. They are disclosed in the notes to the Financial Statements where the expected future outflow is not probable.

Onerous contracts

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e. both incremental costs and an allocation of costs directly related to contract activities).

Where the Group assesses that a contract is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group first recognises any impairment loss on any assets dedicated to that contract.

Insurance claims

The Group's policy is to not insure low value, high frequency claims within the businesses. To provide protection against higher value claims, the Group purchases insurance cover from a selection of proven and financially strong insurers.

Provisions in respect of claims risk include projected settlements for known and incurred but not reported claims. Projected settlements are estimated based on historical trends and actuarial data and are discounted to take account of the expected timing of future cash settlements. To the extent insurance liabilities are insured and awaiting settlement, a separate asset is recognised in other receivables.

Leases

Group as a lessee

Lease identification

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration. Non-lease components and contracts which do not contain a lease are expensed in the Income statement on a systematic basis over the contract term.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset and the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Any variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

2 Accounting policies continued

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12-months or less from the commencement date and do not contain a purchase option. It also applies the low-value assets recognition exemption to leases of assets below £5,000. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

As a lessor, the Group continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. Where the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset it is classified as a finance lease and if not is an operating lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. Where the sub-lease is classified as a finance lease, the right-of-use asset with respect to the head lease is derecognised and a finance lease receivable is recognised equal to the net investment in the sub-lease. The net investment in the lease is calculated as the present value of the aggregate of lease payments receivable and any unguaranteed residual value. Where the interest rate implicit in the sub-lease cannot be readily determined, the Group uses the discount rate used for the head lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Retirement benefits

Defined contribution schemes

Payments to defined contribution schemes are charged to the Income Statement as they fall due. The Group has no legal or constructive obligation to pay further contributions into a defined contribution scheme if the fund has insufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Defined benefit schemes

Plan assets, including qualifying insurance policies, are measured at fair value and plan liabilities are measured on an actuarial basis, using the projected unit credit method and discounted at an interest rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the plan liabilities. The difference between the value of plan assets and liabilities at the period-end date is the amount of surplus or deficit recorded in the Group Balance Sheet as an asset or liability, subject to the application of the asset ceiling. An asset is recognised when the employer has an unconditional right to use the surplus at some point during the life of the plan or on its wind-up. A minimum funding requirement in excess of any deficit is recognised as a liability to the extent that it is not covered by the asset ceiling.

Current service costs are recognised within operating costs in the Income Statement. Past service costs and gains, which are the change in the present value of the defined benefit obligation for employee service in prior periods resulting from plan amendments, are recognised immediately as the plan amendment occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset and is recognised within finance costs.

Re-measurements comprise actuarial gains and losses and the return on plan assets (excluding amounts included in net interest). Actuarial gains and losses may result from differences between the actuarial assumptions underlying the plan liabilities and actual experience during the period or changes in the actuarial assumptions used in the valuation of the plan liabilities. Re-measurement gains and losses, and taxation thereon, are recognised in Other Comprehensive Income and are not reclassified to profit or loss in subsequent periods.

Full actuarial valuations are carried out triennially and are updated for material transactions and other material changes in circumstances up to the end of the reporting period.

Share-based payments

Group

The Group awards equity-settled share-based payments to certain employees, under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense with the corresponding adjustment in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the Group over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement, with a corresponding adjustment to equity.

Parent Company

The Company awards equity-settled share based payments to the employees of its owned subsidiaries, and as such, the Company recognises an increase in the cost of investment in subsidiaries.

Share capital, share premium and dividends

Where either the Company or employee share trusts purchase the Company's equity share capital, the consideration paid, including any transaction costs, is deducted from total shareholders' equity as own shares until they are cancelled or re-issued. Any consideration subsequently received on sale or re-issue is included in shareholders' equity.

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's Financial Statements on the date when dividends are approved by the Company's shareholders. Interim dividends are recognised in the period they are paid.

3 Exchange rates

The most significant exchange rates to UK Sterling for the Group are as follows:

	15-months ending 31 March 2026 Closing rate	15-months ending 31 March 2026 Average rate	12-months ending 31 December 2024 Closing rate	12-months ending 31 December 2024 Average rate
US Dollar	**1.32**	**1.32**	1.25	1.28
Canadian Dollar	**1.84**	**1.84**	1.80	1.75
Euro	**1.14**	**1.16**	1.21	1.18
Moroccan Dirham	**12.35**	**12.34**	12.66	12.70

If the results for the 12-months ending 31 December 2024 had been retranslated at the average exchange rates for the period to 31 March 2026, WeDriveU would have achieved an adjusted operating profit of £28.3m on revenue of £398.1m compared to adjusted operating profit of £29.3m on revenue of £412.7m as reported; Alsa would have achieved an adjusted operating profit of £188.8m on revenue of £1,346.9m, compared to adjusted operating profit of £186.1m on revenue of £1,327.6m as reported; and German Rail would have achieved an adjusted operating loss of £10.6m on revenue of £259.7m compared to adjusted operating loss of £10.1m on revenue of £256.0m as reported.

4 Revenue and segmental analysis

The Group's reportable segments have been determined based on reports issued to and reviewed by the Group Board of Directors, and organised in accordance with the geographical regions in which they operate and the nature of services that they provide. Management considers the Group Board to be the chief decision-making body for deciding how to allocate resources and for assessing operating performance.

As the North America School Bus (NASB) business has now been classified as a discontinued operation (see note 19); WeDriveU is now a separate reportable segment. Additionally, during the period the UK segment has been split into UK Bus and UK Coach. The prior period analysis within this note has also been represented for these changes.

Segmental performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the Consolidated Financial Statements. Group financing activities and income taxes are managed on a Group basis and are not allocated to reportable segments. Central functions is not a reportable segment but has been included in the segmental analysis for transparency and to enable a reconciliation to the consolidated Group.

The principal services from which each reportable segment derives its revenues are as follows:

- UK Bus – bus operations
- UK Coach – coach operations
- German Rail – rail operations
- Alsa (predominantly Spain and Morocco) – bus and coach operations
- WeDriveU (USA and Canada) – transit and shuttle operations

Further details on the activities of each segment are described in the Strategic Report. It is anticipated that going forward, Alsa including UK Coach will be a reportable segment; given the integration of the UK Coach business into Alsa which has been progressing in the period. UK Bus, German Rail and WeDriveU would continue as reportable segments.

4 Revenue and segmental analysis continued

(a) Revenue

Revenue from continuing operations is disaggregated by reportable segment, class and type of service as follows:

	15-months ending 31 March 2026					
Analysis by class and reportable segment:	**Contract revenues £m**	**Passenger revenues £m**	**Grants and subsidies £m**	**Private hire £m**	**Other revenues £m**	**Total £m**
UK Bus	**9.5**	**258.2**	**58.8**	**1.7**	**9.6**	**337.8**
UK Coach	**20.1**	**329.3**	**–**	**–**	**30.8**	**380.2**
German Rail	**–**	**75.8**	**215.2**	**–**	**0.9**	**291.9**
Alsa	**363.3**	**985.7**	**234.0**	**133.5**	**101.8**	**1,818.3**
WeDriveU	**529.8**	**–**	**–**	**–**	**–**	**529.8**
Total revenue from continuing operations	**922.7**	**1,649.0**	**508.0**	**135.2**	**143.1**	**3,358.0**
Analysis by major service type:						
Passenger transport	**922.7**	**1,649.0**	**508.0**	**135.2**	**29.1**	**3,244.0**
Other products and services	**–**	**–**	**–**	**–**	**114.0**	**114.0**
Total revenue from continuing operations	**922.7**	**1,649.0**	**508.0**	**135.2**	**143.1**	**3,358.0**

There have been no material amounts of revenue recognised in the period that relate to performance obligations satisfied or partially satisfied in previous periods other than £20.7m relating to Morocco as described in note 5. Revenue received where the performance obligation will be fulfilled in the future is classified as deferred income within contract liabilities and disclosed in notes 24 and 25.

In March 2026 the German Rail division received confirmation of a final settlement relating to its operation of the RRX 1 Emergency Award contract that it operated between 2022 and 2023. As part of the settlement additional compensation of £6.3m (2024: £nil) has been recognised within revenue in the period.

There are no material inter-segment sales between reportable segments.

Prior period revenue from continuing operations is disaggregated by reportable segment, class and type of service as follows:

	(Restated) 12-months ending 31 December 2024[1]					
Analysis by class and reportable segment:	**Contract revenues £m**	**Passenger revenues £m**	**Grants and subsidies £m**	**Private hire £m**	**Other revenues £m**	**Total £m**
UK Bus	7.5	212.8	37.4	1.1	6.6	265.4
UK Coach	26.9	283.4	–	3.2	22.3	335.8
German Rail	–	38.5	218.1	–	(0.6)	256.0
Alsa	273.4	717.5	171.7	89.6	75.4	1,327.6
WeDriveU	399.6	–	–	–	13.1	412.7
Total revenue from continuing operations	707.4	1,252.2	427.2	93.9	116.8	2,597.5
Analysis by major service type:						
Passenger transport	707.4	1,252.2	427.2	93.9	17.5	2,498.2
Other products and services	–	–	–	–	99.3	99.3
Total revenue from continuing operations	707.4	1,252.2	427.2	93.9	116.8	2,597.5

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and prior period restatements; see notes 2 & 19 respectively for further information; and for the UK segment change as explained above.

4 Revenue and segmental analysis continued

(b) Operating profit/(loss)

Operating profit/(loss) from continuing operations is analysed by reportable segment as follows:

	Adjusted profit/(loss) 15-months ending 31 March 2026 £m	Adjusting items 15-months ending 31 March 2026 £m	Segment result 15-months ending 31 March 2026 £m	(Restated) Adjusted profit/(loss) 12-months ending 31 December 2024[1] £m	(Restated) Adjusting items 12-months ending 31 December 2024[1] £m	(Restated) Segment result 12-months ending 31 December 2024[1] £m
UK Bus	**2.4**	**(0.4)**	**2.0**	3.4	(7.0)	(3.6)
UK Coach	**(22.9)**	**(17.2)**	**(40.1)**	4.6	(10.3)	(5.7)
German Rail	**17.0**	**(38.4)**	**(21.4)**	(10.1)	(87.5)	(97.6)
Alsa	**249.0**	**(45.0)**	**204.0**	186.1	(9.2)	176.9
WeDriveU	**25.0**	**(49.1)**	**(24.1)**	29.3	(10.8)	18.5
Central functions	**(39.5)**	**(69.2)**	**(108.7)**	(33.9)	(22.3)	(56.2)
Operating profit/(loss) from continuing operations	**231.0**	**(219.3)**	**11.7**	179.4	(147.1)	32.3

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and prior period restatements; see notes 2 & 19 respectively for further information; and for the UK segment change as explained above.

(c) Depreciation

Depreciation from continuing operations is analysed by reportable segment as follows:

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
UK Bus	**21.8**	18.4
UK Coach	**19.5**	17.1
German Rail	**1.5**	4.2
Alsa	**102.4**	83.3
WeDriveU	**20.4**	16.1
	165.6	139.1

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and prior period restatements; see notes 2 & 19 respectively for further information; and for the UK segment change as explained above.

4 Revenue and segmental analysis continued

(d) Non-current assets

Non-current assets and additions from continuing operations are analysed by reportable segment as follows:

	Intangible assets 31 March 2026 £m	Property, plant and equipment 31 March 2026 £m	Total 31 March 2026 £m	Non-current asset additions 15-months ending 31 March 2026 £m	(Restated) Intangible assets 31 December 2024[1] £m	(Restated) Property, plant and equipment 31 December 2024[1] £m	(Restated) Total 31 December 2024[1] £m	(Restated) Non-current asset additions 12-months ending 31 December 2024[1] £m
UK Bus	**1.4**	**138.0**	**139.4**	**6.9**	1.7	155.2	156.9	4.1
UK Coach	**15.5**	**55.1**	**70.6**	**8.4**	36.4	68.6	105.0	8.3
Central functions	**0.3**	**–**	**0.3**	**–**	7.7	0.1	7.8	–
Total UK	**17.2**	**193.1**	**210.3**	**15.3**	45.8	223.9	269.7	12.4
German Rail	**5.3**	**5.0**	**10.3**	**3.5**	5.6	2.5	8.1	1.9
Alsa	**781.3**	**490.1**	**1,271.4**	**256.9**	693.4	472.1	1,165.5	132.5
WeDriveU	**163.5**	**80.9**	**244.4**	**17.8**	181.1	93.8	274.9	37.4
Total overseas	**950.1**	**576.0**	**1,526.1**	**278.2**	880.1	568.4	1,448.5	171.8

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations; see note 19 for further information; and for the UK segment change as explained above.

(e) Geographical information

Revenue from continuing operations is analysed by geography as follows:

	Revenue from external customers		Non-current assets	
	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m	31 March 2026 £m	(Restated) 31 December 2024[1] £m
UK & Ireland	**718.0**	601.2	**210.3**	269.7
Germany	**291.9**	256.0	**10.3**	8.1
Spain	**1,566.9**	1,097.2	**1,120.5**	1,035.5
Morocco	**138.8**	145.6	**59.4**	73.3
USA	**529.8**	412.7	**244.4**	274.9
Portugal, Switzerland & France	**112.6**	84.8	**91.5**	56.7
	3,358.0	2,597.5	**1,736.4**	1,718.2

1 The results for the 12-months ending 31 December 2024 have been restated for to represent prior periods for discontinued operations and prior period restatements; see notes 2 & 19 respectively for further information.

Due to the nature of the Group's businesses, the origin and destination of revenue are the same. No single external customer amounts to 10% or more of the total revenue.

5 Adjusting items

As set out in our accounting policies, the Group reports adjusted measures because the Directors believe they provide both management and stakeholders with useful additional information about the financial performance of the Group's businesses.

The total adjusting items before tax from continuing operations for the 15-month period ended 31 March 2026 is a net charge of £225.3m (2024: £149.9m). See note 19 for details of adjusting items from discontinued operations. The items excluded from the adjusted result are:

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Intangible amortisation for acquired businesses (a)	**26.8**	20.7
Re-measurements of onerous contracts and impairments resulting from the Covid-19 pandemic (b)	**–**	(4.1)
Re-measurement of German Rail RME IFRS 15 contract asset (c)	**41.3**	–
Re-measurement of German Rail RRX onerous contract provisions (d)	**(4.7)**	86.4
Re-measurement of WeDriveU onerous contract provisions (e)	**38.6**	(0.7)
Final re-measurement of the Rabat put liability (f)	**(0.8)**	–
Costs in relation to the legacy School Bus claims provision (g)	**46.2**	–
Impairments and other costs associated with Morocco contract changes (h)	**26.6**	–
Restructuring and other costs (i)	**45.3**	44.8
Total adjusting items in continuing revenue & operating costs	**219.3**	147.1
Unwinding of discount of provisions (d) (e) (g)	**6.0**	2.8
Total adjusting items in continuing operations before tax	**225.3**	149.9
Tax (credit)/charge on adjusting items (j)	**(18.8)**	43.2
Total adjusting items in continuing operations after tax	**206.5**	193.1

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations; see note 19 for further information.

(a) Intangible amortisation / impairment for acquired businesses

Consistent with previous periods, the Group classifies the non-cash amortisation for acquired intangibles, and any impairment charges thereon, as an adjusting item by virtue of its size and nature. Its exclusion enables monitoring and comparison of divisional performance by the Group Board regardless of whether through acquisition or organic growth. Equally, it improves comparability of the Group's results with those of peer companies.

(b) Re-measurement of onerous contracts and impairments resulting directly from the Covid-19 pandemic

The Group continues to operate services in line with its commitments under customer contracts which are loss making. These contracts became onerous due to the impact of the Covid-19 pandemic. For the contracts which the Group is still committed to, the provision has been re-measured with no movements required during the period (2024: £4.1m credit).

(c) Re-measurement of German Rail RME IFRS 15 contract asset

During the period, the German Rail transport authorities announced that they would change the forward growth assumptions for the current €58 compensation scheme from 2026 onwards – removing a revenue growth factor that had been confirmed in both the 2024 and 2025 schemes and that underpinned the Group's previous future revenue forecasts. There has also been a significant deterioration in the future penalty assumptions, driven by improved visibility of future construction and maintenance work activity until the end of the original contract period. Please see note 2 for further information.

These factors have led to a significant decrease in future expected revenue generation under the original contract, which is a key input to the calculation of the IFRS 15 contract asset under the RME contract at each period end. Note that passenger revenue risk will be eliminated by the contract changes that were entered into after the period end (see note 39) however this and other benefits of the new agreement cannot be assumed in the IFRS 15 contract asset at 31 March 2026 as a contract modification under IFRS 15 only occurred at the point of signing the contracts, post the period end.

As a result, there was a £41.3m reduction (2024: £nil) in the RME IFRS 15 contract asset in the period. This has been treated as an adjusting item as it is considered significant in nature and value and not in the normal course of business, in line with the Group's policy on adjusting items.

5 Adjusting items continued

(d) Re-measurement of German Rail RRX onerous contract provisions (OCPs)

The Rhine-Ruhr (RRX) OCP has been re-measured based on the latest forecasts of future losses anticipated; please refer to note 2 for further information. This resulted in a £4.7m credit (2024: £86.4m charge) to the income statement in the period. Additionally, during the period £6.0m has been recorded in interest costs for unwind of discounting of provisions (2024: £2.8m). Please refer to note 26 for sensitivities to the provision.

(e) Re-measurement of WeDriveU OCPs

Prior to the period one onerous contract had remained in WeDriveU with movements in the provision being treated as an adjusting item in previous years. During the current period, a further contract, WMATA, became onerous and a new OCP was required. As at 31 March 2026, the total OCP was revised to £29.2m, reflecting management's best estimate at the reporting date. Subsequent to the period-end, WMATA issued a notice of termination and services have ceased (see note 39). As a post-balance-sheet event, this termination has not been reflected in the calculation of the OCP as of 31 March 2026. Please see note 2 for further information. In the 15-months ending 31 March 2026 £38.6m has been charged in relation to the two onerous contracts (2024: £0.7m credit). Additionally, during the period, £0.2m has been recorded in interest costs for unwind of discounting of provisions (2024: £nil). Please refer to note 26 for sensitivities to the provision.

(f) Final re-measurement of the Rabat put liability

The Group has a subsidiary in Morocco which previously had a non-controlling interest. In January 2024 an arbitrator ruled on a long-standing dispute between the Group and the non-controlling interest which resulted in the trigger of a put option for the non-controlling interest to sell their shares to us. A put liability of £8.6m was recognised as at 31 December 2023 for the estimated value to purchase the shares from the non-controlling interest. In the period to 31 March 2026, a final value has been reached and paid in June 2025, resulting in a re-measurement of the put liability of £0.8m credit to the Income Statement (2024: £nil).

Gains and losses on re-measurement of put liabilities have been recorded as adjusting items in previous years, therefore the final re-measurement of the Rabat put liability has also been recorded as an adjusting item for consistency.

(g) Costs in relation to the legacy School Bus claims provision

As part of the sale agreement of the North America School Bus (NASB) business, the Group retained the legal liability for substantial open insurance claims that existed at the date of disposal, along with the corresponding insurance claim provision. The retained claims relate to employee injuries, automotive claims, and general liability claims that arose prior to the sale.

The Group is of the view that classifying future movements in the provision as an adjusting item, together with other costs in relation to administering the legacy claims, is appropriate given the School Bus business is no longer part of the Group's continuing operations and future movements in the provision could distort the Group's results. The claims and administrative costs do not reflect the profitability or operational efficiency of the remaining business segments and the ongoing continuing business of the Group. £46.2m has been charged to the Income Statement in the 15-month period to 31 March 2026; with the amount reflective of adverse movements in the claims environment leading to materially worsening expectations of the likely future settlements of the remaining open claims book. During the period, £0.8m has been recorded in interest costs for unwind of discounting of provisions.

(h) Impairments and other costs associated with Morocco contract changes

As a result of a change to the operating environment in Morocco, the Group has witnessed the renegotiation and retender of several of its contracts in major urban centres across Morocco.

In September 2025, the Group was required to negotiate a price concession and a change in contractual terms to receive a settlement for outstanding debts in Casablanca. The price concession has been treated as a reduction to revenue in the current period.

In addition, during 2025 the Group's contracts in Marrakesh, Agadir and Tangier were retendered. In the case of the Marrakesh and Tangier contracts; these were terminated and transferred to successor operators at extremely short notice in December 2025, along with staff and assets. This has led to the impairment of assets where the net book value is no longer deemed to be recoverable; along with other one-off costs incurred or expected to be incurred as a result of the contract changes.

The total financial impact as a result of the changes is £26.6m (2024: £nil) of which £20.7m was recorded in revenue and £5.9m in operating costs. The costs incurred are one-off in nature, material and not in the ordinary course of business and as such have been presented as an adjusting item.

(i) Restructuring and other costs

These costs relate to Group-wide strategic initiatives and restructuring. These are individually one-off, short-term initiatives expected to last one to two years. They are significant in nature and are not considered to be part of the day to day operational costs of the Group and therefore have been treated as adjusting items. These amount to £45.3m at 31 March 2026 (2024 restated: £44.8m).

(j) Adjusting tax charge

The tax credit on adjusting items of £18.8m (2024 restated: £43.2m charge), comprises of £2.7m tax credit (2024: £1.3m tax credit) on goodwill impairment, a £4.9m tax credit (2024: £7.0m credit) on amortisation of intangible assets, a £20.8m tax credit (2024: £5.0m credit) on tax deductible adjusting items, a £9.3m tax credit (2024 restated: £56.5m charge) on recognition (2024: derecognition) of deferred tax assets which is also considered adjusting as it is material in size (£11.4m credit in relation to a prior period adjustment and £2.1m charge in current items) and non-recurring in nature, and a £18.9m tax charge (2024: £nil) in relation to an uncertain tax position.

6 Operating costs

		15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Cost of inventories recognised in expense		**86.3**	71.1
Staff costs		**1,615.2**	1,167.0
Depreciation	– owned assets	**106.8**	94.3
	– leased assets	**58.8**	44.8
Intangible asset amortisation	– intangibles from acquired businesses	**24.8**	20.7
	– other intangible assets	**29.0**	18.1
Gain on disposal of property, plant and equipment[2]		**(6.6)**	(10.8)
Gain on disposal of intangible assets		**(1.2)**	(0.8)
Amortisation of fixed asset grants		**(4.7)**	(2.0)
Leases	– variable lease payments not included in the measurement of lease liabilities	**3.5**	0.7
	– expenses relating to short-term leases	**26.2**	14.5
Adjusting items[3]		**132.7**	126.4
Other charges (see breakdown below)		**1,275.5**	1,021.2
Total operating costs from continuing operations		**3,346.3**	2,565.2

1 The results for the 12-months ending 31 December 2024 have been restated for to represent prior periods for discontinued operations and prior period restatements; see notes 2 & 19 respectively for further information.

2 Gain on disposal of property, plant and equipment includes £4.5m (2024: £4.5m) in respect of UK depot sale and leasebacks.

3 Excludes amortisation from intangibles from acquired businesses which is included within intangible asset amortisation above.

Included in operating costs above is £86.6m (2024: £55.1m) of grant income reflecting the elements of the UK Bus grant funding arrangement, compensating the business for the costs incurred in maintaining the bus network during the period.

Over the period 2021-2023 the UK Bus division received government grants in relation to the introduction of electric vehicles in Coventry. The grants were initially recognised as deferred income on the Balance Sheet and were being released to the Income Statement in line with the relevant expenditure, which management had estimated to be the length of the contract for the assets the grant was intended to compensate (16 years ending in 2039). As a result of the formal decision to implement franchising in the West Midlands taken by the Mayor of the West Midlands in May 2025, management's best estimate of the relevant expenditure has changed to be the expenditure to the point of expected transfer of the Coventry depot and assets under franchising, being October 2027. This has led to an increase in the release of the deferred income in the period related to the grants of £8.0m (2024: £1.4m).

Also included within operating costs in the current period is the release to the Income Statement of provisions of £5.7m (2024: £nil), which arose originally on acquisitions within Alsa but are outside the 12-month remeasurement period under IFRS 3.

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Fuel	**300.7**	234.8
Vehicle hire	**171.2**	126.9
Third party fees & related transport costs	**150.7**	113.4
Rail track access charges	**139.3**	110.4
Repairs and maintenance	**109.8**	78.5
Insurance	**50.3**	38.8
Legal and professional	**58.1**	32.5
Sales & marketing	**24.7**	21.6
Other	**270.7**	264.3
Total other charges from continuing operations	**1,275.5**	1,021.2

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and prior period restatements; see notes 2 & 19 respectively for further information.

7 Auditor's remuneration

An analysis of fees paid to the Group's auditor is provided below:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Audit of the Group financial statements	**7.4**	2.2
Audit of subsidiaries	**5.8**	2.2
Audit-related assurance services	**0.3**	0.1
Other audit services	**–**	1.7
Non-audit services	**0.2**	1.2
	13.7	7.4

Deloitte LLP resigned as auditor of the Group with effect from 19 September 2025. KPMG LLP were appointed as auditor of the Group with effect from 25 November 2025.

Fees as disclosed in the table above for the 15-months ending 31 March 2026 were payable to KPMG LLP (12-months ending 31 December 2024: Deloitte LLP) with the exception of the following:

- Audit-related assurance services of £0.3m related to the results for the six months to 30 June 2025 which were payable to Deloitte LLP;
- Audit of subsidiaries of £5.8m includes £0.7m payable to other component auditors for the 12 month period to 31 December 2025; and
- Non-audit services in the 12-months ending 31 December 2024 of £1.2m were payable to KPMG LLP as explained below.

Other audit services in the prior period of £1.7m related to audits commissioned for the purposes of supporting a planned transaction – these were audits performed in accordance with auditing standards, to an audit level of independence, rather than assurance services.

Non-audit services in the current period of £0.2m (2024: £1.2m) were payable to KPMG LLP. All of these services were contracted and wholly performed prior to KPMG LLP being appointed as auditor of the Group in November 2025. These comprised HR strategy advice, dispute advisory advice and purchase price allocation work in relation to a prior Group acquisition, and vendor due diligence work in respect of the North America School Bus (NASB) disposal which completed in July 2025. The Group reviewed these during the KPMG LLP onboarding process and have concluded that appropriate safeguards are in place which include Deloitte remaining as the component statutory auditor for the period in respect of one in-scope component where non-audit services were performed by KPMG LLP. As part of KPMG LLP's onboarding process, the Financial Reporting Council ('FRC') received KPMG LLP's application for a waiver of independence requirements in regard to the non-audit services already provided during the period and granted an exemption in respect of this.

8 Employee benefit costs

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Wages and salaries	**1,350.1**	981.5
Social security costs	**249.2**	171.8
Pension costs (note 32)	**10.8**	9.1
Share-based payment (note 9)	**5.1**	4.6
Total employee benefit costs from continuing operations	**1,615.2**	1,167.0

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations

The average number of employees from continuing operations, including Executive Directors, during the period was as follows:

	15-months ending 31 March 2026	(Restated) 12-months ending 31 December 2024[1]
Managerial and administrative	**2,839**	4,366
Operational	**29,258**	26,474
	32,097	30,840

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations

Details of key management compensation can be found in note 35. Refer to note 19 for employee benefit costs from discontined operations

9 Share-based payments

The charge in respect of share-based payment transactions included in the Group's Income Statement for the period is as follows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Expense arising from share and share option plans	**5.1**	4.6

Details of options or awards outstanding at the end of the period under the Group's share schemes are as follows:

	Number of share options 31 March 2026	Number of share options 31 December 2024	Exercise price	Future exercise periods
Long-Term Incentive Plan	**44,578,487**	26,412,364	**nil**	**2027-2031**
West Midland Travel Long Service Option Scheme	**52,700**	81,273	**175p-412p**	**2027-2030**
Restricted Share Plan	**16,162,635**	4,844,946	**nil**	**2027-2031**
Executive Directors' Salary Share Award	**721,883**	–	**nil**	**2027-2028**
	61,515,705	31,338,583		

During the 15-months ending 31 March 2026, the Group had five share-based payment arrangements, which are described below.

(i) Long-Term Incentive Plan (LTIP)

The LTIP is open to Executive Directors and certain senior managers with awards made at the discretion of the Remuneration Committee, normally on an annual basis and in the form of either a nil cost option over a certain number of shares in the Company, or a nil cost conditional share award over a certain number of shares in the Company

Awards made to the Company's Executive Directors under the LTIP, vest on or around the third anniversary of grant subject to the Group's achievement of specific performance conditions set at the date of grant. Please refer to the audited sections of the Director's Remuneration Report for details of the performance conditions which are attached to the awards which are in flight at the end of the period and vested during the period. All targets are measured over the three-year financial period commencing with the period of grant. Unvested shares automatically lapse.

Delivery of awards made to employees who are not Executive Directors may either (a) vest entirely on the third anniversary of grant, subject to the Group's achievement of specific performance conditions set at the date of grant, or (b) be delivered in two parts, comprising: (i) an award which vests on the third anniversary of grant, subject to achievement of performance conditions (which are measured over the three-period financial period commencing with the period of grant, and (ii) an award which is not subject to performance conditions (save for continued employment) and which vests in equal parts on each of the first three anniversaries of grant. Unvested shares automatically lapse. An accrual entitlement in respect of dividends paid by the Company during the vesting period attaches to vested shares and is paid to participants on vesting in shares. Similarly, an accrual entitlement in respect of dividends is payable on unexercised vested shares held by Executive Directors during their compulsory two-period holding period, which runs from the date of vesting (in parallel with the two-year exercise period).

The LTIP allows for the grant to UK participants of an HMRC-approved share option over shares with a market value of up to a maximum of £60,000 outstanding at any time. These are usually awarded at the same time as, and with the same performance conditions as, the LTIP awards and work by way of set-off versus the vested LTIP share value on exercise with the excess LTIP option award being forfeited.

Vested shares for all LTIP awards are either delivered in the form of market purchased shares held in the Company's Employee Benefit Trust (the "Trust") or through the issue and allotment of new shares. The LTIP Rules afford the Company discretion to cash-settle vested awards: the Company's approach is to do so only in exceptional circumstances.

(ii) Executive Deferred Bonus Plan (EDBP)

The delivery of the annual bonus award for Executive Directors is structured in two distinct parts: an initial cash payment under the annual bonus plan and a one-period deferred payment award in the form of forfeitable shares in the Company granted under the EDBP. Release of the shares on the first anniversary of grant is not subject to any additional performance condition, save for continuing employment. Participants are entitled to receive any dividends paid by the Company on the shares while they are held in the Trust during the deferred period.

(iii) West Midlands Travel Long Service Option Scheme (WMT LSOS)

The WMT LSOS was used to reward WMT employees who attained 25 years' service. The market-value option award over a certain number of shares in the Company is exercisable between the third and tenth anniversary of grant. There are no performance conditions and shares are delivered on exercise through the Trust. No cash settlement alternative is available. The scheme is closed to new participants, with exercises on previous awards possible until 2030.

9 Share-based payments continued

(iv) Restricted Share Plan (RSP)

Individual awards to certain Group employees are made under the RSP at the discretion of the Remuneration Committee, and may take the form of nil cost options, conditional share awards, or cash-based awards.

All awards granted to date have taken the form of conditional share awards with vesting periods ranging from 1 to 3 periods. No performance conditions are attached to RSP conditional share awards which have been granted to date, save for continued employment, but the Remuneration Committee can attach performance conditions over future awards at its discretion. For all awards to date, an accrual entitlement in respect of dividends paid by the Company during the vesting period attaches to vested shares and is paid to participants on vesting in shares. Vested shares for all RSP awards are normally delivered in the form of market purchased shares held in the Trust. The RSP Rules afford the Company discretion to cash-settle vested awards: the Company's approach is to do so only in exceptional circumstances.

(v) Executive Directors' Salary Share Award

During the 15-months ending 31 March 2026, the Remuneration Committee agreed to introduce a share-based element of remuneration as part of the Executive Chair and Group Chief Financial Officer's fixed pay. These awards, which take the form of a nil cost option over a certain number of shares in the Company, are not subject to performance conditions (save for continued employment) and ordinarily vest on the anniversary of the date each participating Executive Director commenced employment with the Company. An accrual entitlement in respect of dividends paid by the Company during the vesting period, and, where applicable, during the Executive Directors' compulsory two-year holding period, attaches to vested shares and is paid to participants on vesting in shares. Please see the audited sections of the Directors' Remuneration Report for more information.

For the following disclosure, share options with a nil exercise price have been disclosed separately to avoid distorting the weighted average exercise prices. The number of share options in existence during the period was as follows:

	15-months ending 31 March 2026		12-months ending 31 December 2024	
	Number of share options	Weighted average exercise price p	Number of share options	Weighted average exercise price p
Options without a nil exercise price:				
At the beginning of the period	**81,273**	**282**	107,583	284
Granted during the period	**–**	**–**	–	–
Forfeited during the period	**–**	**–**	(2,000)	175
Exercised during the period	**–**	**–**	–	–
Expired during the period	**(28,573)**	**304**	(24,310)	300
Outstanding at the end of the period	**52,700**	**269**	81,273	282
Exercisable at the end of the period	**52,700**	**269**	81,273	282
Options with a nil exercise price:				
At the beginning of the period	**31,257,310**	**nil**	12,543,416	nil
Granted during the period	**60,080,434**	**nil**	23,312,708	nil
Forfeited during the period	**(11,036,491)**	**nil**	(1,246,069)	nil
Exercised during the period	**(5,790,141)**	**nil**	(825,839)	nil
Expired during the period	**(13,048,107)**	**nil**	(2,526,906)	nil
Outstanding at the end of the period	**61,463,005**	**nil**	31,257,310	nil
Exercisable at the end of the period	**1,643,364**	**nil**	14,278	nil
Total outstanding at the end of the period	**61,515,705**		31,338,583	
Total exercisable at the end of the period	**1,696,064**		95,551	

9 Share-based payments continued

The options outstanding at 31 March 2026 had exercise prices that were between 175p and 412p (2024: between 175p and 412p) excluding options with a nil exercise price. The range of exercise prices for options was as follows:

Exercise price (p)	31 March 2026 Number	31 December 2024 Number
100–300	**30,000**	37,327
301–350	**–**	21,246
351–450	**22,700**	22,700
	52,700	81,273

The options have a weighted average contractual life of two years (2024: two years). Options were exercised regularly throughout the period and the weighted average share price at exercise was 24p (2024: 67p). The aggregate gains of the Executive Directors arising from any exercise of options during the period totalled £nil (2024: £0.1m).

The fair value of the share options granted during the period under the LTIP scheme was calculated using the Monte Carlo method, with the following assumptions and inputs:

	31 March 2026	31 December 2024
Risk-free interest rate	**3.79%-4.22%**	3.79%-4.37%
Expected volatility	**56%-66%**	48%-49%
Peer group volatility	**6%-182%**	23%-37%
Expected option life in years	**1-3 years**	3 years
Expected dividend yield	**0.00%**	0.00%
Weighted average share price at grant date	**23p**	51p
Weighted average exercise price at grant date	**nil**	nil
Weighted average fair value of options at grant date	**13p**	51p

The risk-free interest rate was calculated based on zero-coupon government bond yields in the United Kingdom, with a time-to-maturity commensurate with the remaining performance period, at the date of grant.

Expected volatility was calculated based on the historical volatility of the share prices of Mobico and the comparator companies in the peer group (on a daily basis) over a period commensurate with the remaining performance period, at the date of grant.

Expected dividend yield was excluded from the model, given each participant is entitled to receive a dividend equivalent.

For share options granted during the period under the LTIP, the TSR targets have been reflected in the calculation of the fair value of the options above.

10 Net finance costs

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Bond and bank interest payable	**74.9**	58.5
Lease interest payable (note 33)	**11.8**	10.4
Other interest payable	**14.1**	11.1
Unwind of discounting of provisions	**1.1**	0.7
Net interest cost on defined benefit pension obligations (note 32)	**0.2**	1.1
Finance costs before adjusting items	**102.1**	81.8
Adjusting items:		
Unwind of discounting of provisions	**6.0**	2.8
Total finance costs after adjusting items	**108.1**	84.6
Lease interest income (note 33)	**(1.2)**	(0.5)
Other financial income	**(5.9)**	(1.7)
Total finance income	**(7.1)**	(2.2)
Net finance costs after adjusting items from continuing operations	**101.0**	82.4
Of which, from financial instruments:		
Financial assets measured at amortised cost	**(6.8)**	**(1.7)**
Financial liabilities measured at amortised cost	**85.3**	**63.3**
Derivatives	**8.4**	**11.8**
Loan fee amortisation	**2.8**	**2.2**

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and prior period restatements; see notes 2 & 19 respectively for further information.

11 Taxation

(a) Analysis of taxation charge in the Income Statement

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Current taxation:		
UK corporation tax	–	(0.2)
Overseas corporate income tax	**50.0**	33.9
Current corporate income tax charge	**50.0**	33.7
Adjustments with respect to prior periods – UK and overseas	**0.6**	1.2
Total current corporate income tax charge from continuing operations	**50.6**	34.9
Deferred taxation (note 27):		
Origination and reversal of temporary differences	**2.4**	(2.7)
Derecognition of deferred tax assets	**2.1**	57.5
Adjustments with respect to prior periods – UK and overseas	**(8.9)**	4.3
Total deferred tax (credit)/charge from continuing operations (note 11(d))	**(4.4)**	59.1
Total tax charge for the period from continuing operations	**46.2**	94.0
The tax charge for the continuing Group comprises:		
Tax charge on profit before adjusting items	**65.0**	50.8
Tax (credit)/charge on adjusting items	**(18.8)**	43.2
Total tax charge for the period from continuing operations	**46.2**	94.0

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and for prior period restatements.

See note 5 for further details on tax (credit)/charge on adjusting items.

11 Taxation continued

(b) Reconciliation of the total tax charge in the Income Statement

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Loss before tax from continuing operations	**(89.2)**	(50.4)
Notional tax credit at UK corporation tax rate of 25% (2024: 25%)	**(22.3)**	(12.6)
Recurring items:		
Deferred tax assets not recognised on restricted interest expenses (note 27)	**24.1**	17.2
Effect of overseas tax rates	**(3.5)**	(6.2)
Tax incentives	**(2.4)**	(4.4)
Non-deductible expenses	**1.4**	3.4
Adjustments with respect to prior periods	**(8.2)**	5.5
State taxes/minimum tax	**0.1**	0.1
Non-recurring items:		
Derecognition of deferred tax assets	**2.1**	57.5
Non-deductible goodwill impairment	**(2.6)**	(0.7)
Deferred tax assets not recognised in respect of current period losses	**48.9**	30.3
Non-deductible expenses	**(2.4)**	5.3
Utilisation in current period of previously unrecognised tax losses	**(7.4)**	(3.4)
Taxable release of provision for impairment of investments	**(0.2)**	2.3
Reduced taxable profit from indexation relief on UK property disposals	**(0.3)**	(1.2)
Tax on intercompany dividends within Spanish sub-group	**–**	0.8
Effect of reduction in tax rates	**–**	0.1
Uncertain tax position	**18.9**	–
Total tax charge reported in the Income Statement from continuing operations (note 11(a))	**46.2**	94.0

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and prior period restatements; see notes 2 & 19 respectively for further information.

Included within the reconciliation of the total tax charge for the current period are a number of recurring items. The Group's tax charge continues to be significantly impacted by the UK's Corporate Interest Restriction rules which limit tax deductions for interest expenses to 30% of "Tax EBITDA". The Group's tax charge benefits from tax incentives of £2.4m (2024: £4.4m) comprising of tax credits in respect of new investments in the Canary Islands of £1.8m (2024: £2.0m), reinvestment relief in Spain of £0.3m (2024: £1.7m) and other reliefs of £0.3m (2024: £0.7m).

Included within the reconciliation of the total tax charge for the current period are a number of non-recurring items, the most significant of which are deferred tax assets not recognised in respect of current period losses of £48.9m in the UK, Germany, Spain and the US (2024: £30.3m in Spain and Morocco) and utilisation of previously unrecognised tax losses of £7.4m in Morocco (2024: £3.4m). An uncertain tax position has also been recognised in respect of transfer pricing as noted below. Non-deductible expenses of £2.4m (2024: £5.3m) relate principally to the sale of the North America School Bus business (NASB).

(c) Uncertain tax positions

As an international group, cross-border transactions frequently involve complex transfer pricing methodologies over a number of years. At 31 March 2026, the Group held provisions for uncertain tax positions of £18.9m (2024: £nil), representing management's best estimate of such transfer pricing uncertainties.

11 Taxation continued

(d) Deferred tax included in the Income Statement

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Derecognition of deferred tax assets	**2.1**	57.5
Recognition of deferred tax assets in the current period	**(11.4)**	(3.9)
Previously recognised tax losses	**(3.6)**	2.9
Accelerated tax depreciation	**1.5**	(6.8)
Other short-term temporary differences	**7.0**	9.4
Deferred tax (credit)/charge (note 11(a))	**(4.4)**	59.1

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations and for prior period restatements

Details on the Balance Sheet position of deferred tax are included in note 27.

(e) Pillar Two – Global minimum top-up tax

The Organization for Economic Cooperation and Development ("OECD") published the Global Anti-Base Erosion ("GloBE") Model Rules which include a minimum 15% tax rate by jurisdiction ("Pillar Two"). The Pillar Two rules provide that if, in certain jurisdictions where the Group operates, the effective tax rate, "ETR" (adjusted corporate income tax expense divided by the profit before tax in that jurisdiction) falls below 15%, then the Group will be required to pay an additional tax ("top-up tax") to reach the 15% minimum tax rate threshold.

On 20 June 2023, the UK substantively enacted the Pillar Two rules, effective from 1 January 2024. Therefore, an assessment of the Group's potential exposure to Pillar Two top-up taxes has been performed based on the draft FY24 tax filings, CbCr and financial statements for the constituent entities in the Group. Based on this assessment, the Group does not anticipate any significant exposure to Pillar Two top-up taxes. Therefore, for the period ended 31 March 2026, the Group's current tax expense includes £nil for Pillar Two top-up taxes.

The Group has applied the amendment to IAS 12, Income Taxes, which provides a mandatory temporary exception from recognising or disclosing deferred taxes related to Pillar Two.

12 Dividends paid and proposed

An interim dividend was not declared and paid during the period (2024: £nil). No final ordinary dividend has been proposed (2024: £nil).

13 Earnings per share

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Basic earnings per share from continuing operations	**(28.2)p**	(28.6)p
Diluted earnings per share from continuing operations	**(28.2)p**	(28.6)p
Basic earnings per share from continuing & discontinued operations	**(59.9)p**	(136.0)p
Diluted earnings per share from continuing & discontinued operations	**(59.9)p**	(136.0)p

1 Restated for prior period restatements, see note 2 for further information

13 Earnings per share continued

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the following data:

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Loss attributable to equity shareholders	**(336.5)**	(810.1)
Accrued payments on hybrid instrument	**(28.3)**	(21.3)
Earnings attributable to equity shareholders	**(364.8)**	(831.4)

1 Restated for prior period restatements, see note 2 for further information

Number of shares

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Basic weighted average shares	**608,648,284**	611,292,234
Adjustment for dilutive potential ordinary shares[1]	**59,300,798**	24,816,797
Diluted weighted average shares	**667,949,082**	636,109,031

1 Potential ordinary shares have the effect of being anti-dilutive for diluted earnings per share in both the current and prior periods, and have been excluded from the calculation of diluted earnings per share.

From continuing operations

The calculation of the basic and diluted earnings per share is based on the following data:

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Loss attributable to equity shareholders	**(143.2)**	(153.4)
Accrued payments on hybrid instrument	**(28.3)**	(21.3)
Earnings attributable to equity shareholders	**(171.5)**	(174.7)

1 Restated for prior period restatements, see note 2 for further information

The denominator used (number of shares) in the calculation of both basic and diluted earnings per share from continuing operations is the same as that detailed above.

14 Intangible assets

	Goodwill £m	Customer contracts £m	Service concession intangibles £m	Software £m	Contract costs £m	Total £m
Cost:						
At 1 January 2025	**1,632.1**	**867.2**	**122.6**	**151.6**	**41.1**	**2,814.6**
Acquisitions (note 19)	**(13.8)**	**14.6**	**–**	**1.7**	**–**	**2.5**
Additions	**–**	**1.3**	**101.8**	**8.5**	**0.5**	**112.1**
Disposals	**–**	**(29.8)**	**(17.0)**	**(8.6)**	**–**	**(55.4)**
Transfer to assets held for sale	**(568.8)**	**(234.4)**	**–**	**(69.1)**	**(6.6)**	**(878.9)**
Foreign exchange	**11.1**	**7.6**	**6.9**	**(2.3)**	**1.6**	**24.9**
At 31 March 2026	**1,060.6**	**626.5**	**214.3**	**81.8**	**36.6**	**2,019.8**
Amortisation and impairment:						
At 1 January 2025	**846.8**	**789.6**	**34.2**	**126.3**	**31.5**	**1,828.4**
Charge for period	**–**	**25.2**	**22.1**	**8.9**	**0.7**	**56.9**
Revaluation	**–**	**2.0**	**–**	**–**	**–**	**2.0**
Disposals	**–**	**(29.7)**	**–**	**(8.0)**	**0.7**	**(37.0)**
Transfer to assets held for sale	**(527.4)**	**(204.6)**	**–**	**(61.9)**	**(2.1)**	**(796.0)**
Foreign exchange	**(12.4)**	**9.3**	**2.0**	**(2.3)**	**1.6**	**(1.8)**
At 31 March 2026	**307.0**	**591.8**	**58.3**	**63.0**	**32.4**	**1,052.5**
Net book value:						
At 31 March 2026	**753.6**	**34.7**	**156.0**	**18.8**	**4.2**	**967.3**
At 1 January 2025	785.3	77.6	88.4	25.3	9.6	986.2

Goodwill has an indefinite useful life. All other categories of intangible assets have a finite useful life. Useful lives are disclosed in the accounting policies in note 2. Amortisation charges are shown within operating costs in the Income Statement.

The Group recognises service concession intangibles for public service vehicles where the Group has the right to charge passengers of the public service in accordance with IFRIC 12 Service Concession Arrangements. Note 36 includes further details of the Group's service concession arrangements.

Intangible assets other than goodwill (as described below) are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Transfer to assets held for sale arose from the disposal of the North America School Bus and National Express Transport Solutions businesses during the period. Please refer to note 19 for further information in relation to both disposals and the impairment charges that arose on reclassification of the disposal group as held for sale.

Goodwill allocation – cash-generating units

As required by IAS 36, goodwill is allocated to cash-generating units (CGUs), the lowest level at which independent cash inflows can be identified. During the period ended 31 March 2026, management exercised judgement to refine the identification of the CGUs, determining that the lowest level of independent cash inflows occurs within regions in Alsa and within individual locations in WeDriveU. Because the Group's goodwill stems from historic, highly integrated bolt-on acquisitions that generate widespread operational synergies, it is not reasonably practical to allocate these balances to the disaggregated individual CGUs. Consequently, management exercises judgement to monitor and test goodwill for impairment at the broader group of CGUs level, which represents the lowest level at which the Chief Operating Decision Maker reviews aggregated financial performance.

Changes in goodwill during the year

During the period ended 31 March 2026, the Group disposed of the School Bus division and the remainder of the NXTS division (formerly part of the UK CGU). Goodwill in relation to the School Bus business had been fully impaired as at 31 December 2024, ahead of its disposal in July 2025. Goodwill for the former UK CGU reduced from £50.1m at 31 December 2024 to £8.7m as of 31 December 2025 following the NXTS disposal, with an impairment of £39.4m recognised during the period.

14 Intangible assets continued

Restructure of UK business and impairment test of UK Coach

Following an operational restructuring effective 1 January 2026, management applied judgement to separate the UK operations, establishing UK Bus and UK Coach as standalone CGUs.

An impairment assessment was conducted on the £8.7m of goodwill identified as relating to the UK Coach CGU, since the restructuring of UK operations represented an indicator of impairment. The assessment followed the same approach as the annual impairment tests conducted at 31 March 2026 as described more fully below, with key inputs being the long term growth rate, discount rate and forecast cash flows. The impairment assessment resulted in headroom of £13.5m and it was not considered likely that reasonably possible changes in key inputs could result in the recoverable amount (based on its value-in-use) dropping below the carrying value of goodwill. As a result, no impairment was identified and no sensitivity analysis has been provided.

Carrying value by cash generating unit

The carrying value by cash-generating unit is as follows:

	31 March 2026 £m	31 December 2024 £m
UK[1]	**8.7**[1]	50.1[1]
WeDriveU	**149.8**	158.3
Alsa[1]	**595.1**	576.9
	753.6	785.3

1 Effective from 1 January 2026, the UK Coach business is now a standalone cash generating unit. As at 31 December 2024, the combined UK Bus and Coach businesses were identified as one cash-generating unit. Following the restructure as of 1 January 2026, there is no goodwill attributable to the UK Bus business.

Methodology

The group's annual impairment assessment was conducted on 31 March 2026. The purpose of this assessment is to compare the carrying value of a CGU with its recoverable amount, being the higher of i) fair value less cost of disposal, and ii) value in use, where value in use would typically be the expected cash flows to be generated operating the business into perpetuity. The recoverable amount of each group of CGUs was determined using a value in use methodology that is based on the five-year board-approved strategic plan.

The calculation of value in use for each CGU is most sensitive to the assumptions over cash flows (as further detailed below), discount rates and the growth rate used to extrapolate cash flows into perpetuity beyond the five-year period of the management plan. A growth rate for each group of CGUs has been consistently applied in the impairment review for all CGUs, based on an estimate of long run inflation. Growth rates do not exceed the historic average growth rates of the relevant markets in which the CGUs operate. Discount rates for each geography are derived from a market participant's weighted average cost of capital, calculated from externally available input data. The discount rate is a key assumption applied in the impairment review.

The discount rates and perpetual growth rates used for the cash-generating units are as follows:

	Pre-tax discount rate applied to cash flow projections		Growth rate used to extrapolate cash flows into perpetuity	
	31 March 2026	31 December 2024	31 March 2026	31 December 2024
UK	**11.3%**	10.4%	**2.0%**	2.9%
WeDriveU	**10.6%**	10.3%	**2.2%**	3.8%
Alsa	**11.3%**	12.8%	**2.0%**	3.4%

Cash flow projections are another key estimate within in the impairment review, in particular regarding the level of operating profit generation and the proportion of operating profit converted to cash in each year (primarily as a result of capital expenditure and working capital movements). Cash flow projections are taken from the board-approved strategic plan for the period to 2030, supplemented by a terminal value calculation into perpetuity.

Forecast revenue and operating margins are based on past performance and management's expectations for the future. Revenue projections are sensitive to assumptions around contract retention, passenger demand and pricing, whilst adjusted operating margin projections additionally depend on the levels of cost inflation (much of which is contractually protected) and the benefit of turnaround actions and cost savings initiatives. Management has considered the forecasting risks associated with these profit improvement initiatives included in the Group's board-approved five-year plan, primarily those in the Simplify for Success programme, and only included the benefit of initiatives where there were detailed plans available as of the goodwill impairment testing date to support confidence in delivery. Inclusion of the cost reduction benefits from these programmes would increase the available headroom for all CGUs. As the plans become more advanced we expect these savings to be incorporated in future assessments.

14 Intangible assets continued

Capital expenditure is projected over the first five years using a detailed forecast of the capital requirements of the Group for new and replacement vehicles and other assets. In the extrapolation of cash flows into perpetuity (the "terminal value"), capital expenditure is assumed to be a 1:1 ratio to depreciation.

Climate change risk assessment

The assumptions underpinning the cash flow projections also take account of the climate change risk assessment exercise from which the pertinent conclusions were as follows:

- Whilst the global temperature rise above pre-industrial levels increases the likelihood of extreme weather events, the geographical diversity of the Group means that the risk to the Group as a whole is unlikely to be material; no worsening of climate conditions over and above recent experience has specifically been factored into the cash flow projections.
- The Group's planning assumption is that input costs will not rise significantly above inflation on the basis that, for electric vehicles for example, supply will increase to match demand, and technological advances will also help decrease manufacture costs. The Group expects to utilise hydrogen or electric vehicles in the transition to zero emission fleet in long haul coach services and the Group assumes that total cost of ownership for these vehicles will also be no worse than at parity with their diesel equivalents over their useful lives, albeit may require some level of government subsidies on the capital cost and/or the hydrogen fuel. We will be closely following emerging solutions for the considerably larger haulage industry, which will likely accelerate the emergence of technology and infrastructure solutions into the market.
- The Group already has stated targets for the transition to zero emission fleets. The Group has assessed as very low the risk of the current fleet having a net book value higher than their residual value at the Group's targeted transition date and has therefore concluded that no changes to the useful economic lives of the Group's current fleet are required. Some ZEV suppliers are actively buying back diesel vehicles to accelerate the introduction of electric vehicles. There is also a secondhand market (especially large in the North America Transit business) enabling recovery of any net book value of diesel vehicles.
- The opportunity from modal shift from private cars to public transport is potentially material and has not been specifically modelled in the Group's long-term cash flow projections used in the value in use calculation, as central governments, transport authorities and city councils introduce measures to tackle congestion, pollution and emissions. We see that the benefits of modal shift outweigh the costs of having to comply with new regulations.

Results of the 31 March 2026 impairment assessment

The value in use of the UK Coach CGU exceeds its carrying amount by £67.7m. The value in use of the Alsa division exceeds its carrying amount by £768.0m (31 December 2024: £274.6m). The value in use of the WeDriveU division exceeds its carrying amount by £133.4m (31 December 2024: £266.9m).

For the Alsa CGU, headroom has increased significantly from £274.6m to £768.0m as a result of an improvement in the cash flow forecast, with higher levels of EBITDA generation and reduced capital expenditure now expected as more contracts have been converted to IFRIC 12 arrangements, which do not involve upfront capex. The reduction in the pre-tax discount rate from 12.8% to 11.3% has also contributed to increased headroom, albeit this is offset by a reduction in the long term growth rate.

For the WeDriveU CGU, headroom has reduced from £266.9m to £133.4m as a result of the increased discount rate and reduced perpetual growth rate applied, as well as a reduction in the level of operating profit projected in the impairment assessment as a result of taking a cautious view on exclusion of cost saving actions which were less fully developed as of the balance sheet date.

Impairment of goodwill for both the Alsa and WeDriveU group of CGUs is not considered as a key source of estimation uncertainty given the sufficient level of headroom and remote possibility that this will be eroded within the next 12-months.

Sensitivities to key assumptions

Sensitivity analysis has also been conducted to assess the change required in each of the critical inputs in order to reduce the value in use to equal the carrying value.

Change required to reduce headroom to nil; all expressed as percentage point changes	WeDriveU		Alsa	
	31 March 2026	31 December 2024	31 March 2026	31 December 2024
Increase in pre-tax discount rate	**4.9%**	4.9%	**8.3%**	3.0%
Reduction in long term growth rate	**5.2%**	4.6%	**10.0%**	2.8%
Reduction in adjusted operating profit margin	**3.0%**	3.7%	**4.2%**	2.0%

14 Intangible assets continued

	Goodwill £m	Customer contracts £m	Service concession intangibles £m	Software £m	Contract costs £m	Total £m
Cost:						
At 1 January 2024	1,623.0	890.0	124.0	144.3	36.3	2,817.6
Acquisitions	53.1	1.9	–	0.1	–	55.1
Additions	–	0.6	2.0	6.0	5.4	14.0
Disposals	(2.3)	(4.3)	(0.3)	(0.9)	–	(7.8)
Reclassifications	(7.3)	(1.3)	–	2.3	1.0	(5.3)
Foreign Exchange	(34.4)	(19.7)	(3.1)	(0.2)	(1.6)	(59.0)
At 31 December 2024	1,632.1	867.2	122.6	151.6	41.1	2,814.6
Depreciation and impairment:						
At 1 January 2024	312.3	787.5	23.1	112.8	30.1	1,265.8
Charge for the period	–	26.2	11.6	10.6	1.8	50.2
Disposals	–	(4.0)	(0.3)	(0.7)	–	(5.0)
Impairments	547.7	0.3	–	3.2	–	551.2
Reclassifications	(7.3)	(1.4)	–	0.4	1.0	(7.3)
Foreign exchange	(5.9)	(19.0)	(0.2)	–	(1.4)	(26.5)
At 31 December 2024	846.8	789.6	34.2	126.3	31.5	1,828.4
Net book value:						
At 31 December 2024	785.3	77.6	88.4	25.3	9.6	986.2
At 1 January 2024	1,310.7	102.5	100.9	31.5	6.2	1,551.8

15 Property, plant and equipment

	Land and buildings £m	Public service vehicles £m	Plant and equipment, fixtures and fittings £m	Total £m
Cost:				
At 1 January 2025 (restated)[1]	**436.9**	**2,194.4**	**193.2**	**2,824.5**
Acquisitions (note 19)	**–**	**7.6**	**0.7**	**8.3**
Additions	**39.5**	**159.8**	**20.0**	**219.3**
Disposals	**(35.4)**	**(219.6)**	**(6.1)**	**(261.1)**
Transfer to assets held for sale	**(107.9)**	**(941.5)**	**(22.7)**	**(1,072.1)**
Reclassifications	**(1.1)**	**0.7**	**0.5**	**0.1**
Foreign Exchange	**(1.8)**	**(13.6)**	**4.1**	**(11.3)**
At 31 March 2026	**330.2**	**1,187.8**	**189.7**	**1,707.7**
Depreciation and impairment:				
At 1 January 2025 (restated)[1]	**240.6**	**1,202.7**	**142.7**	**1,586.0**
Charge for the period	**41.7**	**133.5**	**15.0**	**190.2**
Disposals	**(30.8)**	**(152.4)**	**(6.0)**	**(189.2)**
Transfer to assets held for sale	**(74.7)**	**(552.0)**	**(13.1)**	**(639.8)**
Reclassifications	**(0.6)**	**1.4**	**–**	**0.8**
Foreign exchange	**(0.9)**	**(11.7)**	**3.2**	**(9.4)**
At 31 March 2026	**175.3**	**621.5**	**141.8**	**938.6**
Net book value:				
At 31 March 2026	**154.9**	**566.3**	**47.9**	**769.1**
At 1 January 2025 (restated)[1]	**196.3**	**991.7**	**50.5**	**1,238.5**

1 Restated for prior period restatements, see note 2 for further information

15 Property, plant and equipment continued

Depreciation on public service vehicles is calculated using the straight-line method to write off the cost or fair value at acquisition of each asset to its residual value over its estimated useful life (or lease term, if shorter). Useful lives are disclosed in the accounting policies in note 2. Details of leased assets included within property, plant and equipment are provided in note 33.

(Restated)[1]	Land and buildings £m	Public service vehicles £m	Plant and equipment, fixtures and fittings £m	Total £m
Cost:				
At 1 January 2024	395.9	2,196.2	199.9	2,792.0
Acquisitions	1.7	24.4	0.5	26.6
Additions	58.9	212.7	22.8	294.4
Disposals	(25.4)	(182.4)	(16.1)	(223.9)
Reclassifications	9.6	(30.2)	(10.1)	(30.7)
Foreign Exchange	(3.8)	(26.3)	(3.8)	(33.9)
At 31 December 2024	436.9	2,194.4	193.2	2,824.5
Depreciation and impairment:				
At 1 January 2024	205.5	1,222.3	148.4	1,576.2
Charge for the period	41.8	170.0	12.1	223.9
Disposals	(16.5)	(156.2)	(10.4)	(183.1)
Impairments	1.4	3.5	0.6	5.5
Reclassifications	10.6	(24.6)	(4.9)	(18.9)
Foreign exchange	(2.2)	(12.3)	(3.1)	(17.6)
At 31 December 2024	240.6	1,202.7	142.7	1,586.0
Net book value:				
At 31 December 2024	196.3	991.7	50.5	1,238.5
At 1 January 2024	190.4	973.9	51.5	1,215.8

1 Restated for prior period restatements, see note 2 for further information

16 Subsidiaries

The companies listed below include all those which principally affect the results and net assets of the Group. A full list of subsidiaries, joint ventures and associates is disclosed in note 38, along with the addresses of their registered offices. The principal country of operation in respect of the companies below is the country in which they are incorporated.

Mobico Group PLC is the beneficial owner of all the equity share capital, either itself or through subsidiaries, of the companies.

		% equity interest	
Incorporated in England and Wales		**31 March 2026**	**31 December 2024**
National Express Limited	Operation of coach services	**100**	100
West Midlands Travel Limited	Operation of bus services	**100**	100

		% equity interest	
Incorporated in the United States		**31 March 2026**	**31 December 2024**
Durham School Services LP	Operation of school bus services	**–**	100
Petermann Ltd	Operation of school bus services	**–**	100
National Express Transit Corporation	Operation of transit bus services	**100**	100
National Express Transit Services Corporation	Operation of transit bus services	**100**	100
WeDriveU Inc.	Operation of shuttle services	**100**	100

16 Subsidiaries continued

Incorporated in Canada		% equity interest 31 March 2026	% equity interest 31 December 2024
Stock Transportation Limited	Operation of school bus services	–	100

Incorporated in Spain		% equity interest 31 March 2026	% equity interest 31 December 2024
General Tecnica Industrial S.L.U.[1]	Holding company for operating companies	**100**	100
NEX Continental Holdings S.L.U.[1]	Holding company for operating companies	**100**	100

Incorporated in Morocco		% equity interest 31 March 2026	% equity interest 31 December 2024
Groupe Alsa Transport S.A.	Operation of bus services	**100**	100
Transport de Voyageurs en Autocar Maroc S.A.	Operation of bus services	**100**	100
Alsa Tanger S.A.	Operation of bus services	**100**	100
Alsa City Agadir S.A.	Operation of bus services	**100**	100
Alsa Citybus Rabat-Salé-Temara	Operation of bus services	**51**	51
Alsa Al Baida S.A	Operation of bus services	**100**	100

Incorporated in Germany		% equity interest 31 March 2026	% equity interest 31 December 2024
National Express Rail GmbH	Operation of train passenger services	**100**	100

1 The main holding companies of the Alsa Group

17 Financial assets at fair value through Other Comprehensive Income

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Fair value:		
At the beginning of the period	**25.0**	15.2
Acquisitions in the period	–	0.3
Additions in the period	**0.4**	0.4
Disposals in the period	**(16.5)**	–
Fair value movement in the period	**0.3**	9.1
Foreign exchange	**(0.6)**	–
At the end of the period	**8.6**	25.0

17 Financial assets at fair value through Other Comprehensive Income continued

The principal financial assets at fair value through Other Comprehensive Income are as follows:

Name	Segment	31 March 2026 Fair value £m	31 December 2024 Fair value £m	31 March 2026 Proportion held %	31 December 2024 Proportion held %
Metros Ligeros de Madrid, S.A.	Alsa	**6.2**	7.0	**15**	15
Transit Technologies Holdco	North America	**–**	17.2	**–**	6.3
Other small investments within Alsa	Alsa	**2.4**	0.8	**1–18**	1–16

Financial assets at fair value through Other Comprehensive Income comprise holdings in equity shares of non-listed companies. The Group elected to designate the non-listed equity investments at fair value through Other Comprehensive Income as the Group considers these investments to be strategic in nature.

The fair value measurement of non-listed equity investments is categorised within Level 3 (i.e. the fair values are determined by reference to significant unobservable inputs). The fair value of these investments is typically determined by using recent and forecast earnings.

During the period, the Group sold its share of Transit Technologies Holdco for a total consideration of £16.5m.

As the remaining investments held are individually immaterial sensitivity analysis has not been disclosed.

No dividends were received from the investments during either the current or prior period.

18 Investments accounted for using the equity method

Investments accounted for using the equity method are as follows:

	31 March 2026 £m	31 December 2024 £m
Associates	**2.9**	4.4
Joint ventures	**0.8**	2.1
Total investments accounted for under the equity method	**3.7**	6.5

The Group's share of post-tax results from associates and joint ventures accounted for using the equity method is as follows:

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Total share of results from associates (a)	**–**	(0.2)
Total share of results from joint ventures (b)	**0.1**	(0.1)
Total share of results from associates and joint ventures	**0.1**	(0.3)
Total share of results and comprehensive income/(expense) from associates and joint ventures	**0.1**	(0.3)

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations

(a) Investments in associates

The Group's interests in associates are as follows:

Name	Country of registration	Proportion held %
Alsa associates	Spain	23-50

18 Investments accounted for using the equity method continued

There are various Alsa associates, which are generally involved in the operation of coach and bus services, management of bus stations and similar operations. Associates are included within note 38.

The summarised aggregated financial information for individually immaterial associates is set out below:

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Share of operating loss	–	(0.2)
Share of total comprehensive income and expenditure	–	–
Total share of results from associates	–	(0.2)
Total share of results and comprehensive income/(expense) from associates	–	(0.2)

1 The results for the 12-months ending 31 December 2024 have been restated to represent prior periods for discontinued operations

(b) Investments in joint ventures

The Group has a joint venture in the Kingdom of Bahrain operating urban bus services. Alsa has multiple joint ventures involving the operation of coach and bus services, management of bus stations and similar operations.

The Group's interests in joint ventures are as follows:

Name	Country of registration	Proportion held %
Bahrain Public Transport Company W.L.L.	Kingdom of Bahrain	50
Alsa joint ventures	Spain	50

The summarised aggregated financial information for individually immaterial joint ventures is set out below:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Share of operating profit/(loss)	**0.1**	(0.1)
Share of total comprehensive income and expenditure	–	–
Total share of results from joint ventures	**0.1**	(0.1)
Total share of results and comprehensive income/(expense) from joint ventures	**0.1**	(0.1)

There are various Alsa joint ventures, which are included within note 38.

19 Business combinations, discontinued operations, disposals and assets held for sale

(a) Acquisitions – Alsa

On 1 March 2024 the Alsa division acquired 100% control of Canary Bus (known as Grupo 1844), the leading provider of tourist and discretionary services in the Canary Islands. The provisional fair values were disclosed in the 2024 Annual Report and Accounts. As permitted by IFRS 3 Business Combinations, the fair value of acquired identifiable assets and liabilities have been adjusted within the measurement period.

On 1 June 2025 the Alsa division acquired 50% of the remaining assets and liabilities of a joint operation, UTE Sanir, a health transport business located in Madrid.

In addition, the Alsa division acquired a controlling stake in two further businesses during the period, Meep and Urena, neither of which are material individually.

- Fostering Mobility SL ("Meep") – a leading Spanish mobility-as-a-service (MaaS) technology company
- Urena E Hijos SL (Granada) – Operator of school bus and other transport services

The provisional fair values of the assets and liabilities acquired, along with adjustments to the fair values of prior period acquisitions, were as follows:

	Canary Bus £m	UTE Sanir £m	Meep £m	Urena £m	Total £m
Intangible assets (note 14)	**12.6**	**2.2**	**1.5**	**–**	**16.3**
Property, plant and equipment (note 15)	**3.6**	**4.7**	**–**	**–**	**8.3**
Trade and other receivables	**(0.1)**	**1.2**	**0.7**	**–**	**1.8**
Cash and cash equivalents	**–**	**1.1**	**0.4**	**0.3**	**1.8**
Borrowings	**–**	**(4.0)**	**–**	**–**	**(4.0)**
Trade and other payables	**(0.5)**	**(3.2)**	**(0.9)**	**(0.1)**	**(4.7)**
Minority interest	**–**	**–**	**(1.7)**	**–**	**(1.7)**
Deferred tax asset (note 27)	**(1.0)**	**–**	**–**	**–**	**(1.0)**
Net assets acquired	**14.6**	**2.0**	**–**	**0.2**	**16.8**
Goodwill (note 14)	**(14.6)**	**–**	**–**	**0.8**	**(13.8)**
Total consideration	**–**	**2.0**	**–**	**1.0**	**3.0**
Represented by:					
Cash consideration	**–**	**2.0**	**–**	**1.0**	**3.0**
Deferred consideration	**–**	**–**	**–**	**–**	**–**
	–	**2.0**	**–**	**1.0**	**3.0**

As permitted by IFRS 3 Business Combinations, the fair value of acquired identifiable assets and liabilities have been presented on a provisional basis. The fair value adjustments will be finalised within 12-months of the acquisition date, principally in relation to the valuation of provisions and intangible assets acquired.

Trade and other receivables had a fair value and a gross contracted value of £1.2m for UTE Sanir and £0.7m for Meep. The best estimate at acquisition date of the contractual cash flows not to be collected was £nil.

Goodwill of (£13.8m) per the above table is comprised of £0.8m arising from the Urena acquisition, less a fair value adjustment relating to a prior acquisition resulting in a reduction in goodwill of £14.6m. These are further described below.

Goodwill of £0.8m arising from the Urena acquisition consists of certain intangibles that cannot be separately identified and measured due to their nature. None of the goodwill recognised is expected to be deductible for income tax purposes.

During the period the fair value adjustments relating to primary intangible and intangible assets acquired in 2024 as part of the Canary Bus acquisition were finalised. This resulted in an increase in the fair value of separately identifiable intangibles and tangible assets acquired, a corresponding decrease in deferred tax asset, and a reduction in goodwill of £14.6m.

The acquired businesses contributed £2.2m of revenue and £nil adjusted operating profit to the Group's result for the period between acquisition and the balance sheet date. Had the acquisition been completed on the first day of the financial period, the Group's statutory revenue would have been £3,365.4m, with no impact on the Group's statutory operating profit for the period.

Deferred consideration of £13.4m was paid in the period of which £9.8m related to Canary Bus and £3.6m related to acquisitions in Alsa in earlier periods. Total cash outflow in the period from acquisitions in the Alsa division was £1.2m, comprising consideration for current period acquisitions of £3.0m (cash consideration above includes a prepayment of £6.2m paid in 2023), less cash acquired in the businesses of £1.8m.

19 Business combinations, discontinued operations, disposals and assets held for sale continued

(b) Acquisitions – further information

The movement in deferred consideration and deferred contingent consideration in the period is as follows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
At the beginning of the period	**14.7**	8.7
Additions in the period	**–**	22.5
Payments during the period	**(13.4)**	(16.2)
Foreign exchange	**0.5**	(0.3)
At the end of the period	**1.8**	14.7
Split of consideration:		
Deferred consideration	**1.8**	14.0
Deferred contingent consideration	**–**	0.7

The Group measures deferred contingent consideration at fair value through profit and loss and by reference to significant unobservable inputs, i.e. classified as Level 3 in the fair value hierarchy. The significant unobservable inputs used to determine the fair value of the contingent purchase consideration are typically forecast earnings or estimating the likelihood that contracts will be renewed over a fixed period.

The fair value of deferred contingent consideration is not highly sensitive to changes in significant unobservable inputs and therefore sensitivities to the valuation have not been disclosed.

(c) Discontinued operations

(i) Summary

During the period the Group disposed of two separate major lines of business, being North America School Bus (NASB), and the National Express Transport Solutions (NXTS) business in the UK. Both have been presented as a discontinued operation in the current period, with the prior period income statement figures restated to also present as discontinued; to enable better comparability of the period-on-period performance of both the continuing Group and discontinued operations.

The reconciliation to the face of the Income Statement, which shows the result from discontinued operations for the two businesses combined, is as follows:

	Adjusted result 15-months ending 31 March 2026 £m	Adjusting items 15-months ending 31 March 2026 £m	Total 15-months ending 31 March 2026 £m	Adjusted result 12-months ending 31 December 2024 £m	Adjusting items 12-months ending 31 December 2024 £m	Total 12-months ending 31 December 2024 £m
NASB	**1.8**	**(153.4)**	**(151.6)**	5.0	(641.9)	(636.9)
NXTS	**(1.9)**	**(39.7)**	**(41.6)**	1.0	(20.8)	(19.8)
Profit/(loss) for the period from discontinued operations	**(0.1)**	**(193.1)**	**(193.2)**	6.0	(662.7)	(656.7)

Each of these are detailed separately below.

19 Business combinations, discontinued operations, disposals and assets held for sale continued

(ii) North America School Bus (NASB)

On 25 April 2025 the Group announced the sale of its NASB business to I Squared Capital. The associated assets and liabilities were consequently presented as held for sale in the 30 June 2025 interim financial statements.

The business was sold on 14 July 2025, and it is presented as a discontinued operation for the 15-month period ending 31 March 2026. Prior period income statement figures have been restated to present separately the above operations as discontinued.

Details of the School Bus business discontinued operations are as follows. The results for the current period reflect the results from 1 January 2025 up until disposal on 14 July 2025.

	Adjusted result 15-months ending 31 March 2026 £m	Adjusting items 15-months ending 31 March 2026[1] £m	Total 15-months ending 31 March 2026 £m	Adjusted result 12-months ending 31 December 2024 £m	Adjusting items 12-months ending 31 December 2024[1] £m	Total 12-months ending 31 December 2024 £m
Revenue	**440.1**	**–**	**440.1**	792.6	–	792.6
Operating costs	**(425.4)**	**(8.3)**	**(433.7)**	(783.7)	(559.0)	(1,342.7)
Group operating profit/(loss) before tax	**14.7**	**(8.3)**	**6.4**	8.9	(559.0)	(550.1)
Share of results from associates	**–**	**–**	**–**	3.5	–	3.5
Net finance costs	**(9.9)**	**–**	**(9.9)**	(12.4)		(12.4)
Impairment loss on remeasurement to fair value less cost to sell[2]	**–**	**(233.8)**	**(233.8)**	–	–	–
Exchange differences recycled to the income statement	**–**	**87.3**	**87.3**	–	–	–
Net investment hedges recycled to the income statement	**–**	**1.8**	**1.8**	–	–	–
Profit/(loss) from discontinued operations before tax	**4.8**	**(153.0)**	**(148.2)**	–	(559.0)	(559.0)
Tax (charge)/credit	**(3.0)**	**(0.4)**	**(3.4)**	5.0	(82.9)	(77.9)
Profit/(loss) for the period from discontinued operations	**1.8**	**(153.4)**	**(151.6)**	5.0	(641.9)	(636.9)

1 Adjusting items in operating costs in the current period of £8.3m (2024: £559.0m) comprise intangible amortisation of acquired businesses of £1.8m and costs related to the sale of the business of £6.5m. 2024 comprised of goodwill impairment of £547.7m, intangible amortisation of acquired businesses of £7.0m and costs related to the sale of the business of £4.3m.

2 As a result of the School Bus business being classified as 'held for sale' under IFRS 5 upon the sale being agreed in April 2025, this then requires the remeasurement of the disposal group to the lower of carrying value or fair value less costs to sell. This remeasurement resulted in an impairment loss amounting to £233.8m, reflecting the agreed sales proceeds less costs to sell being lower than the asset value.

Basic and diluted earnings per share for the discontinued operation for the 15-months ending 31 March 2026 was (24.9)p (2024: (104.2)p).

Details of the sale are as follows:

	£m
Consideration received or receivable:	
Cash[1]	**209.2**
Fair value of contingent consideration[2]	**–**
Total disposal consideration	**209.2**
Carrying amount of net assets sold[3]	**(209.2)**
Gain/(loss) on disposal before tax and reclassification of foreign currency translation reserve	**–**
Reclassification of foreign currency translation reserve	**87.3**
Net investment hedge reserve recycled to the income statement	**1.8**
Tax (charge)/credit[4]	**–**
Gain on disposal after income tax	**89.1**

1 Net of £25.3m of cash balances within the sold business that was disposed

2 In the event that the operations of the business achieve certain performance criteria during the period from 1 July 2025 to 30 June 2028, as specified in an 'earn out' clause in the sale agreement, additional cash consideration of up to $70m will be receivable. At the time of the sale, and as at 31 March 2026, the fair value of the consideration was determined to be £nil.

3 This is inclusive of the impairment loss on remeasurement to fair value less costs to sell of £234.7m

4 Under relevant tax law and due to availability of reliefs, no corporate tax liability arose on the sale of the business

19 Business combinations, discontinued operations, disposals and assets held for sale continued

The carrying amount of assets and liabilities at the date of sale were:

	£m
Intangible assets	20.4
Property, plant and equipment	215.5
Investments accounted for using the equity method	1.6
Trade and other receivables	95.8
Inventories	14.3
Cash and cash equivalents	25.3
Total assets	**372.9**
Borrowings	(74.5)
Defined benefit pension liabilities	(0.3)
Trade and other payables	(86.2)
Provisions	(2.7)
Total liabilities	**(163.7)**
Net assets	**209.2**

Amounts within Other Comprehensive Income as pertains to NASB are as follows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Exchange differences on retranslation of foreign operations	(8.4)	(1.8)
Reclassification of foreign currency translation reserve	(87.3)	–
Net investment hedge reserve recycled to the income statement	(1.8)	–
Other comprehensive expense from discontinued operations	**(97.5)**	(1.8)

The net cash flows incurred by NASB during the period are as follows. These cash flows are included with the Group's Statement of Cash Flows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Cash (outflow)/inflow from operating activities	(36.1)	39.7
Cash outflow from investing activities	(51.2)	(45.5)
Cash inflow from financing activities (including intercompany financing)	65.8	16.3
Net cash (outflow)/inflow	**(21.5)**	10.5

Details of the employee benefit costs incurred by NASB during the period are as follows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Wages and salaries	276.4	503.2
Social security costs	27.6	45.2
Total employee benefit costs	**304.0**	548.4

19 Business combinations, discontinued operations, disposals and assets held for sale continued

The average number of employees from NASB during the period was as follows:

	15-months ending 31 March 2026	12-months ending 31 December 2024
Managerial and administrative	**428**	1,519
Operational	**7,433**	21,420
	7,861	22,939

(iii) National Express Transport Solutions (NXTS)

Following a review of the UK Coach business, a decision was made to sell the remaining elements of the private hire part of the business, known as NXTS, to better position UK Coach for long-term success. On the 17 October 2025 the Group sold the remaining NXTS businesses (following the two separate small disposals of Mortons and Stewarts in previous periods) comprising, Clarkes of London, The Kings Ferry Group, Lucketts and Worthing Coaches to The Coach Travel Group Limited. This represents a significant change to the UK Coach business which will now focus on its core white coach scheduled trading.

Details of the NXTS businesses discontinued operations are as follows:

	Adjusted result 15-months ending 31 March 2026 £m	Adjusting items 15-months ending 31 March 2026 £m	Total 15-months ending 31 March 2026 £m	Adjusted result 12-months ending 31 December 2024 £m	Adjusting items 12-months ending 31 December 2024[1] £m	Total 12-months ending 31 December 2024 £m
Revenue	**13.1**	**–**	**13.1**	21.8	–	21.8
Operating costs	**(14.9)**	**–**	**(14.9)**	(25.0)	(1.5)	(26.5)
Group operating loss before tax	**(1.8)**	**–**	**(1.8)**	(3.2)	(1.5)	(4.7)
Net finance costs	**(0.1)**	**–**	**(0.1)**	(0.3)	–	(0.3)
Impairment loss on remeasurement to fair value less cost to sell[2]	**–**	**(39.4)**	**(39.4)**	–	–	–
Loss from discontinued operations before tax	**(1.9)**	**(39.4)**	**(41.3)**	(3.5)	(1.5)	(5.0)
Tax (charge)/credit	**–**	**(0.3)**	**(0.3)**	4.5	(19.3)	(14.8)
(Loss)/profit for the period from discontinued operations	**(1.9)**	**(39.7)**	**(41.6)**	1.0	(20.8)	(19.8)

1 Adjusting items in 2024 related to restructuring costs

2 As a result of the NXTS business being classified as 'held for sale' under IFRS 5 upon the sale being agreed, this then requires the remeasurement of the disposal group to the lower of carrying value or fair value less costs to sell. This remeasurement resulted in an impairment loss amounting to £39.4m, reflecting the agreed sales proceeds less costs to sell being lower than the asset value.

Basic and diluted earnings per share for the discontinued operation for the 15-months ending 31 March 2026 was (6.8)p (2024: (3.2)p).

Details of the sale are as follows:

	£m
Consideration received or receivable:	
Cash[1]	**(0.2)**
Total disposal consideration	**(0.2)**
Carrying amount of net liabilities sold[2]	**0.2**
Loss on disposal before tax	**–**
Tax (charge)/credit[3]	**–**
Loss on disposal after income tax	**–**

1 Net of £0.2m of cash balances within the sold business that was disposed

2 This is inclusive of the impairment loss on remeasurement to fair value less costs to sell of £39.4m

3 Under relevant tax law and due to availability of reliefs, no corporate tax liability arose on the sale of the business

19 Business combinations, discontinued operations, disposals and assets held for sale continued

The carrying amount of assets and liabilities at the date of sale were:

	£m
Intangible assets	**2.4**
Property, plant and equipment	**0.2**
Trade and other receivables	**1.6**
Inventories	**0.3**
Cash and cash equivalents	**0.2**
Total assets	**4.7**
Borrowings	**(2.1)**
Trade and other payables	**(2.8)**
Total liabilities	**(4.9)**
Net liabilities	**(0.2)**

There were no amounts within Other Comprehensive Income that relate to NXTS.

The net cash flows incurred by NXTS during the period are as follows. These cash flows are included with the Group's Statement of Cash Flows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Cash (outflow)/inflow from operating activities	**(24.1)**	3.3
Cash (outflow)/inflow from investing activities	**(2.7)**	1.1
Cash inflow/(outflow) from financing activities (including intercompany financing)	**31.7**	(6.9)
Net cash inflow/(outflow)	**4.9**	(2.5)

Details of the employee benefit costs incurred by NXTS are as follows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Wages and salaries	**8.9**	16.2
Social security costs	**1.1**	1.6
Pension costs	**0.2**	0.4
Total employee benefit costs	**10.2**	18.2

The average number of employees from NXTS during the period was as follows:

	15-months ending 31 March 2026	12-months ending 31 December 2024
Managerial and administrative	**15**	46
Operational	**161**	336
	176	382

(d) Assets held for sale

At the balance sheet date the Group had no assets held for sale (2024: £nil).

20 Other non-current receivables

	31 March 2026 £m	(Restated) 31 December 2024[1] £m
Contract assets	**95.0**	122.1
Prepayments	**2.0**	4.7
Other receivables	**32.1**	28.4
	129.1	155.2

1 Restated for prior period restatements, see note 2 for further information.

Other receivables includes £5.5m (2024: £5.5m) of property disposal proceeds that are payable to the Group on vacant possession and £14.8m (2024: £8.3m) of insurance recoveries.

Contract assets includes £94.9m (2024: £85.4m) due from customers relating to infrastructure assets under service concession arrangements (see note 36 for details of the Group's service concession arrangements).

Contract assets also include an IFRS 15 contract asset under the long term RME German Rail contract of £nil (2024 restated: £36.5m). Please refer to note 2 for an explanation of the movement in the current period. It is important to note, however, that the value of the contract asset is prior to accounting for the full impact of the new contract which has been entered into subsequent to the balance sheet date; please refer to note 39 for further information.

21 Inventories

	31 March 2026 £m	31 December 2024 £m
Raw materials and consumables	**19.5**	34.0

The movement on the provision for slow moving and obsolete inventory is immaterial.

22 Current assets – trade and other receivables

	31 March 2026 £m	31 December 2024 £m
Trade receivables	**185.4**	293.5
Grant receivables	**35.9**	37.7
Contract assets	**155.1**	136.0
Amounts due from associates and joint ventures (note 35)	**2.8**	3.2
Amounts due from other related parties (note 35)	**4.9**	1.4
Trade and grant receivables and contract assets	**384.1**	471.8
Less: provision for impairment of receivables (note 29)	**(40.1)**	(41.5)
	344.0	430.3
Other receivables	**51.0**	78.0
Prepayments	**22.8**	36.4
Accrued income	**4.1**	2.8
	421.9	547.5

The Group enters into factoring arrangements where trade receivables are sold to a bank on a non-recourse basis. The Group currently has such arrangements in North America and Alsa. The arrangements improve the management of the Group's cash flow, providing immediate liquidity to help manage operational cash flow requirements.

In totality, trade receivables exclude £48.3m (2024: £106.7m) that was subject to factoring arrangements without recourse and for which no customer payment had been received at period end. The arrangements are described in detail below by division.

The Alsa division has a non-recourse factoring arrangement with a group of banks; of which collectively £21.1m (2024: £45.8m) was outstanding at 31 March 2026. There is no continuing involvement in the de-recognised receivables.

The WeDriveU division (2024: WeDriveU and School Bus) is party to a non-recourse factoring agreement with a bank. Under this agreement, the Group transferred £43.4m (2024: £141.8m) of trade receivables during the period in exchange for cash representing 90% of the invoice value.

While the ultimate credit risk of default as well as risks around payment timing lies with the bank, the Group provides a late-payment guarantee. Under this guarantee, if a debtor delays payment beyond 30 days from the due date, the Group may be obligated to reimburse the bank at that time.

Because the Group retains the ultimate risk of significant timing delays (liquidity risk and associated financing costs), the Group has a continuing involvement in these transferred trade receivables.

Of the original factored amounts as set out above, as at 31 March 2026 £16.2m (2024: £72.2m) had been received from customers, leaving £27.2m (2024: £60.9m) outstanding at the balance sheet date; these amounts represent the maximum exposure to loss as at the balance sheet date. Post the balance sheet date, all amounts (2024: all amounts) have subsequently been collected from customers with no remaining amounts owed to the bank.

Contract assets include £11.2m (2024: £15.7m) due from customers relating to infrastructure assets under service concession arrangements (see note 36 for details of the Group's service concession arrangements). Also included is an IFRS 15 contract asset receivable of £31.1m (2024: £19.4m) within one year under the long term RME German Rail contract (see note 20 for further details).

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Information about the credit risk exposure of the Group's trade receivables is shown in note 29.

23 Cash and cash equivalents

	31 March 2026 £m	31 December 2024 £m
Cash at bank and in hand	**262.0**	129.4
Overnight deposits	**7.6**	0.1
Other short-term deposits	**156.0**	115.0
Cash and cash equivalents	**425.6**	244.5

Included within cash and cash equivalents are certain amounts which are subject to contractual or regulatory restrictions or withholding tax levied on repatriation of cash. These amounts held are not readily available for other purposes within the Group, and if repatriated would result in £0.8m of withholding tax (2024: £0.9m).

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the agreed short-term floating deposit rate. The fair value of cash and cash equivalents is equal to the carrying value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents and bank overdrafts in notional cash pooling arrangements are presented net. Bank overdrafts form an integral part of the Group's cash management strategy as they arise from the Group's cash pooling arrangement with its bank and can fluctuate from positive to negative balances during the period. Net cash and cash equivalents comprise as follows:

	31 March 2026 £m	31 December 2024 £m
Cash and cash equivalents	**425.6**	244.5
Bank overdrafts (note 28)	**(184.0)**	(41.4)
Net cash and cash equivalents	**241.6**	203.1

24 Current liabilities – trade and other payables

	31 March 2026 £m	(Restated) 31 December 2024[1] £m
Trade payables	**266.2**	297.9
Contract liabilities	**254.6**	156.2
Amounts owed to associates and joint ventures (note 35)	**0.4**	0.5
Amounts owed to other related parties (note 35)	**2.4**	5.4
Other tax and social security payable	**35.8**	53.5
Accruals and deferred income	**196.8**	264.3
Other payables	**163.4**	246.5
Put liability	**–**	8.2
	919.6	1,032.5

1 Restated for prior period restatements, see note 2 for further information.

Trade payables are normally settled on 30 to 60 day terms.

Contract liabilities represents amounts advanced by customers where the Group has not yet met the performance obligation to allow the recognition of the balance as revenue, for example season ticket or advance ticket sales which cross over the period end date or payments on account. It also includes amounts outstanding with respect to the purchase of infrastructure assets under IFRIC 12 arrangements. The balance includes £136.1m (2024: £87.4m) in relation to the RRX contract in German Rail. Of the £254.6m (2024: £156.2m) current contract liabilities, £172.2m (2024: £112.1m) will be recognised in revenue within the next 12-months as the Group completes its performance obligations. The remaining liability of £82.4m (2024: £44.1m) relates to payments for IFRIC 12 infrastructure assets which will be made within the next 12-months. During the period the Group has recognised revenue of £112.1m (2024: £117.7m) which was included in contract liabilities at the end of 2024.

24 Current liabilities – trade and other payables continued

Other payables includes £125.0m (2024: £205.8m) for the purchase of property, plant and equipment. The Group settles these amounts in accordance with the supplier's standard payment terms, typically one year.

Other payables also includes deferred fixed asset grants from government or other public bodies of £4.7m (2024: £2.4m), deferred expense-related grants of £8.1m (2024: £3.2m) and £0.2m (2024: £12.8m) of deferred or contingent consideration for businesses acquired, of which £nil (2024: £9.8m) relates to businesses acquired in the period (note 19).

A put liability for £nil (2024: £8.2m) related to the purchase of the non-controlling interest in a subsidiary in Morocco. The Group has a subsidiary in Morocco which previously had a non-controlling interest. In January 2024 an arbitrator ruled on a long-standing dispute between the Group and the non-controlling interest which resulted in the trigger of a put option for the non-controlling interest to sell their shares to us. A put liability of £8.6m was initially recognised as at 31 December 2023 (£8.2m at 31 December 2024) for the estimated value to purchase the shares from the non-controlling interest. In the period to 31 March 2026, a final value of £7.4m has been reached and paid in June 2025.

Supplier finance arrangements

The Group participates in supply chain financing arrangements in its Alsa division. These arrangements are similar in nature whereby a number of the Group's banks agree to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at the invoice due date. The bank does not charge the Group for participating in these arrangements as the cost is borne by the supplier.

In Alsa, most of the supplier finance balance relates to fleet and fuel purchases. Invoice due dates range from 90 to 365 days for fleet & other purchases and 340 to 350 days for fuel. All fleet and fuel suppliers in Alsa are part of the supply chain finance therefore a comparable supplier outside of this arrangement is not available.

If the Group exited from its supply chain financing arrangements, there would be no impact on the Group's cash flow. Settlement of invoices under these arrangements are made on the invoice due date and do not impact the timing of payments for the Group. The principal purpose of these arrangements is to facilitate efficient payment processing for the Group and enable willing suppliers to receive payments from the bank before the invoice due date.

Of the above trade and other payables balance, £163.6m (2024: £222.6m) are part of supplier finance arrangements. At the balance sheet date all suppliers had received early settlement from the Group's banks. The Group will settle all balances directly with these banks within the next 12-months in accordance with the original invoice payment terms.

There are no supplier finance arrangements included within borrowings.

25 Other non-current liabilities

	31 March 2026 £m	(Restated)31 December 2024[1] £m
Contract liabilities	**114.7**	83.1
Other payables	**49.9**	51.5
	164.6	134.6

1 Restated for prior period restatements, see note 2 for further information.

Contract liabilities include £114.7m (2024: £83.1m) of liabilities associated with the purchase of infrastructure assets as part of service concession arrangements which are expected to be settled over the life of the contract (see note 36 for details of the Group's service concession arrangements). Other payables includes £17.9m (2024: £12.2m) of deferred fixed asset grants from government or other public bodies, £0.8m (2024: £1.9m) of deferred consideration for businesses acquired, of which £nil (2024: £0.7m) relates to businesses acquired in the period (note 19), and expense related grants of £4.0m (2024: £17.5m).

26 Provisions

	Claims provision £m	Onerous contract provisions £m	Other £m	Total £m
At 1 January 2025 (restated)[1]	**82.2**	**179.3**	**28.8**	**290.3**
Charged to the Income Statement	**82.7**	**33.9**	**26.7**	**143.3**
Utilised in the period	**(64.5)**	**(83.8)**	**(15.5)**	**(163.8)**
Unwinding of discount	**3.4**	**5.2**	**–**	**8.6**
Exchange difference	**(3.3)**	**8.5**	**1.1**	**6.3**
At 31 March 2026	**100.5**	**143.1**	**41.1**	**284.7**
Current 31 March 2026	**27.7**	**38.2**	**32.3**	**98.2**
Non-current 31 March 2026	**72.8**	**104.9**	**8.8**	**186.5**
	100.5	**143.1**	**41.1**	**284.7**
Current 31 December 2024 (restated)[1]	47.0	53.0	15.8	115.8
Non-current 31 December 2024 (restated)[1]	35.2	126.3	13.0	174.5
	82.2	179.3	28.8	290.3

1 Restated for prior period restatements, see note 2 for further information.

Claims provision

The claims provision of £100.5m arises from estimated exposures at the period end for auto and general liability, workers' compensation and environmental claims, the majority of which will be utilised in the next five years. It comprises provisions for claims arising in the UK Bus & Coach divisions, and North America. £53.5m of the balance relates to legacy School Bus claims which were retained by the Group upon disposal of the business in July 2025, £25.6m to WeDriveU and £21.4m to the UK Bus & Coach divisions.

The Directors have determined the best estimate of the probable economic outflow based on the expected value of the amounts which will be needed to settle the liability. The claims provision has been discounted using a rate based on external bond prices.

Onerous contracts

Provisions for onerous contracts relate to loss making contracts in WeDriveU, Germany and UK Coach. The Directors have determined the best estimate of the probable economic outflow based on the lower of i) the expected value of the losses which will be incurred in fulfilling the contract, and ii) the cost to exit the contract.

The below table reconciles the movement in onerous contract provisions (OCPs):

Movement in OCPs

	Onerous contracts and impairments resulting from the Covid-19 pandemic £m	German Rail OCPs £m	WeDriveU OCPs £m	Total £m
At 1 January 2025	**1.0**	**176.1**	**2.2**	**179.3**
Charged to the Income Statement:				
Provided in the period	**–**	**–**	**38.6**	**38.6**
Released in the period	**–**	**(4.7)**	**–**	**(4.7)**
Other movements:				
Utilised in the period	**–**	**(72.2)**	**(11.6)**	**(83.8)**
Unwinding of discount	**–**	**5.0**	**0.2**	**5.2**
Exchange differences	**–**	**8.7**	**(0.2)**	**8.5**
At 31 March 2026	**1.0**	**112.9**	**29.2**	**143.1**

The provision in WeDriveU relates to two onerous contracts, the most significant of these being Washington Metropolitan Area Transit Authority ("WMATA"), which became newly onerous during the period. The contract with WMATA to operate paratransit services was awarded to the Group in July 2024, and was for an initial five-year period, with five subsequent one-year renewal options which are all exercisable at WMATA's discretion. During 2025 the contract turned unprofitable, in part due to lower-than-projected volumes arising from

26 Provisions continued

reductions in volume of revenue service hours made by the authority which the Group considers contrary to the contract; coupled with the loss of contracted exclusivity. The Group began the process of seeking legal redress to cover its losses with the filing of a civil lawsuit in January 2026 for breach of contract against WMATA in the U.S. District Court for the District of Columbia; however any future legal settlement cannot be assumed in the provision calculation.

Subsequent to the period end, in May 2026 WMATA issued a notice of termination to cease operations. This is considered a non-adjusting post balance sheet event and as a result is not reflected in the OCP assessment at 31 March 2026. Please refer to note 39 for further information. The provision at 31 March 2026 reflects the best estimate of the probable economic outflow based on the expected value of the losses in fulfilling the contract.

As set out in note 2, the key source of estimation uncertainty in relation to the WMATA OCP relates to the length of the contract. The provision considers the estimate of future losses out to the end of the initial five-year period of the contract, being the end of June 2029. However, WMATA has the unilateral right to extend the contract further with five one-year extension options, taking the maximum length of the contract to the end of June 2034.

In terms of sensitivities, were the contract to continue to run until the end of June 2034 under the current operating conditions, there would be a £16.5m increase to the OCP as at 31 March 2026.

The provision has been discounted using a rate based on external bond prices. The provision is not highly sensitive to future changes in the discount rate.

The provision in Germany is in respect of the RRX rail contracts, where the Group is exposed to costs that are not fully covered by subsidy received from the PTA.

The Group's latest assessment identified a net improvement in the contracts' profitability following updated assumptions relating to the impact of the new contract and movements in penalties and other costs, as fully described in note 2. Overall, this led to a decrease in the provision in the period of £4.7m, with a closing provision of £112.9m at 31 March 2026 (31 December 2024: £176.1m) to cover the losses associated with running the contracts for the remainder of the term.

The RRX OCP forecasts out to the end of 2030 and therefore given the long-term cash forecasts being modelled, the provision is highly sensitive to a number of key inputs and assumptions, where individual changes can have a material impact on the provision, as has been observed in recent years; albeit this sensitivity has now somewhat reduced since the prior period given the agreed contract shortening of three years to 2030 under the new contract.

Specific sensitivities are detailed below, but at a high level and ceteris paribus, an increase/(decrease) in total operating costs of 5% would result in a (decrease)/increase in the OCP of approximately £25m.

The provision is particularly sensitive to assumptions regarding future energy costs (and the level of energy compensation to be received from the PTA) and the discount rate used on future cash flows. The sensitivity of the OCP to movements in the assumptions made are set out below. Noting that the impact of some assumptions are not individually material, however it is considered reasonably possible that the sensitivities could occur concurrently and are material in aggregate and therefore are considered relevant to present herein.

Energy cost and energy subsidy sensitivity

Changes to assumptions about future energy costs (and related energy subsidy under the contract) impact the total lifetime net cost of the contract. The RRX 2&3 contract contains a mechanism which is intended to compensate the Group for changes in electricity costs, with the energy subsidy linked to the performance of an index (Index 625) published by DeStatis, the German Federal Statistics Agency on a monthly basis. Because of an error made in the original bid model, only a portion of the energy cost under the RRX 2/3 contract is covered by the index mechanism. For RRX 1 a separate index, 626, is used, and we do not suffer from the bid error issue and as such this sensitivity considers RRX 2/3 only.

We have assumed that energy costs develop in line with long run market energy price forecasts which are based on third party forecasts, and that the 625 index moves on the basis of this same future energy price development in line with the regression analysis of 625 index behaviour performed by management. On this basis:

- An increase (or decrease) in uncovered energy costs (i.e. those costs that are not covered by the energy subsidy) of 20% would result in an increase (decrease) in the OCP of approximately £5m. This may occur through a change in volume, a change in price versus long term market forecasts used in the model or a change in coverage by the index.

Discount rate

Changes to the discount rate used to discount the OCP back to present value will impact on the carrying value of the provision. A risk-free rate has been used to discount the provision to present value at the balance sheet date.

- An increase (or decrease) in the discount rate used of 1% would result in a decrease/(increase) in the OCP of approximately £5m.

Other

Other predominantly relates to restructuring, dilapidations and legal claim provisions in the UK, Alsa and North America, which are mostly expected to be utilised within the next 12-months.

Please refer to note 34 regarding the North America School Bus (NASB) contingent liability.

When the effect is material, the provisions are discounted to their net present value.

27 Deferred tax

	31 March 2026 £m	(Restated) 31 December 2024[1] £m
Net deferred tax (liabilities)/assets at 1 January	**(28.3)**	139.2
Credit/(charge) to the Income Statement – continuing operations (note 11 (d))	**4.4**	(59.1)
Charge to the Income Statement – discontinued operations (note 19)	**(3.0)**	(91.3)
Charge to Other Comprehensive Income or Equity (note 27(d))	**(9.8)**	(19.3)
Exchange differences	**(1.2)**	0.9
Acquired in business combinations (note 19)	**(1.0)**	1.3
Disposed in discontinued operations (note 19)	**4.0**	–
Net deferred tax liabilities at period end	**(34.9)**	(28.3)

1 The results for the 12-months ending 31 December 2024 have been restated for prior period adjustments and to represent prior periods for discontinued operations; see note 2 for further information

(a) Deferred tax assets and liabilities

The presentation of deferred tax assets and deferred tax liabilities in the Balance Sheet sets off deferred tax assets against deferred tax liabilities where they relate to corporate income taxes in the same jurisdiction.

	31 March 2026					
Deferred tax assets	UK £m	US £m	Canada £m	Spain £m	Germany £m	Total £m
Tax losses carried forward	**13.5**	**–**	**–**	**10.0**	**0.8**	**24.3**
Defined benefit pension scheme	**1.9**	**–**	**–**	**–**	**–**	**1.9**
Intangible assets	**–**	**–**	**–**	**5.7**	**–**	**5.7**
Tax credits	**–**	**–**	**–**	**0.8**	**–**	**0.8**
Other short-term temporary differences	**–**	**–**	**–**	**–**	**2.3**	**2.3**
	15.4	**–**	**–**	**16.5**	**3.1**	**35.0**

	31 March 2026					
Deferred tax liabilities	UK £m	US £m	Canada £m	Spain £m	Germany £m	Total £m
Accelerated tax depreciation	**(13.0)**	**–**	**–**	**(6.4)**	**(3.1)**	**(22.5)**
Other short-term temporary differences	**(5.2)**	**(3.5)**	**–**	**(38.6)**	**(0.1)**	**(47.4)**
	(18.2)	**(3.5)**	**–**	**(45.0)**	**(3.2)**	**(69.9)**

	31 March 2026					
Per Balance Sheet	UK £m	US £m	Canada £m	Spain £m	Germany £m	Total £m
Net deferred tax assets	**–**	**–**	**–**	**–**	**–**	**–**
Net deferred tax liabilities	**(2.8)**	**(3.5)**	**–**	**(28.5)**	**(0.1)**	**(34.9)**
Net deferred tax liabilities	**(2.8)**	**(3.5)**	**–**	**(28.5)**	**(0.1)**	**(34.9)**

27 Deferred tax continued

Deferred tax assets	(Restated) 31 December 2024[1] UK £m	US £m	Canada £m	Spain £m	Germany £m	Total £m
Tax losses carried forward	0.2	1.8	3.7	9.3	–	15.0
Defined benefit pension scheme	2.8	–	–	–	–	2.8
Intangible assets	–	8.1	–	8.8	–	16.9
Tax credits	–	–	–	1.5	–	1.5
Other short-term temporary differences	5.5	53.0	1.1	2.1	18.0	79.7
	8.5	62.9	4.8	21.7	18.0	115.9

1 The results for the 12-months ending 31 December 2024 have been restated for prior period adjustments; refer to note 2 for further information

Deferred tax liabilities	(Restated) 31 December 2024[1] UK £m	US £m	Canada £m	Spain £m	Germany £m	Total £m
Accelerated tax depreciation	(11.2)	(59.7)	(6.4)	(22.4)	(1.6)	(101.3)
Other short-term temporary differences	–	(5.1)	–	(21.4)	(16.4)	(42.9)
	(11.2)	(64.8)	(6.4)	(43.8)	(18.0)	(144.2)

1 The results for the 12-months ending 31 December 2024 have been restated for prior period adjustments; refer to note 2 for further information

Per Balance Sheet	(Restated) 31 December 2024[1] UK £m	US £m	Canada £m	Spain £m	Germany £m	Total £m
Net deferred tax assets	–	–	–	–	–	–
Net deferred tax liabilities	(2.7)	(1.9)	(1.6)	(22.1)	–	(28.3)
Net deferred tax liabilities	(2.7)	(1.9)	(1.6)	(22.1)	–	(28.3)

1 The results for the 12-months ending 31 December 2024 have been restated for prior period adjustments; refer to note 2 for further information

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit is probable through the reversal of deferred tax liabilities and forecast future taxable profits. The same profit projections are used for these purposes as are used by the business, for example in assessing asset impairments.

(b) Unrecognised deferred tax assets

The Group did not recognise deferred tax assets in respect of tax losses carried forward as follows:

31 March 2026 Unrecognised tax losses	UK £m	USA £m	Germany £m	Spain £m	Morocco £m	Other £m	Total £m
Gross	**393.5**	**52.9**	**307.6**	**15.2**	**36.8**	**16.3**	**822.3**
Tax	**98.4**	**13.9**	**94.4**	**3.8**	**8.4**	**3.9**	**222.8**

(Restated) 31 December 2024[1] Unrecognised tax losses	UK £m	USA £m	Germany £m	Spain £m	Morocco £m	Other £m	Total £m
Gross	478.5	850.1	126.7	14.9	38.4	8.7	1,517.3
Tax	119.6	97.7	41.1	3.6	9.8	2.1	273.9

1 The results for the 12-months ending 31 December 2024 have been restated for prior period adjustments; refer to note 2 for further information

27 Deferred tax continued

The benefits in respect of tax losses carried forward in the UK, Germany and Spain do not time expire. The benefits in respect of tax losses carried forward in the US relate to federal losses that do not time expire and state losses which expire within 5 to 20 periods. The majority of the benefits in respect of tax losses carried forward in Morocco do not expire, however there is a small amount that are restricted to 4 periods. The benefits of tax losses carried forward in Switzerland can be carried forward a maximum of 7 periods.

The Group did not recognise other deferred tax assets as follows, including in respect of restricted interest expenses in the UK.

31 March 2026 Unrecognised tax timing differences	UK £m	USA £m	Germany £m	Spain £m	Morocco £m	Other £m	Total £m
Gross	**251.8**	**235.3**	**108.2**	**–**	**–**	**–**	**595.3**
Tax	**62.9**	**61.9**	**33.2**	**–**	**–**	**–**	**158.1**

(Restated) 31 December 2024[1] Unrecognised tax timing differences	UK £m	USA £m	Germany £m	Spain £m	Morocco £m	Other £m	Total £m
Gross	107.7	93.1	120.5	–	–	–	321.3
Tax	26.9	36.7	39.1	–	–	–	102.7

1 The results for the 12-months ending 31 December 2024 have been restated for prior period adjustments; refer to note 2 for further information

The benefits in respect of restricted interest expenses in the UK and US do not time expire.

(c) Temporary differences associated with Group investments

At 31 March 2026, no deferred tax (2024: £nil) has been recognised on the unremitted earnings of subsidiaries, associates and joint ventures, as the Group has determined that these undistributed profits will not be distributed in the foreseeable future. As a result of changes to tax legislation in 2009, overseas dividends received on or after 1 July 2009 are generally exempt from UK corporation tax but they may be subject to withholding taxes or local tax liabilities incurred on distributions. At 31 March 2026, no deferred tax liability has been recognised (2024: £nil) but for which a tax liability may arise in future.

(d) Tax on items recognised in Other Comprehensive Income or Equity

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Deferred taxation:		
Deferred tax charge on actuarial gains	**0.9**	2.8
Deferred tax charge on cash flow hedges	**7.2**	0.7
Deferred tax charge on foreign exchange differences	**–**	0.5
Deferred tax charge on hybrid instrument payments (see note below)	**–**	15.4
Deferred tax charge/(credit) on share-based payments	**1.7**	(0.1)
Total tax charge for the continuing Group	**9.8**	19.3

The FY24 £15.4m deferred tax charge on the hybrid instrument comprises of a £5.3m credit in relation to tax deductions for FY24 interest and a £20.7m charge reversing all cumulative credits accounted for in reserves which arises from the derecognition of UK deferred tax assets on tax losses.

28 Borrowings

	31 March 2026 £m	(Restated) 31 December 2024[1] £m
Non-current		
Bank loans	**18.5**	72.3
Bonds	**681.3**	648.3
Lease liabilities	**144.7**	177.4
Private placements	**404.5**	396.5
Non-current borrowings	**1,249.0**	1,294.5
Current		
Bank overdrafts	**184.0**	41.4
Bank loans	**94.7**	107.9
Lease liabilities	**50.7**	63.0
Accrued interest on borrowings	**16.9**	7.1
Current borrowings	**346.3**	219.4
Total borrowings	**1,595.3**	1,513.9

1 Restated for prior period restatements, see note 2 for further information.

The effective interest rates on loans and borrowings at the balance sheet date were as follows:

	31 March 2026 £m	Maturity	Effective interest rate	(Restated) 2024[3] £m	Maturity	Effective interest rate
Bank overdrafts	**184.0**	**–**	**–**	41.4	–	–
Bank overdrafts	**184.0**			41.4		
9-year Sterling bond	**248.9**	**November 2028**	**3.63%[1]**	239.7	November 2028	GBP SONIA + 3.23%[1]
8-year €500m Euro bond	**432.4**	**September 2031**	**4.875%**	408.6	September 2031	4.875%
Bonds	**681.3**			648.3		
European bank loans at fixed rate	**0.1**	**2029**	**3.80%**	0.7	2025–2028	2.65%
European bank loans at floating rate	**5.0**	**2027-2028**	**EURIBOR + 1.00%**	3.0	2025–2027	EURIBOR + 0.75%
Moroccan bank loans	**25.2**	**2027-2029**	**4.30%**	40.9	2025–2029	4.27%
US asset backed bank loans	**–**	**–**	**–**	56.5	2025–2030	2.92%
Advance factoring liabilities[2]	**82.9**	**2026**	**3.45%**	79.1	2025	3.93%
Bank loans	**113.2**			180.2		
US Dollar leases at fixed rate	**38.9**	**2026–2035**	**4.60%**	84.5	2025–2032	4.47%
European leases at fixed rate	**61.9**	**2026–2033**	**3.50%**	40.4	2026–2031	4.17%
European leases at floating rate	**0.1**	**2028**	**EURIBOR + 1.05%**	0.1	2025–2027	EURIBOR + 1.00%
Sterling leases at fixed rate	**94.5**	**2026–2120**	**4.70%**	115.4	2025–2120	4.55%
Leases	**195.4**			240.4		
Private placements	**404.5**	**2027–2032**	**1.92%**	396.5	2027–2032	1.92%
Accrued interest – Bonds	**14.2**			6.4		
Accrued interest – Private placements	**2.7**			0.7		
Accrued interest on borrowings	**16.9**			7.1		
Total	**1,595.3**			1,513.9		

1 During the period a fixed to floating interest rate swap attached to the 9-year Sterling bond matured in November 2025. Subsequent to this the bond reverted to a fixed rate of 3.63% until maturity.

2 Advance factoring liabilities include £21.8m (2024: £20.7m) in Alsa at a floating rate with an average rate of 3.87% (2024: 5.20%), and £61.1m (2024: £58.4m) in German Rail with a fixed rate of 3.30% (2024: 3.90%).

3 Restated for prior period restatements, see note 2 for further information.

28 Borrowings continued

The nominal value of the Group's bonds and private placements reconcile to the book values as shown in the table above as follows:

As at 31 March 2026	Nominal value £m	Unamortised deal fees £m	Fair value adjustment[1] £m	Book value £m
9-year Sterling bond	**250.0**	**(1.1)**	**–**	**248.9**
8-year €500m Euro bond	**436.8**	**(4.4)**	**–**	**432.4**
Private placements	**404.9**	**(0.4)**	**–**	**404.5**

1 During the period a fixed to floating interest rate swap attached to the 9-year Sterling bond matured in November 2025

As at 31 December 2024	Nominal value £m	Unamortised deal fees £m	Fair value adjustment £m	Book value £m
9-year Sterling bond	250.0	(1.6)	(8.7)	239.7
8-year €500m Euro bond	413.6	(5.0)	–	408.6
Private placements	397.2	(0.7)	–	396.5

The Group currently has £600.0m of unsecured committed revolving credit facilities, details of which are set out in the liquidity risk section of note 29.

The following table sets out the carrying amount, by maturity, of the Group's interest-bearing borrowings and deposits, including other debt receivables and finance lease receivables:

As at 31 March 2026	< 1 year £m	1–2 years £m	2–3 years £m	3–4 years £m	4–5 years £m	> 5 years £m	Total £m
Fixed rate							
Bank loans	**(70.0)**	**(7.9)**	**(9.4)**	**–**	**–**	**–**	**(87.3)**
Bonds	**–**	**–**	**(248.9)**	**–**	**–**	**(432.4)**	**(681.3)**
Finance lease receivables	**4.4**	**3.8**	**2.6**	**1.9**	**1.4**	**3.7**	**17.8**
Lease liabilities	**(50.8)**	**(43.1)**	**(30.9)**	**(20.7)**	**(10.6)**	**(39.3)**	**(195.4)**
Private placements	**–**	**(232.5)**	**–**	**–**	**(119.7)**	**(52.3)**	**(404.5)**
Floating rate							
Cash assets	**425.6**	**–**	**–**	**–**	**–**	**–**	**425.6**
Other debt receivables	**4.5**	**–**	**–**	**–**	**–**	**–**	**4.5**
Bank overdrafts	**(184.0)**	**–**	**–**	**–**	**–**	**–**	**(184.0)**
Bank loans	**(24.7)**	**(1.2)**	**–**	**–**	**–**	**–**	**(25.9)**
Lease liabilities	**–**	**(0.1)**	**–**	**–**	**–**	**–**	**(0.1)**

(Restated) As at 31 December 2024[1]	< 1 year £m	1–2 years £m	2–3 years £m	3–4 years £m	4–5 years £m	> 5 years £m	Total £m
Fixed rate							
Bank loans	(86.5)	(24.6)	(23.4)	(18.4)	(3.3)	(1.1)	(157.3)
Bonds	–	–	–	–	–	(408.6)	(408.6)
Finance lease receivables	3.2	2.6	2.4	2.5	2.1	5.2	18.0
Lease liabilities	(63.0)	(46.2)	(34.5)	(28.7)	(18.2)	(49.7)	(240.3)
Private placements	–	–	(233.5)	–	–	(163.0)	(396.5)
Floating rate							
Cash assets	244.5	–	–	–	–	–	244.5
Other debt receivables	2.7	–	–	–	–	–	2.7
Bank overdrafts	(41.4)	–	–	–	–	–	(41.4)
Bank loans	(21.4)	–	(1.5)	–	–	–	(22.9)
Bonds	–	–	–	(239.7)	–	–	(239.7)
Lease liabilities	–	(0.1)	–	–	–	–	(0.1)

1 Restated for prior period restatements, see note 2 for further information.

29 Financial risk management objectives and policies

Financial risk factors and management

The Group is exposed to risks relating to fuel prices, foreign currency exchange rates, interest rates and the availability of funding at reasonable margins. The Group has in place a risk management programme that seeks to manage the impact of these risks on the financial performance of the Group by using financial instruments including borrowings, committed facilities and forward foreign exchange, fuel and interest rate derivatives.

The Board of Directors has delegated the responsibility for implementing the financial risk management policies laid down by the Board to the Group Chief Financial Officer and the Group Treasurer. The policies are implemented by the Group Treasury department with regular reporting to the Chief Financial Officer on its activities.

There have been no substantive changes in the Group's exposure to financial risks, its objectives, polices and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Foreign currency

The Group has major foreign operations in the USA, Europe and Morocco, and as a result is exposed to the movements in foreign currency exchange rates on the translation of these foreign currency denominated net assets.

The Group seeks to reduce this foreign currency exchange movement risk by using a combination of foreign currency borrowings and entering into derivative financial instruments, such as cross currency interest rate swaps and foreign exchange forward contracts.

The Group also uses foreign exchange forward contracts to hedge certain transactional exposures. These contracts are not hedge accounted and all gains and losses are taken directly to the Income Statement and be equally offset in the Income Statement by movement in the underlying transactional exposures.

At the period end, the Group had outstanding foreign exchange derivatives for net investment purposes of USD 290.0m (2024: foreign exchange derivatives for net investment purposes of USD 474.0m and CAD 46.0m). These foreign exchange forward contracts are derivative financial instruments designated as net investment hedges of foreign currency assets. Borrowings of EUR 740.0m (2024: EUR 740.0m) are also designated as a net investment hedge. The Group's internal policy is for levels of net investment hedges by currency to not exceed 80% of the underlying foreign currency net assets.

If there was a 10% movement in foreign currency exchange rates, the effect on the translation reserve from a movement in the translated value of the foreign currency denominated loans and change in fair value of the derivative contracts would be an exchange gain or loss of £14.7m (2024: £31.8m) relating to US Dollar, £77.8m (2024: £79.3m) relating to Euro, and £nil (2024: £1.1m) relating to Canadian Dollar. These movements would be partially offset by an opposite movement in the translated value of the related portion of the Group's overseas net investments.

Interest rate risk

The Group is exposed to movements in interest rates on both interest-bearing assets and liabilities. It is the Group's policy to maintain an appropriate balance between fixed and floating interest rates on borrowings in order to provide a level of certainty to interest expense in the short term and to reduce the period-on-period impact of interest rate fluctuations over the medium term. To achieve the desired fixed:floating ratio, the Group has previously entered into a series of interest rate swaps that had the effect of converting fixed rate debt to floating rate debt. These swaps matured in November 2025. As at 31 March 2026, the proportion of the Group's gross debt at floating rates was 13% (2024 restated: 20%).

During the period, inflation and fiscal policy have impacted the interest rate on the floating portion of debt. If the interest rates applicable to floating rate instruments, including assets and liabilities, were increased by 100 basis points, with all other variables held constant, it is estimated that the Group's profit before taxation would decrease by an immaterial amount (2024: £2.5m). The analysis assumes that the amount and mix of floating rate instruments, including finance leases, remains unchanged from that in place at 31 March 2026.

Commodity prices

The Group is exposed to movements in commodity prices as a result of its fuel usage. It is the Group's policy to hedge this exposure in order to provide a level of certainty as to its cost in the short term and to reduce the period-on-period impact of price fluctuations over the medium term. This is achieved by entering into fuel derivatives. At 31 March 2026, the Group had hedged around 100% of its remaining 2026 expected usage, around 60% of its 2027 expected usage and around 25% of its expected usage in 2028.

The effect on the hedging reserve arises through movements on the fair value of the Group's fuel derivatives. For these derivative contracts the sensitivity of the net fair value to an immediate 10% increase or decrease in all prices, with all other variables held constant, would have been a movement to the Group's hedging reserve of £2.8m relating to sterling dominated contracts, £nil relating to US Dollar dominated contracts and £7.7m relating to Euro dominated contracts, at 31 March 2026 (2024: £3.3m relating to sterling dominated contracts, £3.2m relating to US Dollar dominated contracts and £7.8m relating to Euro dominated contracts).

Credit risk

(i) Risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk is managed by a combination of Group Treasury and divisional management, and arises from cash and cash equivalents, derivative financial instruments and credit exposures to amounts due from outstanding receivables and committed transactions.
The maximum credit risk exposure of the Group is the net carrying value of each of its financial assets, which are shown within the classification of financial instruments table in note 30.

29 Financial risk management objectives and policies continued

Credit risk is primarily attributable to trade and other receivables and is mitigated by a number of factors. Many of the Group's principal customers, suppliers and financial institutions with which it conducts business are local public (or quasi-public) bodies, including municipal authorities in Spain and Morocco, West Midlands Combined Authority in the UK, and regional authorities in Germany. The Group does not consider these counterparties to pose a significant credit risk, particularly as even in the event of financial or liquidity issues suffered by public bodies, the nature of the services provided by the Group are very likely to be classified as essential or priority and therefore we would still anticipate settlement of any amounts owed. Outside of this, the Group does not consider it has significant concentrations of credit risk. The Group continues to monitor the economic environment and has taken actions to limit its exposure to customers that are severely impacted. As a minimum, the Group has implemented policies that require appropriate credit checks on potential customers before sales commence.

Net cash and cash equivalents and derivative financial instruments are held with counterparties with a minimum of BBB- credit rating assigned by international credit rating agencies. The Group Treasury Committee continually assesses the credit risk of each counterparty, including monitoring credit ratings and tier 1 capital of each counterparty. Additionally, Group policy sets limits on counterparty exposure according to credit ratings.

(ii) Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses for all trade receivables (including grant receivables and related party receivables, which are deemed similar in nature to trade receivables), and contract assets at each reporting date. Provision matrices are used to measure expected losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns, such as geographical region, service type, and customer type and rating. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The characteristics used to determine the groupings of customer segments are those that have the greatest impact on the likelihood of default. Given the diversity of characteristics of different customer segments, the Group applies different definitions of default for different groups of customers. The risk of default increases once the receivable is past due and increases in 30 day increments. The majority of the Group's customers are governmental or similar bodies and hence there are not considered to be any issues with the recoverability of these receivables.

The table below shows the credit risk exposure on the Group's trade receivables (including grant receivables and related party receivables) and contract assets as at 31 March 2026:

		Days past due				
31 March 2026	**Carrying amount £m**	**Not yet due £m**	**Less than 30 days £m**	**Between 30 and 60 days £m**	**Between 61 and 90 days £m**	**Over 90 days £m**
Gross carrying amount – trade and grant receivables, related party receivables and contract assets (current and non-current)	**479.1**	**257.6**	**27.7**	**12.6**	**10.2**	**171.0**
Loss allowance	**(40.1)**	**(4.0)**	**(2.2)**	**(0.1)**	**(0.3)**	**(33.5)**
	439.0	**253.6**	**25.5**	**12.5**	**9.9**	**137.5**
Expected loss rate	**8.4%**	**1.6%**	**7.9%**	**0.8%**	**2.9%**	**19.6%**

		Days past due				
(Restated) 31 December 2024[1]	**Carrying amount £m**	**Not yet due £m**	**Less than 30 days £m**	**Between 30 and 60 days £m**	**Between 61 and 90 days £m**	**Over 90 days £m**
Gross carrying amount – trade and grant receivables, related party receivables and contract assets (current and non-current)	593.8	333.2	70.7	17.2	12.6	160.1
Loss allowance	(41.5)	(2.3)	(1.8)	(1.3)	(2.5)	(33.6)
	552.3	330.9	68.9	15.9	10.1	126.5
Expected loss rate	7.0%	0.7%	2.5%	7.6%	19.8%	21.0%

1 Restated for prior period restatements, see note 2 for further information.

Trade and grant receivables and contract assets over 90 days primarily comprises amounts due from public authorities in Alsa where amounts are settled on approval from the local governing bodies at the end of their financial year. A loss provision of £33.5m (2024: £33.6m) is in place against these receivables.

29 Financial risk management objectives and policies continued

The closing loss allowance for trade and grant receivables and contract assets as at 31 March 2026 reconciles to the opening loss allowance as follows:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
At the beginning of the period	**41.5**	41.5
Net increase in loss allowance recognised in Income Statement during the period	**0.5**	3.2
Utilised in the period	**(1.7)**	(1.7)
Acquisitions	**–**	0.3
Disposals	**(2.1)**	–
Exchange difference	**1.9**	(1.8)
At the end of the period	**40.1**	41.5

Trade and grant receivables and contract assets are written off when there is no reasonable expectation of recovery.

Impairment losses on trade and grant receivables and contract assets are presented as net impairment losses within operating profit or loss. Subsequent recoveries of amounts previously written off are credited against the same item.

Impairment provisions in respect of cash and cash equivalents, other receivables and finance lease receivables are also subject to the requirements of IFRS 9. As our cash and cash equivalents are held with counterparties with a minimum of BBB- credit rating, impairment loss was considered insignificant at the reporting date. Similarly, impairment loss in relation to other receivables and finance lease receivables was considered insignificant.

Liquidity risk

Liquidity risk is the risk that the Group, although solvent, will have difficulty in meeting its obligations associated with its financial liabilities as they fall due.

Funding for the Group is coordinated centrally by the treasury function and with the Group's forecast funding requirements and its debt facilities being reported to and monitored on an ongoing basis by the treasury function. The level of facilities is maintained such that facilities and term loans exceed the forecast peak gross debt of the Group over a rolling 12-month view with adequate headroom.

Short-term funding requirements are met through use of cash and cash equivalents and drawings under unsecured committed revolving credit facilities if required. Most of the Group's cash is held in the UK, the USA and Europe. In the UK the Group utilises a pooling arrangement with its main relationship bank to manage its cash on a net basis.

Included within cash and cash equivalents are certain amounts which are subject to contractual or regulatory restrictions, or withholding tax levied on repatriation of cash. These amounts held are not readily available for other purposes within the Group and total £0.8m (2024: £0.9m).

The Group currently has £600.0m of unsecured committed revolving credit facilities, of which £29.0m matures in 2028 and £571.0m matures in 2029. At 31 March 2026, there was £nil (2024: £nil) drawn-down on the facilities. The maximum draw down of the revolving credit facility during the period was £199.0m (2024: £195.0m).

The Group is subject to a number of financial covenants in relation to its syndicated credit facilities which, if contravened, could result in its borrowings under those facilities becoming immediately repayable. These covenants specify maximum Covenant net debt to Covenant EBITDA (being no greater than 3.5 times) and minimum Covenant EBITDA to Covenant Net Interest Expense (being at least 3.5 times). Both of these covenant tests were met at 30 June 2025, 31 December 2025 and 31 March 2026 testing periods.

Medium and long-term funding requirements are met through committed debt facilities as detailed in note 28.

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2026 based on the contractual undiscounted cash flows, including interest cash flows. As such, the amounts in this table will not agree to the carrying amounts disclosed in the Balance Sheet or other notes. The table includes cash flows associated with derivative hedging instruments. Their amounts reflect the maturity profile of the fair value liability where the instrument will be settled net, and the gross settlement amount where the pay leg of a derivative will be settled separately to the receive leg.

29 Financial risk management objectives and policies continued

31 March 2026	Carrying amounts £m	Contractual cash flows £m	< 1 year £m	1–2 years £m	2–3 years £m	3–5 years £m	> 5 years £m
Non-derivative financial liabilities							
Bank overdrafts	**(184.0)**	**(184.0)**	**(184.0)**	**–**	**–**	**–**	**–**
Bank loans	**(113.2)**	**(135.0)**	**(116.5)**	**(9.1)**	**(9.4)**	**–**	**–**
Bonds	**(681.3)**	**(827.6)**	**(30.4)**	**(30.4)**	**(277.1)**	**(42.6)**	**(447.1)**
Lease liabilities	**(195.4)**	**(225.9)**	**(58.4)**	**(45.8)**	**(36.0)**	**(36.8)**	**(48.9)**
Private placements	**(404.5)**	**(422.6)**	**(7.9)**	**(236.2)**	**(2.4)**	**(123.0)**	**(53.1)**
Trade and other payables[1]	**(841.5)**	**(841.5)**	**(698.8)**	**(142.7)**	**–**	**–**	**–**
	(2,419.9)	**(2,636.6)**	**(1,096.0)**	**(464.2)**	**(324.9)**	**(202.4)**	**(549.1)**
Derivative financial liabilities							
Foreign exchange derivatives	**(8.5)**	**(7.9)**	**(7.9)**	**–**	**–**	**–**	**–**
Cross currency swaps	**(3.9)**	**(4.6)**	**–**	**(4.6)**	**–**	**–**	**–**
Fuel derivatives	**(0.2)**	**–**	**–**	**–**	**–**	**–**	**–**
	(12.6)	**(12.5)**	**(7.9)**	**(4.6)**	**–**	**–**	**–**

1 Trade and other payables as stated in this table does not directly reconcile with the amounts shown in notes 24 and 25 as it excludes contract liabilities (except for those in relation to service concession arrangements), other tax and social security, deferred expense-related grants and deferred fixed asset grants.

(Restated) 31 December 2024[2]	Carrying amounts £m	Contractual cash flows £m	< 1 year £m	1–2 years £m	2–3 years £m	3–5 years £m	> 5 years £m
Non-derivative financial liabilities							
Bank overdrafts	(41.4)	(41.4)	(41.4)	–	–	–	–
Bank loans	(180.2)	(181.5)	(106.2)	(26.8)	(24.8)	(22.5)	(1.2)
Bonds	(648.3)	(840.9)	(29.2)	(29.2)	(29.2)	(299.4)	(453.9)
Lease liabilities	(240.4)	(264.8)	(70.8)	(51.3)	(38.6)	(51.5)	(52.6)
Private placements	(396.5)	(424.3)	(7.8)	(7.8)	(239.0)	(4.5)	(165.2)
Trade and other payables[1]	(966.3)	(966.3)	(861.4)	(104.9)	–	–	–
	(2,473.1)	(2,719.2)	(1,116.8)	(220.0)	(331.6)	(377.9)	(672.9)
Derivative financial liabilities							
Foreign exchange derivatives	(26.8)	(26.8)	(26.8)	–	–	–	–
Interest rate derivatives	(9.9)	(10.4)	(10.4)	–	–	–	–
Cross currency swaps	(0.3)	(0.6)	–	–	(0.6)	–	–
Fuel derivatives	(11.1)	(11.5)	(8.2)	(3.0)	(0.3)	–	–
	(48.1)	(49.3)	(45.4)	(3.0)	(0.9)	–	–

1 Trade and other payables as stated in this table does not directly reconcile with the amounts shown in notes 24 and 25 as it excludes contract liabilities (except for those in relation to service concession arrangements), tax and social security, deferred expense related grants and deferred fixed asset grants.

2 Restated for prior period restatements, see note 2 for further information.

29 Financial risk management objectives and policies continued

Capital risk management

The objective of capital management is to ensure that the Group is able to continue as a going concern while delivering shareholder expectations of a strong capital base as well as returning benefits for other stakeholders.

The Group's capital structure consists of equity (refer to the Group Statement of Changes in Equity) and adjusted net debt (refer to note 37).

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's debt is monitored on the basis of a gearing ratio, being Covenant net debt divided by Covenant EBITDA, further details of which are provided in the Group Chief Financial Officer's review.

The Group also uses ROCE as a measure of its ability to drive better returns on the capital invested in the Group's operations, further details of which are provided in the Group Chief Financial Officer's review.

Fair values

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and include trade and other receivables and cash and cash equivalents. After initial fair value recognition, they are measured at amortised cost using the effective interest rate method. The fair value of these instruments approximates their carrying amounts, largely due to the short-term maturities.

The Group's derivatives are measured at fair value, categorised within Level 2 (i.e. the fair values are derived based on observable market inputs). The valuation of interest rate derivatives and fuel derivatives are based on the forward curve and discount curve, both calculated using sets of market data. The valuation of FX forward contracts is based on observable FX spot rates, FX forward rates, and the interest rate curve of the domestic currency. Cross currency swap derivatives are valued based on observable discount curve and spot rates to ascertain the net value of each leg of cash flows. All derivative valuations are adjusted as appropriate for Credit/Debit Valuation Adjustment (CVA/DVA) values which are independently calculated.

Financial assets at fair value through Other Comprehensive Income relates to the Group's non-listed equity investments and are categorised within Level 3 (values determined by reference to significant unobservable inputs). Refer to note 17 for further details on the valuation technique.

Financial liabilities at amortised cost are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market and include trade and other payables, bank loans, bank overdrafts, bonds, private placements and lease liabilities. After initial fair value recognition, they are measured at amortised cost using the effective interest rate method. The fair value of these instruments approximates their carrying amounts, largely due to the short-term maturities.

In August 2021, the Group entered into an interest rate derivative whereby a series of interest rate swaps equal in value to the £250.0m bond measured at amortised cost, were designated as a fair value hedge. Consequently, the carrying value of the bond was previously adjusted for changes in fair value attributable to the interest rate risk being hedged which is valued as per above interest rate derivatives. These swaps matured in November 2025. See note 28 for the fair value adjustment as at 31 December 2024; it was £nil at 31 March 2026.

Deferred contingent consideration is also valued at fair value, categorised within Level 3, further details of which can be found within note 19.

There have not been any transfers of assets or liabilities between levels of the fair value hierarchy and there are no non-recurring fair value movements.

29 Financial risk management objectives and policies continued

The following table illustrates the carrying values of all financial assets and liabilities held by the Group at the balance sheet date:

	Amortised cost		At fair value through Other Comprehensive Income		At fair value through profit or loss		Derivatives used for hedging	
Classification of financial instruments	31 March 2026 £m	(Restated) 31 December 2024[3] £m	31 March 2026 £m	31 December 2024 £m	31 March 2026 £m	31 December 2024 £m	31 March 2026 £m	31 December 2024 £m
Assets								
Investments	**–**	–	**8.6**	25.0	**–**	–	**–**	–
Fuel derivatives	**–**	–	**–**	–	**–**	–	**17.6**	1.7
Cross currency swaps	**–**	–	**–**	–	**–**	–	**0.3**	0.4
Foreign exchange derivatives	**–**	–	**–**	–	**3.1**	10.7	**–**	–
Cash and cash equivalents	**425.6**	244.5	**–**	–	**–**	–	**–**	–
Other debt receivables	**4.5**	2.7	**–**	–	**–**	–	**–**	–
Finance lease receivables	**17.8**	18.0	**–**	–	**–**	–	**–**	–
Trade and other receivables[1]	**382.3**	504.6	**–**	–	**–**	–	**–**	–
	830.2	769.8	**8.6**	25.0	**3.1**	10.7	**17.9**	2.1
Liabilities								
Bank overdrafts	**(184.0)**	(41.4)	**–**	–	**–**	–	**–**	–
Bank loans	**(113.2)**	(180.2)	**–**	–	**–**	–	**–**	–
Bonds	**(681.3)**	(648.3)	**–**	–	**–**	–	**–**	–
Lease liabilities	**(195.4)**	(240.4)	**–**	–	**–**	–	**–**	–
Private placements	**(404.5)**	(396.5)	**–**	–	**–**	–	**–**	–
Fuel derivatives	**–**	–	**–**	–	**–**	–	**(0.2)**	(11.1)
Interest rate derivatives	**–**	–	**–**	–	**–**	–	**–**	(9.9)
Cross currency swaps	**–**	–	**–**	–	**–**	–	**(3.9)**	(0.3)
Foreign exchange derivatives	**–**	–	**–**	–	**(4.2)**	(15.9)	**(4.3)**	(10.9)
Trade and other payables[2&3]	**(841.5)**	(965.6)	**–**	–	**–**	(0.7)	**–**	–
	(2,419.9)	(2,472.4)	**–**	–	**(4.2)**	(16.6)	**(8.4)**	(32.2)

1 Trade and other receivables as stated in this table does not directly reconcile with the amounts shown in notes 20 and 22 as it excludes contract assets (except for those in relation to service concession arrangements), and prepayments.

2 Trade and other payables as stated in this table does not directly reconcile with the amounts shown in notes 24 and 25 as it excludes contract liabilities (except for those in relation to service concession arrangements), other tax and social security, deferred expense related grants and deferred fixed asset grants.

3 Restated for prior period restatements, see note 2 for further information.

30 Derivative financial instruments

Derivative financial assets and liabilities on the balance sheet are as follows:

	31 March 2026 £m	31 December 2024 £m
Fuel derivatives	**4.4**	0.2
Non-current derivative financial assets	**4.4**	0.2
Fuel derivatives	**13.2**	1.5
Cross currency swaps	**0.3**	0.4
Foreign exchange derivatives	**3.1**	10.7
Current derivative financial assets	**16.6**	12.6
Fuel derivatives	**(0.2)**	(3.1)
Cross currency swaps	**(3.9)**	(0.3)
Non-current derivative financial liabilities	**(4.1)**	(3.4)
Fuel derivatives	**–**	(8.0)
Interest rate derivatives	**–**	(9.9)
Foreign exchange derivatives	**(8.5)**	(26.8)
Current derivative financial liabilities	**(8.5)**	(44.7)

The Group uses derivative financial instruments to manage exposures to market risk, such as movements in foreign exchange rates, fuel prices and interest rates. Such derivative financial instruments are initially recognised at fair value and are subsequently re-measured at fair value at the end of each reporting period. In line with IFRS 9, the Group classifies hedges as:

(i) fair value hedges used to hedge exposure to changes in the fair value of a recognised asset or liability; (ii) cash flow hedges used to hedge exposure to variability in cash flows associated with a recognised asset or liability or a highly probable forecast transaction; and (iii) hedges of a net investment in a foreign operation.

During the period, the Group applied cash flow hedge accounting to hedge fuel price risk and to hedge foreign currency risk on a US dollar denominated private placement. The Group applied net investment hedge accounting to hedge net investments in its North American and European foreign operations. The Group also applied fair value hedge accounting to hedge interest rate risk up until the maturity of fair value hedges in November 2025.

The Group also uses foreign exchange forward contracts to hedge certain transactional exposures. These contracts are not hedge accounted and all gains and losses are taken directly to the Income Statement.

A summary of the Group's hedging activities is as follows:

Cash flow hedges – fuel derivatives

During the period, £27.0m of fair value gains (2024: £2.2m of fair value gains) have been transferred to the cash flow hedge reserve due to movements in market fuel prices. A fair value loss of £5.8m (2024: £0.9m gain) has been transferred from the cash flow hedge reserve following settlement of fuel trades; this comprised a loss of £1.6m (2024: £nil) for which hedge accounting had previously been used, but for which the hedged future cash flows were no longer expected to occur, arising due to the disposal of the North America School Bus (NASB) business; and a loss of £4.2m (2024: £0.9m gain) that was transferred because the hedged item has affected profit or loss. No material ineffectiveness was recognised in relation to these hedges. Possible ineffectiveness may arise due to changes in the actual settlement date and/or settlement amount.

Fuel derivatives can be analysed as follows:

30 Derivative financial instruments continued

Hedge type	31 March 2026 Cash flow Hedge	31 December 2024 Cash flow Hedge
Risk	**Commodity price risk**	Commodity price risk
Nominal amount of hedging	**225.2m litres**	342.1m litres
Ageing of nominal amount:		
< 1 year	**118.4m litres**	203.8m litres
1-2 years	**76.1m litres**	110.1m litres
2-5 years	**30.8m litres**	28.2m litres
> 5 years	**–**	–
Average hedged rate	**£0.48/litre**	£0.49/litre
Maturity	**2026 – 2028**	2025 – 2027
Carrying amount of hedging instruments (£m)		
Assets – derivatives	**17.6**	1.7
Liabilities – derivatives	**(0.2)**	(11.1)
Changes in fair value of hedged item for calculating hedge effectiveness[1]	**27.0**	2.2
Changes in fair value of hedged instrument used for calculating hedge effectiveness[1]	**27.1**	2.0
Amounts accumulated in reserves	**(13.0)**	7.9

1 Inclusive of cash settlements for the period

Cash flow hedges – cross currency swaps

In June 2020, the Group entered into an $81.0m cross currency swap that pays fixed GBP interest semi-annually and receives fixed USD interest semi-annually. This is designated as a cash flow hedge of foreign currency risk with maturities matching an $81.0m private placement maturing in June 2027. During the period, a £3.5m change in fair value was recognised through the cash flow hedge reserve, and £3.5m was reclassified from the cash flow hedge reserve to the Income Statement. No material ineffectiveness was recognised during the period. Possible ineffectiveness may arise due to the movement in the Group's and the derivative counterparty's credit spread, resulting in fair value movements in the hedging instruments that are not reflected in the fair value movements in the hedged transaction; and also if there are any changes in the critical terms of the hedged transaction such that they no longer match those of the hedging instrument. The effects of the cash flow hedge are as follows:

Hedge type	31 March 2026 Cash flow Hedge	31 December 2024 Cash flow Hedge
Risk	**Foreign currency risk**	Foreign currency risk
Nominal amount of hedging	**USD 81m**	USD 81m
Ageing of nominal amount:		
< 1 year	**–**	–
1-2 years	**USD 81m**	–
2-5 years	**–**	USD 81m
> 5 years	**–**	–
Average hedged rate	**2.43%**	2.43%
Maturity	**2027**	2027
Carrying amount of hedging instruments (£m)		
Assets – derivatives	**0.3**	0.4
Liabilities – derivatives	**(3.9)**	(0.3)
Carrying amount of hedged item – borrowings (£m)	**(61.2)**	(64.7)
Changes in fair value of hedged item for calculating hedge effectiveness[1]	**(3.5)**	1.7
Changes in fair value of hedged instrument used for calculating hedge effectiveness[1]	**3.5**	(1.7)
Amounts accumulated in reserves	**(1.0)**	(1.2)

1 Inclusive of cash settlements for the period

30 Derivative financial instruments continued

Net investment hedges

At 31 March 2026, the Group had designated EUR 240.0m of private placements and EUR 500.0m of bonds as net investment hedges of the net assets of the Group's European subsidiaries. Similarly, USD 290.0m of foreign exchange forward contracts were designated as a hedge of the net assets of the Group's North America subsidiaries. No material ineffectiveness was recognised in relation to these hedges. Possible ineffectiveness may arise from movements in the Group's or derivative counterparty's credit spread resulting in fair value movements in the hedging instrument that are not reflected in the fair value movements of the hedged net investment. During the period, accumulated amounts in the net investment hedge reserve that pertained to the NASB business were recycled to the Income Statement on disposal of that business in July 2025; please refer to note 19 for further information.

Fair value hedges

In August 2021, the Group entered into a series of interest rate swaps equal in value to the £250.0m bond. These interest rate swaps all paid fixed interest annually and receive floating interest (GBP SONIA + margin) annually with cash settlements matching that of the £250.0m bond. They were designated as a fair value hedge of the interest rate risk on the £250.0m bond. These swaps were measured at fair value through profit and loss, with any gains and losses being taken immediately to the Income Statement to offset any fair value gains or losses due to changes in the risk-free rate on the £250.0m bond. The swaps matured in November 2025. During the period, a fair value gain of £8.7m (2024: fair value gain of £7.7m) was recognised in the Income Statement and was offset by a fair value loss of £8.7m (2024: £7.7m loss) on the underlying hedged item due to changes in the risk-free interest rate. No material ineffectiveness was recognised during the period. Possible ineffectiveness may arise due to the movement in the Group's and the derivative counterparty's credit spread, resulting in fair value movements in the hedging instruments that are not reflected in the fair value movements in the hedged transaction; and also if there are any changes in the critical terms of the hedged transaction such that they no longer match those of the hedging instrument.

Hedge type	31 March 2026 Net investment hedge	31 December 2024 Net investment hedge	31 March 2026 Fair value hedge	31 December 2024 Fair value hedge
Risk	**Foreign currency risk**	Foreign currency risk	**Interest rate risk**	Interest rate risk
Nominal amount of hedging		CAD 46.0m		
	USD 290.0m	USD 474.0m		
	EUR 740.0m	EUR 740.0m	**–**	GBP 250.0m
Ageing of nominal amount:				
		CAD 46.0m		
< 1 year	**USD 290.0m**	USD 474.0m	**–**	GBP 250.0m
1-2 years	**EUR 43.0m**	–	**–**	–
2-5 years	**EUR 137.0m**	EUR 43.0m	**–**	–
> 5 years	**EUR 560.0m**	EUR 697.0m	**–**	–
Average hedged rate	**–**	–	**–**	GBP SONIA + 1.98%
Maturity	**2026 – 2032**	2025 – 2032	**–**	2025
Carrying amount of hedging instruments (£m)				
Assets – derivatives	**–**	–	**–**	–
Liabilities – derivatives	**(4.3)**	(10.9)	**–**	(9.9)
Liabilities – borrowings[1]	**(646.4)**	(612.2)	**–**	–
Carrying amount of hedged item – borrowings (£m)	**–**	–	**–**	(239.7)
Changes in fair value of hedged item for calculating hedge effectiveness[2]	**12.7**	(8.3)	**(8.7)**	(7.7)
Changes in fair value of hedged instrument used for calculating hedge effectiveness[2]	**(12.7)**	8.3	**8.7**	7.7
Amounts accumulated in reserves	**(10.1)**	(37.6)	**–**	–
Accumulated fair value hedge adjustment on borrowings	**–**	–	**–**	8.7

1 Represents the carrying value of the €240.0m Euro-denominated private placements and the €500.0m Euro bond

2 Inclusive of cash settlements for the period

31 Share capital and reserves

Authorised, issued and fully paid:	No. of shares	31 March 2026 £m	No. of shares	31 December 2024 £m
At the beginning and end of the period	**614,086,377**	**30.7**	614,086,377	30.7

Each share has a par value of 5p.

The total number of share options exercised in the period was 5,790,141 (2024: 825,839) of which 5,080,181 (2024: 776,967) exercises were satisfied by transferring shares from the National Express Employee Benefit Trust.

Own shares (31 March 2026: (£2.5m), 31 December 2024: (£4.3m))

Own shares comprises 4,849,234 (2024: 3,742,873) ordinary shares in the Company that have been purchased by the trustees of the National Express Employee Benefit Trust (the Trust). During the period, the Trust purchased 6,186,542 (2024: 3,411,379 shares), and 5,080,181 (2024: 776,967) shares were used to satisfy options granted under a number of the Company's share schemes. Nil shares (2024: nil) were sold during the period to the open market.

Where the Trust purchases the Company's equity share capital the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

The market value of the shares held by the Trust at 31 March 2026 was £0.8m (2024: £3.0m). Dividends are payable on nil (2024: nil).

Hybrid reserves (31 March 2026: £498.8m, 31 December 2024: £513.0m)

The Group has in issue a Sterling denominated hybrid instrument of £500m, with an initial annual coupon rate of 4.25%. The contractual terms of the instrument allow the Group to defer coupon payments and the repayment of the principal indefinitely. However, any deferred payments must be made in the event of a dividend distribution. The instrument was issued in November 2020 and the terms also allow for the instrument to be redeemed at the option of the Group at five periods after issue (first call date) and 10 periods (second call date), and subsequently at each coupon date or in the event of highly specific circumstances (such as a change in IFRS or change of control). As the Group has the unconditional right to avoid transferring cash or another financial asset in relation to this instrument, it is classified within equity. The Group did not redeem the hybrid instrument at the first call date in November 2025. The annual coupon rate was fixed for the first five years at 4.25%, and subsequently resets as per the specific terms of the issuance. The new coupon rate effective from February 2026 until the next coupon reset date is 8.14%.

Other reserves

	Capital redemption reserve £m	Merger reserve £m	Fair value reserve of financial assets at FVOCI £m	Cash flow hedge reserve £m	Cost of hedging reserve £m	Net investment hedge reserve £m	Translation reserve £m	Total £m
At 1 January 2025	**0.2**	**239.5**	**9.1**	**(4.9)**	**–**	**36.8**	**116.0**	**396.7**
Exchange differences on retranslation of foreign operations	**–**	**–**	**(0.4)**	**–**	**–**	**–**	**10.4**	**10.0**
Gains on financial assets classified as fair value through Other Comprehensive Income	**–**	**–**	**0.3**	**–**	**–**	**–**	**–**	**0.3**
Transfer on disposal of equity instruments at FVOCI to retained earnings	**–**	**–**	**(9.0)**	**–**	**–**	**–**	**–**	**(9.0)**
Gains/(losses) on hedges	**–**	**–**	**–**	**16.8**	**–**	**(21.6)**	**–**	**(4.8)**
Hedging losses/(gains) reclassified to Income Statement	**–**	**–**	**–**	**3.2**	**(0.1)**	**–**	**–**	**3.1**
Hedging gains and losses and costs of hedging transferred to the cost of inventory	**–**	**–**	**–**	**5.8**	**–**	**–**	**–**	**5.8**
Cost of hedging	**–**	**–**	**–**	**–**	**0.1**	**–**	**–**	**0.1**
Deferred tax	**–**	**–**	**–**	**(7.2)**	**–**	**–**	**–**	**(7.2)**
Net investment hedges recycled to the income statement on disposal of subsidiary	**–**	**–**	**–**	**–**	**–**	**(1.8)**	**–**	**(1.8)**
Foreign exchange reclassified to income statement on disposal of subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**(87.3)**	**(87.3)**
At 31 March 2026	**0.2**	**239.5**	**–**	**13.7**	**–**	**13.4**	**39.1**	**305.9**

31 Share capital and reserves continued

The nature and purpose of the other reserves are as follows:

- The merger reserve included the premium on shares issued to satisfy the purchase of Prism Rail PLC in 2000 and the share issue during 2020.
- The fair value reserve is for fair value movements on financial assets that are classified as fair value through Other Comprehensive Income.
- The cash flow hedge reserve and net investment hedge reserve records the movements on designated hedging instruments, offset by any movements recognised in equity on underlying hedged items.
- The cost of hedging reserve records the movements in the currency basis, which are excluded from the hedging instrument on the designated hedging instruments in the cash flow and net investment hedge reserves.
- The translation reserve records exchange differences arising from the translation of the accounts of foreign currency denominated subsidiaries offset by the movements on loans and derivatives used to hedge the net investment in foreign subsidiaries and cost of hedging.

	Capital redemption reserve £m	Merger reserve £m	Fair value reserve of financial assets at FVOCI £m	Cash flow hedge reserve £m	Cost of hedging reserve £m	Net investment hedge reserve £m	Translation Reserve £m	Total £m
At 1 January 2024	0.2	239.5	–	(5.6)	(0.1)	16.0	147.6	397.6
Exchange differences on retranslation of foreign operations	–	–	–	–	–	–	(31.6)	(31.6)
Gains on financial assets classified as fair value through Other Comprehensive Income	–	–	9.1	–	–	–	–	9.1
(Losses)/gains on hedges	–	–	–	3.8	–	21.3	–	25.1
Hedging gains reclassified to Income Statement	–	–	–	(1.5)	(0.1)	–	–	(1.6)
Hedging gains and losses and costs of hedging transferred to the cost of inventory	–	–	–	(0.9)	–	–	–	(0.9)
Cost of hedging	–	–	–	–	0.2	–	–	0.2
Deferred tax	–	–	–	(0.7)	–	(0.5)	–	(1.2)
At 31 December 2024	0.2	239.5	9.1	(4.9)	–	36.8	116.0	396.7

32 Pensions and other post-employment benefits

(a) Summary of pension benefits and assumptions

The UK Bus division (UK Bus) operates a defined benefit pension scheme; the West Midlands Integrated Transport Authority Pension Fund.

The Company has in the past operated a defined benefit scheme. On 23 September 2021, a full buy-out of the defined benefit section was completed, following which Rothesay Life has become fully and directly responsible for the pension obligations. On completion of the buy-out, the defined benefit assets (comprising the Rothesay Life insurance policy) and matching defined benefit liabilities were derecognised from the Group's Balance Sheet. The buy-out transaction also triggered the return of surplus assets to the Company totalling £7.5m, with the remaining assets retained in the scheme to cover final expenses in completing its wind-up.

The Group also maintains a small defined benefit scheme for National Express Services Limited. This is shown within the 'Other' category. The prior period 'Other' category also included certain additional unfunded post-employment benefits to employees in North America School Bus (NASB).

During the period, the UK Bus division agreed a new three-year annual deficit plan with the trustees of the West Midlands Integrated Transport Authority Pension Fund, for the three years from 1 April 2026 with an average contribution of £19.6m per annum. The plan remains open to accrual for existing members only.

The assets of the defined benefit schemes are held separately from those of the Group and contributions to the schemes are determined by independent professionally qualified actuaries.

The Group has previously considered the impact of IFRIC 14 and subsequently determined that the Group does not have an unconditional right to a refund of surplus, and furthermore no scope to recognise surplus through a reduction in future contributions; therefore the IFRIC 14 requirements regarding consideration of minimum funding commitments applies. As a consequence, the net pension liability increased significantly in the period to the net present value of the new future deficit contributions, resulting in a restriction due to the asset ceiling of £43.6m being applied (2024: £4.2m), and a closing net pension liability for the UK Bus scheme of £53.3m (2024: £11.3m).

32 Pensions and other post-employment benefits continued

The Group expects to contribute £10.6m into its defined benefit pension plans in 2026.

UK Bus, UK Coach, the Company, Alsa and WeDriveU also operate or contribute into a number of defined contribution schemes.

The total pension cost charged to adjusted operating profit in the period for the Group was £10.8m (2024 restated: £9.1m), of which £9.5m (2024: £7.8m) relates to the defined contribution schemes.

The defined benefit pension (liability)/asset included in the Balance Sheet is as follows:

	31 March 2026 £m	31 December 2024 £m
Other	**0.1**	0.1
Pension assets	**0.1**	0.1
UK Bus	**(53.3)**	(11.3)
Other	**–**	(0.3)
Pension liabilities	**(53.3)**	(11.6)
Total	**(53.2)**	(11.5)

Through its defined benefit plans, the Group is exposed to a number of risks. As the only material scheme remaining in the Group, the risks, as detailed below, only relate to the UK Bus scheme.

Investment risk
The present values of scheme liabilities are calculated using a discount rate set with reference to corporate bond yields; if the return on scheme assets is below this yield, it will create a deficit. The UK Bus scheme holds a significant proportion of return-seeking assets (equities and diversified growth funds) which, though expected to outperform corporate bonds in the long term, create volatility and risk in the short term.

Interest risk
A decrease in bond interest rates will increase scheme liabilities but this is likely to be partially offset by an increase in the value of the scheme assets.

Inflation risk
A significant proportion of the schemes' obligations are linked to inflation, and higher inflation will lead to higher liabilities. The UK Bus scheme holds a small proportion of index-linked bonds which will help to protect against this risk.

Longevity risk
The majority of the obligations are to provide benefits for the life of the members, so increases in life expectancy will result in an increase in the liabilities. The UK Bus scheme includes a buy-in policy covering part of the pensioner members' liabilities, which partly helps to mitigate longevity risk.

Legislative risk
Future legislative changes are uncertain. In the past these have led to both increases in obligations, for example, reduced investment return through the ability to reclaim advance corporation tax, and decreases in obligations, for example, through the ability to use consumer price index (CPI) inflation instead of retail price index (RPI) to set pension increase rates. For the UK Bus scheme the Group receives professional advice on the impact of legislative changes.

The valuations conducted for financial reporting purposes are based on the triennial actuarial valuations. West Midlands Travel Limited participates in the Local Government Pension Scheme (LGPS). During the period a triennial actuarial valuation of the Scheme was completed with an effective date of 31 March 2025. This is an independent valuation completed by a Scheme Actuary and West Midlands Travel Limited was assessed to be in deficit by £63m. Contributions towards the deficit continue to be paid and amounts of £18.9m, £19.6m and £20.4m have been agreed for the 3 years from 1 April 2026.

A summary of the latest triennial actuarial valuation for the UK Bus scheme, and assumptions made, are as follows:

Date of actuarial valuation	UK Bus 31 March 2025
Rate of investment returns per annum[1]	5.0%
Increase in earnings per annum[1]	3.2%
Scheme assets taken at market value	£336m
Funding level	84%

1 Assumption set using a direction dependent curve. Figures quoted are approximate single-equivalent rates.

32 Pensions and other post-employment benefits continued

The most recent triennial valuations are then updated by independent professionally qualified actuaries for financial reporting purposes, in accordance with IAS 19. The assumptions for the UK Bus scheme are listed below:

	UK Bus 31 March 2026	UK Bus 31 December 2024
Rate of increase in salaries	**2.5%**	2.5%
Rate of increase of pensions in payment	**2.9%**	2.6%
Discount rate	**6.0%**	5.4%
Inflation assumption (RPI)	**3.3%**	3.1%
Inflation assumption (CPI)	**2.9%**	2.6%
Post-retirement mortality in periods:		
Current pensioners at 65 – male	**19.5**	18.7
Future pensioners at 65 – male	**20.7**	19.7
Current pensioners at 65 – female	**22.3**	21.7
Future pensioners at 65 – female	**25.0**	24.1

The Directors regard the assumptions around pensions in payment, discount rate, inflation and mortality to be the key assumptions in the IAS 19 valuation. The following table provides an approximate sensitivity analysis of a reasonably possible change to these assumptions:

(Increase)/decrease in the defined benefit obligation	UK Bus 31 March 2026 £m	UK Bus 31 December 2024 £m
Effect of a 0.5% increase in pensions in payment	**(10.2)**	(11.8)
Effect of a 0.5% decrease in the discount rate	**(15.6)**	(18.7)
Effect of a 0.5% increase in inflation	**(11.1)**	(13.1)
Effect of a 1-year increase in mortality rates	**(11.6)**	(11.0)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. Aside from the matching insurance contracts held in the UK Bus scheme, no allowance has been made for any change in assets that might arise under any of the scenarios set out above.

Scheme assets are stated at their market values at the respective balance sheet dates. Annuity policies have been valued at the level of the corresponding defined benefit obligation.

(b) Financial results for pension benefits

The amounts charged to the Group Income Statement and Group Statement of Comprehensive Income for the 15-month period ending 31 March 2026 and the 12-month period ending 31 December 2024 respectively are set out in the following tables:

Group Income Statement	UK Bus 15-months ending 31 March 2026 £m	Other 15-months ending 31 March 2026 £m	Total 15-months ending 31 March 2026 £m
Amounts charged:			
Current service cost	**(1.2)**	**–**	**(1.2)**
Net interest expense	**(0.2)**	**–**	**(0.2)**
Total charge to Income Statement	**(1.4)**	**–**	**(1.4)**

32 Pensions and other post-employment benefits continued

In addition, during the period £0.1m (2024: £0.1m) of administrative expenses were incurred. The net interest expense has been included within finance costs (see note 10).

Group Statement of Comprehensive Income	UK Bus 15-months ending 31 March 2026 £m	Other 15-months ending 31 March 2026 £m	Total 15-months ending 31 March 2026 £m
Actuarial (loss)/gain during the period from obligations	**(15.2)**	**0.1**	**(15.1)**
Return on plan assets in excess of the discount rate	**(0.1)**	**(0.1)**	**(0.2)**
Change in the asset ceiling excluding interest	**(39.2)**	**–**	**(39.2)**
Net actuarial loss	**(54.5)**	**–**	**(54.5)**

Group Income Statement	UK Bus 12-months ending 31 December 2024 £m	Other 12-months ending 31 December 2024 £m	Total 12-months ending 31 December 2024 £m
Amounts charged:			
Current service cost	(1.6)	–	(1.6)
Net interest expense	(1.1)	(0.1)	(1.2)
Total charge to Income Statement	(2.7)	(0.1)	(2.8)

Group Statement of Comprehensive Income	UK Bus 12-months ending 31 December 2024 £m	Other 12-months ending 31 December 2024 £m	Total 12-months ending 31 December 2024 £m
Actuarial gain during the period from obligations	30.4	0.3	30.7
Return on plan assets in excess of the discount rate	(14.9)	(0.4)	(15.3)
Change in the asset ceiling excluding interest	(4.2)	–	(4.2)
Net actuarial gain/(loss)	11.3	(0.1)	11.2

The amounts were recognised in the Balance Sheet as at 31 March 2026 and 31 December 2024 respectively are as follows:

As at 31 March 2026	UK Bus £m	Other £m	Total £m
Equities	**39.9**	**0.9**	**40.8**
Bonds and multi-asset credit	**38.6**	**1.7**	**40.3**
Insurance policy	**90.1**	**–**	**90.1**
Diversified growth fund	**101.7**	**–**	**101.7**
Liability-driven investment	**58.5**	**–**	**58.5**
Other	**3.6**	**0.1**	**3.7**
Fair value of scheme assets	**332.4**	**2.7**	**335.1**
Present value of liabilities and defined benefit obligation	**(342.1)**	**(2.6)**	**(344.7)**
Effect of the asset ceiling	**(43.6)**	**–**	**(43.6)**
Defined benefit pension (deficit)/asset	**(53.3)**	**0.1**	**(53.2)**

None of the pension arrangements directly invest in any of the Group's own financial instruments nor any property occupied by, or other assets used by the Group. The majority of the benefits within the plans are covered by insurance contracts. The insurance assets have been valued so as to match the defined benefit obligations. The fair value of the remaining equity and debt instruments have primarily been determined based on quoted prices in active markets.

32 Pensions and other post-employment benefits continued

As at 31 December 2024	UK Bus £m	Other £m	Total £m
Equities	35.2	1.1	36.3
Bonds and multi-asset credit	40.9	1.5	42.4
Insurance policy	98.5	–	98.5
Diversified growth fund	96.6	–	96.6
Liability-driven investment	59.3	–	59.3
Other	5.3	–	5.3
Fair value of scheme assets	335.8	2.6	338.4
Present value of liabilities and defined benefit obligation	(342.9)	(2.9)	(345.8)
Effect of the asset ceiling	(4.2)	–	(4.2)
Defined benefit pension deficit	(11.3)	(0.3)	(11.6)

The movement in the present value of the defined benefit obligation in the period is as stated below.

The Group's defined benefit obligation comprises £344.7m (2024: £345.5m) arising from plans that are wholly or partly funded and £nil (2024: £0.3m) from unfunded plans.

The movement in the defined benefit obligations is as follows:

	UK Bus £m	Other £m	Total £m
Defined benefit obligation at 1 January 2025	**(342.9)**	**(2.9)**	**(345.8)**
Current service cost	**(1.2)**	**–**	**(1.2)**
Benefits paid	**39.4**	**0.4**	**39.8**
Contributions by employees	**(0.5)**	**–**	**(0.5)**
Finance charge	**(21.7)**	**(0.2)**	**(21.9)**
Actuarial gain from changes in financial assumptions	**10.6**	**0.1**	**10.7**
Actuarial gain arising from changes in demographics	**8.4**	**–**	**8.4**
Actuarial loss arising from experience adjustments	**(34.2)**	**–**	**(34.2)**
Defined benefit obligation at 31 March 2026	**(342.1)**	**(2.6)**	**(344.7)**

	UK Bus £m	Other £m	Total £m
Defined benefit obligation at 1 January 2024	(383.9)	(5.6)	(389.5)
Current service cost	(1.6)	–	(1.6)
Benefits paid	29.3	2.6	31.9
Contributions by employees	(0.5)	–	(0.5)
Finance charge	(16.6)	(0.2)	(16.8)
Actuarial gain from changes in financial assumptions	30.1	0.3	30.4
Actuarial loss arising from changes in demographics	(1.6)	–	(1.6)
Actuarial gain arising from experience adjustments	1.9	–	1.9
Defined benefit obligation at 31 December 2024	(342.9)	(2.9)	(345.8)

32 Pensions and other post-employment benefits continued

The movement in the fair value of scheme assets is as follows:

	UK Bus £m	Other £m	Total £m
Fair value of scheme assets at 1 January 2025	**335.8**	**2.6**	**338.4**
Interest income	**21.7**	**0.2**	**21.9**
Return on plan assets in excess of the discount rate	**(0.1)**	**(0.1)**	**(0.2)**
Cash contributions – employer	**14.0**	**–**	**14.0**
Administrative expenses	**(0.1)**	**–**	**(0.1)**
Cash contributions – employee	**0.5**	**–**	**0.5**
Benefits paid	**(39.4)**	**–**	**(39.4)**
Fair value of scheme assets at 31 March 2026	**332.4**	**2.7**	**335.1**

	UK Bus £m	Other £m	Total £m
Fair value of scheme assets at 1 January 2024	353.9	3.0	356.9
Interest income	15.5	0.1	15.6
Return on plan assets in excess of the discount rate	(14.9)	(0.4)	(15.3)
Cash contributions – employer	10.1	–	10.1
Administrative expenses	(0.1)	–	(0.1)
Cash contributions – employee	0.5	–	0.5
Benefits paid	(29.2)	(0.1)	(29.3)
Fair value of scheme assets at 31 December 2024	335.8	2.6	338.4

The change in the impact of asset ceiling is as follows:

	UK Bus £m	Other £m	Total £m
Restriction due to asset ceiling at 1 January 2025	**(4.2)**	**–**	**(4.2)**
Interest on the asset ceiling	**(0.2)**	**–**	**(0.2)**
Change in the asset ceiling excluding interest	**(39.2)**	**–**	**(39.2)**
Restriction due to asset ceiling at 31 March 2026	**(43.6)**	**–**	**(43.6)**

32 Pensions and other post-employment benefits continued

	UK Bus £m	Other £m	Total £m
Restriction due to asset ceiling at 1 January 2024	–	–	–
Interest on the asset ceiling	–	–	–
Change in the asset ceiling excluding interest	(4.2)	–	(4.2)
Restriction due to asset ceiling at 31 December 2024	(4.2)	–	(4.2)

History of experience gains and losses:	31 March 2026 £m	31 December 2024 £m	31 December 2023 £m	31 December 2022 £m	31 December 2021 £m
UK Bus					
Fair value of scheme assets	**332.4**	335.8	353.9	347.1	479.7
Present value of defined benefit obligation	**(342.1)**	(342.9)	(383.9)	(386.8)	(575.8)
Effect of the asset ceiling	**(43.6)**	(4.2)	–	–	–
Deficit in the scheme	**(53.3)**	(11.3)	(30.0)	(39.7)	(96.1)
Experience adjustments arising on liabilities	**(34.2)**	1.9	(3.9)	(36.4)	(3.0)
Experience adjustments arising on assets	**(0.1)**	(14.9)	6.7	(125.1)	15.8
Company					
Fair value of scheme assets	**–**	–	–	–	3.8
Present value of defined benefit obligation	**–**	–	–	–	–
Surplus in the scheme	**–**	–	–	–	3.8
Experience adjustments arising on liabilities	**–**	–	–	–	–
Experience adjustments arising on assets	**–**	–	–	–	(7.6)
Other					
Fair value of scheme assets	**2.7**	2.6	3.0	3.2	3.6
Present value of defined benefit obligation	**(2.6)**	(2.9)	(5.6)	(5.6)	(6.7)
Surplus/(deficit) in the scheme	**0.1**	(0.3)	(2.6)	(2.4)	(3.1)
Experience adjustments arising on liabilities	**–**	–	0.1	(0.4)	–
Experience adjustments arising on assets	**(0.1)**	(0.4)	(0.3)	(0.4)	0.5

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income since 1 January 2004 is a £123.5m loss (2024: £69.0m loss). The Directors are unable to determine how much of the pension scheme deficit recognised on transition to IFRS and taken directly to equity of £51.9m is attributable to actuarial gains and losses since inception of those pension schemes. Consequently, the Directors are unable to determine the amount of actuarial gains and losses that would have been recognised in the Statement of Comprehensive Income before 1 January 2004.

33 Leases

Group as a lessee

The Group has lease contracts for various items of property, vehicles, plant and other equipment. Lease terms are negotiated on an individual basis, contain a wide range of different terms and conditions, and may include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group's obligations under its leases are secured by the lessor's title to the leased assets.

(a) Amounts recognised in the Balance Sheet

Set out below is the net book value of right-of-use assets and additions during the period (included in property, plant and equipment – note 15):

	31 March 2026				(Restated) 31 December 2024[1]			
Right-of-use assets	**Land and buildings £m**	**Public service vehicles £m**	**Plant and equipment, fixtures and fittings £m**	**Total £m**	**Land and buildings £m**	**Public service vehicles £m**	**Plant and equipment, fixtures and fittings £m**	**Total £m**
Additions	**33.4**	**10.1**	**–**	**43.5**	51.2	11.8	0.1	63.1
Depreciation charge	**(33.9)**	**(24.9)**	**(0.1)**	**(58.9)**	(37.1)	(24.6)	(0.1)	(61.8)
Net book value	**89.9**	**68.6**	**–**	**158.5**	119.5	89.7	0.1	209.3

1 Restated for prior period restatements, see note 2 for further information.

Set out below are the carrying amounts of lease liabilities (included in borrowings – note 28) at 31 March 2026:

Lease liabilities	**31 March 2026 £m**	**(Restated) 31 December 2024[1] £m**
Current	**50.7**	63.0
Non-current	**144.7**	177.4
	195.4	240.4

1 Restated for prior period restatements, see note 2 for further information.

The maturity analysis of lease liabilities is presented in note 28.

(b) Charges recognised in the Income Statement

	15-months ending 31 March 2026 £m	**(Restated) 12-months ending 31 December 2024[1] £m**
Depreciation expense on right-of-use assets (note 6)	**58.8**	44.8
Gain on sale and leaseback (note 6)	**(4.5)**	(4.5)
Interest on lease liabilities (note 10)	**11.8**	10.4
Expenses relating to short-term leases (note 6)	**26.2**	14.5
Variable lease payments not included in the measurement of lease liabilities (note 6)	**3.5**	0.7

1 The results for the year to 31 December 2024 have been restated for prior period restatements and to represent prior periods for discontinued operations, see notes 2 & 19 respectively for further information.

It is not expected that commitments for short-term leases will materially differ from those in place at 31 March 2026.

33 Leases continued

(c) Amounts recognised in the Cash Flow Statement

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m	Included within
Payment of interest (note 10)	**(11.8)**	(10.4)	Cash flows from operating activities
Payment of principal	**(73.8)**	(74.3)	Cash flows from financing activities
Payments for short-term, low-value leases and variable leases (note 6)	**(29.7)**	(15.2)	Cash generated from operations
Total cash outflow for leases	**(115.3)**	(99.9)	

2 The results for the year to 31 December 2024 have been restated for prior period restatements and to represent prior periods for discontinued operations, see notes 2 & 19 respectively for further information.

(d) Extension and termination options

Some property and vehicle leases contain extension or termination options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension or termination options in new leases to provide operational flexibility. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension or termination options and reassesses these assumptions when there is a significant event or significant change in circumstances within its control. Where the Group determines it is reasonably certain that a termination option will be exercised, any termination penalty is included in the lease liability.

The Group has estimated that the potential future lease payments, should it exercise the extension or termination options, would result in an immaterial change in the lease liability.

(e) Variable lease payments

The Group has a variable lease arrangement in respect of certain public service vehicles in WeDriveU. The lease payments are fully variable based on miles driven, and there is no minimum mileage or fixed payment within the contract. Given the lease payments are fully variable, no lease liability has been recognised in the Balance Sheet. Instead, the variable lease payments are included in the Income Statement as incurred. The annual Income Statement expense in relation to these vehicles is currently c.£3m. The arrangements expire between 2028 and 2034.

(f) Residual value guarantees

The Group has a number of leased vehicles with residual value guarantees. At the lease commencement date the amounts expected to be payable have been included in the lease liability.

(g) Future lease commitments

At the period end, the Group had no commitments relating to leases not yet commenced (2024: no commitments relating to leases not yet commenced).

(h) Off-balance sheet arrangements

The below sets out the required disclosures under s.410(a) Companies Act 2006 regarding off-balance sheet arrangements where the risks or benefits arising from such arrangements are material.

The Group, in the UK Bus division, is party to vehicle availability agreement contracts which are not recognised within the statement of financial position. These arrangements are entered into in the ordinary course of business to support the Company's operations and financing strategy.

Nature and business purpose

The Group is party to multi-year availability agreement contracts for the provision of electric buses in the UK Bus division from a single service provider. The agreements include a substitution clause whereby the service providers make available to us a set number of vehicles each day from their wider pool of vehicles. In the Directors' view, the arrangement does not meet the definition of a lease. The service providers have control of the vehicles and have a substantive substitution right, having both the practical ability to substitute the vehicles and an economic incentive to do so. Consequently, no right-of-use asset or lease liability is recognised on the Balance Sheet, and payments under the agreements are charged to the Income Statement on a straight line basis. This is considered a key accounting judgement and explanation of the key judgements in making this determination are shown in note 2.

These arrangements enable the Group to secure operational capacity and manage capital expenditure requirements while maintaining flexibility in its asset base.

Financial impact of the arrangements

As noted above, payments under the agreements are charged to the Income Statement on a straight line basis. Payments in the 15-month period ending 31 March 2026 were £27.6m (2024: £12.0m).

33 Leases continued

The gross (undiscounted) minimum committed payments under these arrangements amount to £440.3m at 31 March 2026 (2024: £450.6m). This amounts to £291.3m at 31 March 2026 (2024: £285.0) on a discounted basis. The maturity analysis of the gross (undiscounted) amounts is shown below:

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Within one year	**25.2**	18.3
After one year but not more than five years	**119.9**	108.7
More than five years	**295.2**	323.6
	440.3	450.6

Risk exposure under the arrangements

The Group is exposed to the following risks arising from these arrangements:

- Liquidity risk: fixed contractual payment obligations over the term of the arrangements and future CPI-linked inflationary increases to payments;
- Utilisation risk: payments may be payable irrespective of actual usage; and
- Counterparty risk: dependence on the third-party service provider

Term and key conditions

The arrangements have a 16-year term from the point of vehicle delivery, and current arrangements therefore expire between 2037 and 2042; noting that the agreements are currently expected to novate to the local authority upon franchising being implemented in the West Midlands over the next few years. Payments are generally structured as fixed availability charges with a portion of the payments containing a future inflation uplift linked to CPI.

The arrangements also include certain renewal or extension options and termination clauses, which may give rise to additional obligations or penalties.

The UK Coach division delivers scheduled coach travel services through third party operators who provide coaches in addition to other resources required to run the services. There are a number of different contractual arrangements in place with the third-party operators, including arrangements which are indefinite, with no fixed expiry date, but with the ability for each party to terminate with 12 months' notice for no cost.

These arrangements would generally contain an embedded lease. However, in the Directors' view the ability of both parties to terminate for no cost with 12 months' notice means that the arrangements have a term of 12 months or less, and therefore, the Directors have determined that they are short-term leases which are exempt from the requirements under IFRS 16 to recognise a right of use asset and lease liability.

The forecast gross commitments under these arrangements over the next 12 months (being the minimum unilateral termination period) is £110.3m at 31 March 2026 (2024: £120.5m).

Group as a lessor

The Group has finance leasing arrangements as a lessor for certain vehicles to its customers. In addition, the Group sub-leases two properties which are no longer used by the Group. During the period, the Group recognised interest income on lease receivables of £1.2m (2024: £0.5m).

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

Net investment in the lease	31 March 2026 £m	31 December 2024 £m
Within one year	**4.9**	4.4
After one year but not more than five years	**11.8**	13.1
More than five years	**5.6**	7.6
Total undiscounted lease receivable	**22.3**	25.1
Unearned finance income	**(4.5)**	(7.1)
Finance lease receivable	**17.8**	18.0

33 Leases continued

(a) Amounts recognised in the Balance Sheet

The maturity analysis of the discounted lease payments are as follows:

Net investment in the lease	31 March 2026 £m	31 December 2024 £m
Current	**4.4**	3.2
Non-current	**13.4**	14.8
	17.8	18.0

The Group also sub-leases some of its property and public service vehicles. The Group has classified these sub-leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the right-of-use assets. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Operating lease receipts	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Within one year	**0.3**	2.0
After one year but not more than five years	**0.1**	0.4
More than five years	**–**	0.2
	0.4	2.6

(b) Credits recognised in the Income Statement

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Interest income on sub-leases (note 10)	**1.2**	0.5
Income from sub-leasing right-of-use assets (included in other revenue)	**2.4**	1.6

1 The results for the year to 31 December 2024 have been restated for prior period restatements and to represent prior periods for discontinued operations, see note 2 & 19 respectively for further information.

(c) Amounts recognised in the Cash Flow Statement

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m	Included within
Receipt of interest (note 10)	**1.2**	0.5	Cash flows from operating activities
Receipt of principal	**5.0**	3.8	Cash flows from investing activities
Receipt of operating lease income	**2.4**	5.5	Cash generated from operations
Total cash inflow for leases	**8.6**	9.8	

34 Commitments, contingencies and insurance contracts

(a) Capital commitments

	31 March 2026 £m	31 December 2024 £m
Contracted	**146.3**	**167.5**

The Group is committed to various vehicle purchases in WeDriveU and Alsa. Other commitments in relation to vehicle financing are described in note 33.

(b) Contingent liabilities

School Bus disposal

The original proceeds received on completion of the sale of the North America School Bus (NASB) business on 14 July 2025 were based on estimated completion accounts at the disposal date prepared by the Group. Following the disposal date, there is a customary post-close completion accounts mechanism whereby the buyer is entitled to submit any adjustments to the estimated completion accounts they believe are applicable. In October 2025, the Group received the buyer's completion statement submission which if partly or wholly was accepted by the Group would require cash reimbursement to the buyer. The submission is based on several areas where the purchaser believes the completion accounts differ from the estimated completion accounts, which were produced ahead of the transaction closing and used to calculate the cash proceeds originally received in July 2025. The Group does not agree with the buyer's position.

Following a detailed review of the submissions made by the buyer, the Group has made a provision on the balance sheet at 31 March 2026 which represents management's best estimate of the most likely outcome. The quantum of the provision made is not disclosed as it could be prejudicial to the outcome. It is noted however that the potential maximum amount payable is £34.9m, and therefore there is a potential further liability should the Group be partly or wholly unsuccessful in defending the claim beyond what has been provided. The outcome of this process, along with any cash outflow (if any) is expected to be resolved within the next 12-months.

UK Coach legal claim

In March 2026 a subsidiary of the Group in the UK Coach division received a Letter before Action from a vehicle supplier in relation to the supply of vehicles and undelivered orders. The total claim is for in excess of c.£22m. Based on legal advice, management have made a best estimate of the likely outcome and as a result the Group has made a total provision of c.£4m which incorporates legal costs related to the claim, provision for certain penalties associated with not meeting minimum vehicle order commitments that may become payable, and provision for certain amounts owed by the supplier to the Group which remained unpaid and in dispute as at the Balance Sheet date.

Legal

Through the ordinary course of our operations, the Group is party to various litigation, claims and investigations. We do not expect the ultimate resolution of any of these proceedings (whilst noting the two specific matters referred to above) to have a material adverse effect on the Group's results, cash flows or financial position. Where a balance sheet provision is required, the Group considers these to be reflective of the best estimate of future settlements and therefore do not expect material changes to provisions in the future; noting that the North America Claims Provision remains a key source of estimation uncertainty.

(c) Insurance contracts

In the ordinary course of business, the Group is required to issue counter-indemnities in support of its operations. These are valued as insurance contracts in scope of IFRS 17 Insurance Contracts.

As at 31 March 2026, the Group had performance bonds in respect of businesses in the USA of £6.1m (2024: £207.0m), in Spain of £115.5m (2024: £107.9m), in Germany of £57.5m (2024: £54.9m) and in the Middle East of £1.6m (2024: £6.4m). Letters of credit have been issued to support insurance retentions of £91.1m (2024: £162.5m).

The directors believe that the expected pay out of these contracts is £nil (2024: £nil) and the insurance liability recorded in the Financial Statements at the end of the period is £nil (2024: £nil).

35 Related party transactions

The following transactions took place with related parties during the current and prior periods:

	Amounts of transactions		Amounts due from related parties		Amounts due to related parties	
	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m	31 March 2026 £m	31 December 2024 £m	31 March 2026 £m	31 December 2024 £m
Joint ventures and associates						
Bahrain Public Transport Company W.L.L.	**1.0**	0.4	**0.3**	0.2	**–**	–
Alsa associates	**5.7**	4.9	**2.5**	3.0	**(0.4)**	(0.5)
North America associates	**–**	0.2	**–**	–	**–**	–
Total joint ventures and associates	**6.7**	5.5	**2.8**	3.2	**(0.4)**	(0.5)
Trade investments						
Alsa trade investments	**14.4**	9.1	**4.1**	0.9	**(2.2)**	(1.1)
Total investments	**14.4**	9.1	**4.1**	0.9	**(2.2)**	(1.1)
Significant shareholders						
Alsa transactions with significant shareholders	**9.9**	12.7	**0.8**	0.5	**(0.2)**	(4.3)
Total significant shareholders	**9.9**	12.7	**0.8**	0.5	**(0.2)**	(4.3)
Total other related parties	**24.3**	21.8	**4.9**	1.4	**(2.4)**	(5.4)
Total	**31.0**	27.3	**7.7**	4.6	**(2.8)**	(5.9)

The Group has transactions with related parties that are carried out in the normal course of business, which include leasing of properties, vehicles, and recharges of costs incurred. All such transactions are carried out on an arm's length basis, with leasing costs at appropriate market rates.

The provision for doubtful debts related to the above balances due at 31 March 2026 was £nil (2024: £nil), and the expense recognised in the period in respect of bad or doubtful debts due from related parties was £nil (2024: £nil).

Significant shareholders

Significant shareholders are those parties who have the power to participate in the financial and operating policy decisions of the Group as a result of their shareholdings in the Group, but who do not have control over these policies. At 31 March 2026 the only significant shareholder of the Group was the Cosmen family.

Included within Alsa trade investments in the period was £3.1m (2024: £2.4m) of royalty payments made to Estacion De Autobuses De Oviedo, S.A., an entity controlled by the Cosmen family, for the use of a bus station in Oviedo, Spain.

Included within the Alsa transactions with significant shareholders in the prior period was £3.5m commission payable to the Cosmen family upon sale of a property; which related to an agreement made at the time of the original Alsa acquisition in 2005.

The details of the post-employment benefit plans operated for the benefit of employees of the Group are disclosed in note 32.

Compensation of key management personnel of the Group

The Group has determined key management personnel to constitute the Executive Directors and all other Board members of the parent entity. Further details on key management personnel compensation are disclosed in the audited sections of the Directors' Remuneration Report.

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Short-term benefits	**3.2**	1.5
Share-based payment	**–**	0.1
	3.2	1.6

36 Service concession arrangements

The following table sets out the nature and extent of the Group's service concession arrangements:

Concession	Description of the arrangement	Concession period	Concession commencement	Nature of infrastructure	Classification under IFRIC 12
Moroccan Urban Bus	The Group has two contracts with the Moroccan authority for the operation of public transport bus services.	15 years	September 2019	Public service vehicles used in the operation are provided by the Group, some of which are subject to 'lease type' arrangements.	Intangible asset
		Up to 15 years	November 2019	Initially, public service vehicles used in operation are provided by the public authority. Replacement public service vehicles will be provided by the Group and public authority in future periods.	Financial asset
Spanish Regional Bus	The Group has contracts with the Provincial Government of Bizkaia to operate regional services.	10 years	July 2021	Public service vehicles used in the operation are provided by the Group.	Financial asset
		14 years	December 2014	Public service vehicles used in the operation are provided by the Group.	Financial asset
		14 years	December 2014	Public service vehicles used in the operation are provided by the Group.	Financial asset
		2 years	March 2025	Public service vehicles used in the operation are provided by the Group.	Intangible asset
		10 years	April 2026	Public service vehicles used in the operation are provided by the Group.	Intangible asset
Spanish Urban Bus	The Group has contracts with Spanish Councils to operate urban commuter bus services in Spain.	10 years	November 2024	Public service vehicles used in the operation are provided by the Group.	Financial asset
		Rolling contract	August 2019	Public service vehicles used in the operation are provided by the Group.	Financial and intangible asset
		Rolling contract	June 2021	Public service vehicles used in the operation are provided by the Group.	Financial asset
		No end date	March 2023	Public service vehicles used in the operation are provided by the Group.	Financial asset
		10 years	July 2025	Public service vehicles used in the operation are provided by the Group.	Financial asset
Portugal Urban Bus	The Group has a contract with the Lisbon transport authority to operate urban commuter bus services.	7 years	June 2022	Public service vehicles are provided by the Group with a purchase option for the grantor to acquire the fleet at the end of the contract term.	Intangible asset
Switzerland Urban Bus	The Group has two contracts with the Geneva transport authority to operate two urban commuter bus services.	7 years	December 2023	Public service vehicles are provided by the Group with a purchase option for the grantor to acquire the fleet at the end of the contract term.	Intangible asset

During the period, no revenue or profit was recognised in exchanging construction services for financial or intangible assets.

37 Cash flow statement

(a) Reconciliation of Group loss before tax to cash generated from operations

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[2] £m
Loss before tax from continuing operations	**(89.2)**	(50.4)
Loss before tax from discontinued operations	**(189.4)**	(564.0)
Total loss before tax	**(278.6)**	(614.4)
Net finance costs	**111.0**	95.1
Share of results from associates and joint ventures	**(0.1)**	(3.2)
Depreciation of property, plant and equipment	**190.2**	223.8
Intangible asset amortisation	**56.9**	50.2
Amortisation of fixed asset grants	**(4.7)**	(2.0)
Gain on disposal of property, plant and equipment	**(6.6)**	(11.0)
Gain on disposal of intangible assets	**(1.2)**	(0.8)
Share-based payments	**5.1**	4.6
Decrease in inventories	**0.1**	1.2
Decrease in receivables	**13.0**	43.4
(Decrease)/increase in payables	**(9.4)**	11.1
(Decrease)/increase in provisions	**(7.5)**	0.1
Decrease in pensions	**(12.7)**	(11.0)
Adjusting operating items[1]	**384.9**	679.9
Cash flows relating to adjusting operating items	**(158.4)**	(99.2)
Cash generated from operations	**282.0**	367.8

1 Excludes amortisation from acquired intangibles which is included within 'intangible asset amortisation'

2 The results for the year to 31 December 2024 have been restated for prior period restatements and to represent prior periods for discontinued operations, see notes 2 & 19 respectively for further information.

37 Cash flow statement continued

(b) Analysis of changes in adjusted net debt

Adjusted net debt is an alternative performance measure which is not defined or specified under the requirements of International Financial Reporting Standards. Please refer to the Alternative Performance Measures section of the Annual Report for further information.

	(Restated) At 1 January 2025[4] £m	Cash flow £m	Acquisitions and disposals £m	Exchange differences £m	Other movements £m	At 31 March 2026 £m
Components of financing activities:						
Bank and other loans[1]	(177.5)	27.6	43.8	(4.6)	(0.8)	(111.5)
Bonds[3]	(648.3)	(0.1)	–	(22.8)	(10.1)	(681.3)
Fair value of interest rate derivatives	(8.7)	–	–	–	8.7	–
Fair value of foreign exchange forward contracts	(5.1)	(22.8)	–	26.9	–	(1.0)
Cross currency swaps	(1.1)	–	–	(3.6)	–	(4.7)
Net lease liabilities[2]	(222.3)	68.8	29.7	1.7	(55.6)	(177.7)
Private placements[3]	(396.5)	–	–	(7.7)	(0.3)	(404.5)
Total components of financing activities	(1,459.5)	73.5	73.5	(10.1)	(58.1)	(1,380.7)
Cash	129.4	163.5	(23.7)	(7.2)	–	262.0
Overnight deposits	0.1	7.4	–	0.1	–	7.6
Other short-term deposits	115.0	41.0	–	–	–	156.0
Bank overdrafts	(41.4)	(142.6)	–	–	–	(184.0)
Net cash and cash equivalents	203.1	69.3	(23.7)	(7.1)	–	241.6
Other debt receivables	2.7	1.4	–	0.4	–	4.5
Remove: fair value of foreign exchange forward contracts	5.1	22.8	–	(26.9)	–	1.0
Adjusted net debt	(1,248.6)	167.0	49.8	(43.7)	(58.1)	(1,133.6)

1 Net of arrangement fees totalling £1.7m (2024: £2.7m) on bank and other loans
2 Net lease liabilities is inclusive of finance lease receivables which are reported separately from borrowings on the face of the Group's Balance Sheet
3 Excludes accrued interest on long-term borrowings
4 Restated for prior period restatements, see note 2 for further information.

Short-term deposits relate to term deposits repayable within three months.

Borrowings include non-current interest-bearing borrowings of £1,227.4m (2024: £1,258.8m) as disclosed in note 28.

Other non-cash movements include lease additions and disposals of £55.6m (2024: £58.4m), and £2.5m amortisation of loan and bond arrangement fees (2024: £2.2m). An £8.7m increase in the fair value of the hedging derivatives is offset by an £8.7m change in fair value of bonds.

37 Cash flow statement continued

	(Restated) At 1 January 2024[4] £m	Cash flow £m	Acquisitions and disposals £m	Exchange differences £m	Other movements £m	(Restated) At 31 December 2024[4] £m
Components of financing activities:						
Bank and other loans[1]	(243.9)	65.6	(4.4)	5.9	(0.7)	(177.5)
Bonds[3]	(659.2)	–	–	19.8	(8.9)	(648.3)
Fair value of interest rate derivatives	(16.4)	–	–	–	7.7	(8.7)
Fair value of foreign exchange forward contracts	(1.2)	9.3	–	(13.2)	–	(5.1)
Cross currency swaps	(2.2)	–	–	1.1	–	(1.1)
Net lease liabilities[2]	(223.7)	70.5	(11.7)	1.0	(58.4)	(222.3)
Private placements[3]	(404.7)	–	–	8.5	(0.3)	(396.5)
Total components of financing activities	(1,551.3)	145.4	(16.1)	23.1	(60.6)	(1,459.5)
Cash	186.1	(56.8)	2.9	(2.8)	–	129.4
Overnight deposits	0.2	(0.1)	–	–	–	0.1
Other short-term deposits	170.0	(55.0)	–	–	–	115.0
Bank overdrafts	(62.6)	21.0	–	0.2	–	(41.4)
Net cash and cash equivalents	293.7	(90.9)	2.9	(2.6)	–	203.1
Other debt receivables	2.9	(3.7)	3.5	–	–	2.7
Remove: fair value of foreign exchange forward contracts	1.2	(9.3)	–	13.2	–	5.1
Adjusted net debt	(1,253.5)	41.5	(9.7)	33.7	(60.6)	(1,248.6)

1 Net of arrangement fees totalling £2.7m on bank and other loans
2 Net lease liabilities is inclusive of finance lease receivables which are reported separately from borrowings on the face of the Group's Balance Sheet
3 Excludes accrued interest on long-term borrowings
4 Restated for prior period restatements, see note 2 for further information.

(c) Reconciliation of net cash flow to movement in adjusted net debt

	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Increase/(decrease) in net cash and cash equivalents in the period	**45.6**	(88.0)
Cash Inflow/(outflow) from movement in other debt receivables	**1.4**	(0.2)
Cash inflow from movement in debt and lease liabilities	**169.8**	120.0
Change in adjusted net debt resulting from cash flows	**216.8**	31.8
Change in adjusted net debt resulting from non-cash movements	**(101.8)**	(26.9)
Movement in adjusted net debt in the period	**115.0**	4.9
Opening adjusted net debt	**(1,248.6)**	(1,253.5)
Adjusted net debt	**(1,133.6)**	(1,248.6)

1 Restated for prior period restatements, see note 2 for further information.

38 Subsidiary undertakings and other significant holdings

A full list of subsidiaries, joint ventures, and companies in which Mobico Group PLC has a controlling interest, and associates, as at 31 March 2026 is shown below, along with the country of incorporation and the effective percentage of equity owned.

Name and country of Incorporation	% equity interest
United Kingdom & Ireland	
Airside Transport Services Limited (b)	100
Altram L.R.T. Limited (a)	100
Brooke Management Limited (a)	100
Central Trains Limited (a)	100
Coliseum Coaches Limited (a)	100
Eurolines (U.K.) Limited (a)	100
London Eastern Railway Limited (a)	100
Lucketts Holdings Limited (a)	100
Midland Main Line Limited# (a)	100
National Express Bus & Coach Services Limited (b)	100
National Express European Holdings Limited (05652775)* (a)	100
National Express Finance Company Limited (a)	100
National Express Group Holdings Limited (a)	100
National Express Holdings Limited (02156473)* (a)	100
National Express Intermediate Holdings Limited (a)	100
National Express International Limited (a)	100
National Express Leisure Limited (a)	100
National Express Limited (a)	100
National Express Liverpool Limited (a)	100
National Express Manchester Limited (previously National Express Sizewell Limited) (a)	100
National Express Middle East Plc (a)	100
National Express North America Holdings Limited (07855182)*# (a)	100
National Express Operations Limited (a)	100
National Express Rail Replacement Limited (a)	100
National Express Services Limited (a)	100
National Express South Yorkshire Limited (previously National Express Manchester (South) Limited (a)	100
National Express Spanish Holdings Limited (05652783)* (a)	100
National Express Trains Limited (a)	100
National Express Transport Holdings Limited (04338163)* (a)	100
National Express Transport Services Ireland Limited (b)	100
National Express UK Limited (a)	100
National Express UK Central Services Limited (14500282)* (a)	100
National Express West Yorkshire Limited (a)	100
N E Canada Limited (08596333)* (a)	100
NE Europe Finance Limited (07876047)* (a)	100
NE No. 3 Limited (a)	100
NE Trains South Limited (a)	100
NEX Continental Holdings UK, Limited (a)	100
NXEC Trains Limited (a)	100
NXTS No.1 Limited (previously Stewarts Coach Group Limited) (a)	100
NXTS No.2 Limited (previously Clarkes Holdco Limited) (10491470)* (a)	100
Scotrail Railways Limited# (a)	100
Silverlink Train Services Limited# (a)	100
Solent Coaches Limited (a)	100
Travel Merryhill Limited (a)	100
Travel West Midlands Limited (a)	100

38 Subsidiary undertakings and other significant holdings continued

Name and country of Incorporation	% equity interest
West Midlands Accessible Transport Limited (a)	100
West Midlands Travel Limited (a)	100
W M Property Holdings Limited (a)	100
WM Travel Limited# (a)	100
W M Ventures Limited (a)	100
Wood's Coaches Limited (a)	100
Woods Reisen Limited (a)	100
Bahrain	
Bahrain Public Transport Company W.L.L. (c)	50
Germany	
National Express Germany GmbH (d)	95
National Express Holding GmbH (f)	100
National Express Rail GmbH (e)	100
Süddeutsche Regionalbahn GmbH (f)	100
Netherlands	
National Express Holdings LLC BV (g)	100
Andorra	
Estació 2017, S.A. (h)	15
Transports Dels Pirineus (h)	100
France	
(ABG) Alsa Bustours Gex (i)	100
I.Berolines, S.A.R.L. (k)	50
SARL Chamexpress.com (l)	100
Kingdom of Saudi Arabia	
Alsa Arabia (dz)	100
SAPTCO Alsa for Transportation (ct)	15
Morocco	
Alsa al Baida (m)	100
Alsa City Agadir S.A. (n)	100
Alsa City Marrakech (o)	100
Alsa City Tour S.A.R.L. (o)	95
Alsa Citybus Rabat-Salé-Temara, S.A. (p)	51
Alsa Education a la Sécurité Routière S.A.R.L. (o)	99
Alsa Intercity Services, S.A. (o)	100
Alsa Khouribga S.A. (q)	100
Alsa Tanger S.A. (r)	100
Centre de Formation Techn. Profes. Transport S.A.R.L. (o)	99
Groupe Alsa Transport S.A. (o)	100
Immeubles Véhicules Accessoires Maroc S.A.R.L. (o)	80
Interprovincial Maroc S.A.R.L. (o)	100
Transport de Voyageurs en Autocar Maroc S.A. (o)	100

38 Subsidiary undertakings and other significant holdings continued

Name and country of Incorporation	% equity interest
Portugal	
BC Tours Portugal S.L (s)	100
Alsa Todi Metropolitana de Lisboa (s)	65
Ibercruises Agencia De Viagens E Navegacao Lda (ec)	80
NEX Continental Holdings S.L. - Sucursal Em Portugal (di)	100
Spain	
Aerobús – Zaragoza S.L (u)	100
Agencia Riomar (v)	50
Agreda Bus, S.L (u)	70
Alianza Bus, S.L.U. (v)	100
Alsa Atlántica, S.L.U. (v)	100
Alsa Buses Extremadura, S.L. (y)	100
Alsa Ferrocarril, S.A.U. (v)	100
Alsa Granada Airport S.L. (w)	100
Alsa Grupo, S.L.U. (v)	100
Alsa Innovación y Proyectos de Movilidad, S.L.U. (x)	100
Alsa Internacional, S.L.U. (w)	100
Alsa Internacional, S.L.U. y Otros U.T.E. (w)	100
Alsa Metropolitana, S.A.U. (w)	100
Alsa Micromobility, S.L.U. (w)	100
Alsa Rail, S.L.U. (w)	100
Alsa Servicios Logísticos Ferroviarios, S.L. (w)	100
Alsa Transporte Sanitario, S.L. (w)	60
Aplic. y Sist. Integrales Para el Transporte, S.A. (z)	100
Aragonesa de Estación de Autobuses, S.A. (aa)	52
Argabus, S.A. (ab)	100
Artazo Servicios Integrales, S.L. (ac)	100
Asturies Berlinas de Luxu, S.L. (ad)	50
Autobuses Urbanos de Bilbao, S.A. (ae)	75
Autobuses Urbanos de León, S.A.U. (af)	100
Autocares Castilla–Leon, S.A.U. (ag)	100
Autocares Discrecionales del Norte, S.L.U. (ah)	100
Automóviles Luarca, S.A.U. (ai)	100
Automóviles Sigras Carral, S.A. (aj)	100
Autopulman Soltur (v)	50
Autos Cal Pita, S.A. (aj)	100
Autos Pelayo, S.A.U. (v)	100
Autos Rodríguez Eocar, S.L. (ak)	85
Bahía Zero, S.L. (al)	75
Baleares Business Cars, S.L. (ad)	100
Baleares Consignatarios, S.L.U. (am)	100
Baleares Consignatarios Tours, S.L.U. (am)	100
Berlinas de Asturias, S.L. (ad)	100
Berlinas Calecar, S.L.U. (ag)	100
Berlinas Menorca S.L (an)	25
Berlinas de Toledo, S.L. (ad)	100
Berlinas VTC de Cantabria, S.L.U. (al)	100

38 Subsidiary undertakings and other significant holdings continued

Name and country of Incorporation	% equity interest
Bilboko Hiribus Jasangarría, S.L. (ae)	72
Buses de Palencia, S.L. (ao)	75
Bus Metropolitano de Granada, S.L. (w)	100
Busturialdea Lea Artibai Bus, S.A. (ap)	60
Bus Urbano de Castro Urdiales, S.L. (al)	100
Canary Business Cars, S.L. (ad)	100
Canary Logistic Solutions, S.L. (aq)	100
Cataluña Business Cars, S.L. (ad)	100
Cetralsa Formación, S.L.U. (v)	100
Cía. del Tranvía Eléctrico de Avilés, S.A. (ar)	100
Compañia Navarra de Autobuses, S.A. (as)	50
Compañia Tranvias de Sevilla, S.A. (v)	100
Compostelana, S.A.U. (at)	100
Concesionario Estación Autobuses Logroño, S.A. (cu)	23
Coop Interprovincial Concesionarios Servicio Regulares de Viajeros (de)	27.27
Donostia City Tour (df)	50
Donostia City Tour 24 (df)	50
Estación Autobuses de Cartagena, S.A. (au)	54
Estación Autobuses de Ponferrada, S.A. (cv)	49
Estación Central de Autobuses de Zaragoza, S.A. (av)	85
Estación de Autobuses Aguilar de Campoo, S.L. (aw)	67
Estación de Autobuses de Aranda S.L. (cw)	43
Estación de Autobuses de Astorga, S.L. (ax)	93
Estación de Autobuses de Aviles S.L. (ay)	100
Estación de Autobuses de Benavente, S.L. (dg)	23
Estación de Autobuses de Caceres S.L. (dh)	35
Estación de Autobuses de León, S.A. (ag)	89
Estación de Autobuses de Plasencia, S.A. (az)	69
Estación de Autobuses de San Lorenzo del Escorial, S.A.U. (v)	100
Estaciónes Terminales de Autobuses, S.A. (bb)	80
Estebanez Aja, S.A. (dj)	100
Euska Alsa, S.L.U. (ah)	100
Explotación Gasoleo Estación de Autobuses A Coruña, S.L. (cy)	40
Ezkerraldea-Meatzaldea Bus, S.A. (ap)	60
Fostering Mobility, S.L. (dd)	61
G.S. Carretera (cz)	25
General Técnica Industrial, S.L.U. (v)	100
Gestión y Servicios Carrertera, S.A. (eb)	25
Gestión de Movilidad Intermodal, S.L. (v)	100
Gorbea Representaciones, S.L. (an)	100
Guaguas Gumidafe, S.L. (ac)	100
Grupo Enatcar, S.A. (v)	100
Hermanos Diaz Melian, S.L.U. (aq)	100
Innobus Canarias, Sociedad Limitada (bc)	100
Intercambiadores Europeos, S.L. (v)	60
Intercar Business Cars, S.L. (bd)	100
International Business Limousines, S.A.U. (be)	100
Interurbana de Autocares, S.A.U. (v)	100
Irubus, S.A.U. (v)	100

38 Subsidiary undertakings and other significant holdings continued

Name and country of Incorporation	% equity interest
Jimenez Lopera, S.A.U. (be)	100
La Unión Alavesa, S.L. (bf)	50
La Unión de Benisa, S.A. (bg)	98
Los Abades de la Gineta, S.L.U. (v)	100
Mybustest, S.L (v)	50
Mai Tours, S.L.U. (bh)	100
Manuel Vázquez Vázquez, S.L. (bi)	60
Marason Bus, S.L (an)	50
Metranybus, S.L. (dk)	40
Metros Ligeros de Madrid, S.A. (ea)	15
Microbuses Candido, S.L.U. (bc)	100
Mobility On Time, S.L (an)	45
Movelia Tecnologias, S.L. (bj)	77
Movilidad Balear, S.L.U (bk)	100
Movilidad Multimodal, S.L. (v)	100
Movilidad Peninsular, S.L. (v)	100
Movilidad Turistica Canaria, S.A.U. (previously Transportes Adaptados Andaluces, S.A.U.) (ag)	100
Mundaka Consultoria, S.L.U. (ah)	100
NEX Continental Holdings, S.L.U. (v)	100
NX Middle East, S.L.U. (bl)	100
Proyectos Unificados, S.A.U. (v)	100
Publi Imagen Granada, S.L.U. (w)	100
Representaciones Mecánica, S.A.U. (ah)	100
Return Viajes, S.L. (bl)	50
Rutas a Cataluña, S.A. (da)	28
Rutas del Cantábrico, S.L. (ah)	100
Sanir Movilidad Sanitaria, S.L. (prev. Vitalia Servicios Sanitarios, S.L.) (bm)	60
Semarvi (v)	34
Serviareas 2000, S.L.U (v)	100
Servicios Auxiliares del Transporte C.B. (bn)	100
Servicios El Temple, S.L. (aj)	100
Servicios Empresariales Especiales, S.L.U. (ah)	100
Servicios Integrales el Burgo, S.A. (dl)	50
Servicios Integrales en Movilidad Sanitaria, S.L. (ad)	100
Setra Ventas y Servicios, S.A.U. (be)	100
Sevirama, S.L. (db)	30
Shore and Landtours SLU (aj)	70
Sociedad Anónima Unipersonal Alsina Graells de A.T. (bo)	100
Sociedad Concesionaria Interurbano Tolosa Buruntzaldea S.L. (bp)	60
Soria Movilidad Conectada, S.L. (previously Gal Bus S.L.) (dt)	51
Takselia, S.L. (bq)	71
Tanker & Transports Solutions, S.L.U. (v)	100
Técnicas en Vehículos Automóviles, S.L.U. (v)	100
Terminales de Autobuses de Cantabria, S.L (previously Estación de Líneas Regulares, S.L.) (cx)	
Tenerife Tour Ute (dm)	52
Tibus, S.A. (bo)	60
Tibus Berlines de Luxe, S.L.U. (bo)	100
Tibus Business Cars, S.L.U. (bo)	100
Tibus Business Limousines, S.L.U. (b)	100

38 Subsidiary undertakings and other significant holdings continued

Name and country of Incorporation	% equity interest
Tibus Luxury Services, S.L.U. (bo)	100
Transportes Accesibles Generales S.A. (previously Transportes Adaptados Cántabros, S.A) (dn)	100
Transportes Accesibles Peninsulares, S.L. (bs)	100
Transportes Adaptados Regionales, S.L.U. (ag)	100
Transportes Bacoma, S.A.U. (bo)	100
Transportes Rober, S.A.U. (ad)	100
Transportes Turisticos Islas Canarias, Sociedad Limitada (bc)	100
Transportes de Viajeros de Aragón, S.A. (av)	60
Transportes Santo Domingo, S.L.U. (bv)	100
Transportes Terrestres Cantabros, S.A. (bu)	94
Transportes Unidos de Asturias, S.L. (bw)	100
Transportes Urbanos de Cantabria, S.L.U. (bu)	100
Transportes Urbanos de Cartagena, S.A. (bx)	97
Tranvía de Vélez, S.A.U. (by)	100
Transportes Urbanos de Guadalajara, S.L. (bz)	100
Tury Express, S.A. (ah)	100
Ureña e hijos, S.L. (ad)	100
Ute Alsa T. Escolar (bu)	100
Ute Asistsa GTI (am)	100
Ute Audioguias (w)	75
Ute Ausical (dy)	100
Ute Barakaldo Bus (do)	60
Ute Bizkanb (dk)	60
Ute Bus Nautic (v)	100
Ute Cantabria 2023 (al)	100
Ute Cantabria 2025 (al)	100
Ute Conda Agreda Bus 2023	100
Ute EA Aranda (cw)	33
Ute Ea Cordoba (ca)	50
Ute Cyt (as)	100
Ute Cyt 2018 (as)	100
Ute Ditra 2018 (v)	35
Ute Ditra 2022 (v)	50
Ute ED1510 (dv)	72
UTE ED1522 (dv)	91
UTE ED1519 (dw)	100
UTE ED1505 (dv)	68
Ute EZS 63-103 (as)	100
Ute Estacións Mariña (dy)	33
Ute Diputacon 2023 (du)	100
Ute Dotacion Alsa 24 (al)	100
Ute Leonbici (dj)	10
Ute Leonbici 2023 (dj)	10
Ute Luancoea 2 (ai)	90
Ute Mansilla 2023 (ag)	100
Ute Maitours Mombus (ds)	85
Ute Mundicolor (dr)	18
Ute Mundiplan (dc)	17
Ute Mundiplan II (dq)	17

38 Subsidiary undertakings and other significant holdings continued

Name and country of Incorporation	% equity interest
Ute Mundiplan III (dq)	17
Ute EAM (v)	50
Ute Ea Alicante (cb)	50
Ute Madrid City Tour (v)	50
Ute Estacion Alicante (v)	50
Ute Estacion Murcia (v)	50
Ute Acompañantes Cantabria (v)	50
Ute Seprisa Maldeasa (v)	50
Ute La Sagra (as)	58
Ute Gijon City View (ai)	65
Ute Escolares Galicia Ed1501 (v)	79
Ute Estacion Luanco (ai)	90
Ute Leste – Xg881 – Ute Leste Da Coruña (v)	93
Ute Alsa Internacional Y Otros (v)	100
Ute Escolares Navarra Ezs63-103 (as)	100
Ute Sanir (dp)	100
Ute Tanatorios Ii (v)	100
Ute Tanatorios III (be)	100
Ute Ferrolbus (v)	100
Ute Maniobras Barcelona (v)	100
Ute Maniobras Zaragoza (v)	100
Ute Maniobras Valencia (v)	100
Ute Sanitario Guadalajara (v)	100
Ute Seprisa Maldeasa (v)	50
Ute Torrebus (al)	100
Ute Tranvia Jaen (v)	90
Ute Turytrans 2017 (bu)	97
Ute Turytrans 2018 (bu)	88
Ute Escolares Galicia Ed1519 (v)	100
Ute Viajes MCT (df)	50
Ute Viajes MCT 2026 (df)	50
Ute Xogade 2022 (dv)	100
Valencia Alicante Bus, S.L. (bb)	75
Viajeros del EO, S.L. (previously Estación de Autobuses de Ribadeo, S.L.) (ab)	50
Viajes ALSA, S.A.U. (v)	100
Viajes Por Carretera, S.A.U. (ah)	100
Voramar el Gaucho S.L.U. (cc)	100
Switzerland	
AlpyBus S.a.r.l. (cd)	100
Eggmann Frey (ce)	100
Linien Abfertigung GmbH (ce)	80
Odier Excursions, S.A. (cf)	100
USA	
Chicagoland Coach Lines LLC (cg)	100
Community Transportation, Inc. (ch)	100
Cook-DuPage Transportation Company, Inc. (ci)	100
Diamond Transportation Services, Inc. (cj)	100

38 Subsidiary undertakings and other significant holdings continued

Name and country of Incorporation	% equity interest
Discount Enterprises, Inc. (ck)	100
Fox Bus Lines Inc. (cl)	100
Greensburg Yellow Cab Co. (ch)	100
Kiessling of Attleboro Inc. (previously Aristocrat Limousine and Bus, Inc.) (cm)	100
Kiessling Transit, Inc. (cl)	100
Meda-Care Vans of Waukesha, Inc. (cn)	100
Mobico PCC US LLC (cg)	100
National Express Transit Corporation (cg)	100
National Express Transit Services Corporation (cg)	100
NE Holding Co. LLC (cg)	100
Rainbow Management Service, Inc. (co)	100
Suburban Paratransit Service, Inc. (co)	100
Total Transit Enterprises, LLC (ck)	100
Trans Express, Inc. (co)	100
Transit Express, Inc. (cn)	100
Transit Express Services, Inc. (cn)	100
Transit Management of Charlotte, Inc. (cp)	100
WeDriveU, Inc. (cq)	100
WeDriveU America LLC (cr)	100
WeDriveU Canada, Inc. (cq)	100
WeDriveU Holdings, Inc. (cq)	100
WeDriveU Leasing, Inc (cq)	100
White Plains Bus Co., Inc. (co)	100
Canada	
National Express Canada (Holdings) Limited (cs)	100
National Express Transit Canada Ltd (cs)	100

* These subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of S479A of the Act. Outstanding liabilities of the exempt companies at the Balance Sheet date are guaranteed pursuant to Sections 479A-C of the Act.

These subsidiaries have been dissolved post the 31 March 2026 period end.

38 Subsidiary undertakings and other significant holdings continued

Key	Address
(a)	National Express House, Mill Lane, Digbeth, Birmingham, B5 6DD, UK
(b)	Terminal 1, Office 10, Link Corridor, Mezzanine Level, Dublin Airport, Dublin, K67 KD58, Ireland
(c)	Garage 1087, Road 4025, Isa Town 840, Southern Governorate, Kingdom of Bahrain
(d)	Vogelsanger Weg 38, 40470 Düsseldorf, Germany
(e)	Ursulaplatz 1, 50668 Cologne, Germany
(f)	Konrad-Adenauer-Platz 12 40210, Düsseldorf, Germany
(g)	Dr Willem Dreesweg 2, 1st Fl. South Wing, 1185 VB Amstelveen, The Netherlands
(h)	Carrer de la Cúria, s/n, Andorra la Vella, Andorra
(i)	30 Rue Auguste Piccard – 01630 Saint-Genis-Pouilly, France
(j)	361 San Francisco Street 4th Floor, SAN JUAN, PR, 00901
(k)	41 Boulevard Poniatowski, 75012, Paris, France
(l)	498 Avenue des Alpages, 74310 Les Houches, France
(m)	Twin Center ang Bd Zerktouni Et Al Massira Etg 5 et 6, Casablanca, Morocco
(n)	Rue De Teheran, Q.I Agadir, Morocco
(o)	Ahwaz, Ferme Ahzib Achayech Ferkat Ain Dada, Askedjour, Jamaat Et Kiadat Saada, Marrakech, Morocco
(p)	Rue cadi Srayri et Cadi Ben Hammadi, Quartier de la Pinede – Rabat, Morocco
(q)	No 22 Rue Meknes Hay Haboub, Khouribga, Morocco
(r)	37 Rue Omar Ibn Khattab, Inmeuble Maspalomas 2, Tanger, Morocco
(s)	Estrada de Algeruz, Cruz de Algeruz, Cruz de Peixe Setúbal, 2910-270 Setúbal, Portugal
(t)	Rua de Pedro Nunes, 39, Lisboa, Portugal
(u)	Avda. Manuel Rodríguez Ayuso, 110 – Zaragoza, Spain
(v)	Josefa Valcárcel, 20, 28027, Madrid, Spain
(w)	Avda Juan Pablo II, 33, Granada, Spain
(x)	C/ Pepe Cosmen s/n, Oviedo, Spain
(y)	C/ Túnez, 1 (Estación de Autobuses), Cáceres, Spain
(z)	Pol. San Mateo, Ctra Coll D' En Rabassa, Palma de Mallorca (07002)
(aa)	Urbanización Plaza de Roma, F-1, Zaragoza, Spain
(ab)	C/ Real 116 – Arganda del Rey, Madrid, Spain
(ac)	Gáldar (Las Palmas de Gran Canaria), calle Pedro de Arguello, 10
(ad)	C/Jorge Juan, 19- 2º Izquierda, 28001, Madrid, Spain
(ae)	C/Tellaetxebidea 3, Bilbao
(af)	Pol. Ind. Vilecha Oeste, 24192, León, Spain
(ag)	Estación de Autobuses, Av Ingeniero Saenz de Miera, León (24009) Spain
(ah)	Alameda de Urquijo, n o 85, 1o –Dcha., Bilbao- Vizaya (48013), Spain
(ai)	Magnus Blikstad 2, Gijón (33207) Spain
(aj)	Ctra. El Burgo-Los Pelamios s/n Culleredo – A Coruña
(ak)	Cedofeita, c/ Requiande, 1 – Ribadeo-Lugo, Spain
(al)	Avda. Candina 35, Santander, Spain
(am)	Carretera Porto Pi, 8-7º, 07015, Palma de Mallorca
(an)	Palma de Mallorca, c/ Camp Franc 31, Polígono Son Oms
(ao)	C/ Campaneros, 4, 1o Dcha, Palencia (34003) Spain
(ap)	Centro de Transportes de Vizcaya, Barrio el Juncal, Naves 3 y 4 (Valle de Trápaga-Trapagrán), Vizcaya (48510)
(aq)	C/Las Mimosas, 41, Agüimes (Las Palmas)
(ar)	Avda Conde de Guadalhorce 123, Aviles (33400)
(as)	C/ Yanguas y Miranda, 2 (Estación de Autobuses), Pamplona, Spain
(at)	Plaza San Cayetano, s/n. Estación Autobuses Taq. 10, Santiago de Compostela (La Coruña), Spain

38 Subsidiary undertakings and other significant holdings continued

Key	Address
(au)	Avda Trovero Marín. Nº 3,(Estación Autobuses), Cartagena (30202) Spain
(av)	Avda de Navarra, 80 (Estación Central de Autobuses), Zaragoza (50011)
(aw)	Avda de Ronda 52 Bis, Aguilar de Campoo (Palencia)
(ax)	Avda Las Murallas, nº 52, Astorga-León (24700)
(ay)	C/ Los Telares (Estación de Autobuses) Aviles (33400)
(az)	C/ Tornavacas, 2, Plasencia
(ba)	Avda Rosalía de Castro, Ribadeo
(bb)	Avda Menéndez Pidal, nº 13 (Estacción de Autobuses), Valencia (46009)
(bc)	Avenida Las Palmeras, S/N, Esquina A C/Las Adelfas, Agüimes (Las Palmas)
(bd)	Pol. De Pocomaco, Primera Avenida, 10 Nave Alsa B-15, A Coruña
(be)	Pol. Ind. Las Fronteras. C/Limite, Torrejón de Ardoz (Madrid)
(bf)	C/ Los Herran, 50 (Estación de Autobuses), Alava (Vitoria)
(bg)	C/ Comunicaciones, 10 (P. de Babel), Alicante (03008)
(bh)	Avenida de la Hispanidad O-Parking P12, Barajas, Madrid
(bi)	C/ Jacques Cousteau, 2 – Arteijo (A Coruña)
(bj)	C/ Santa Leonor, 65 –Avalón Parque Empresarial, Edificio A, Madrid
(bk)	C/ porto Pi, 8 – Palma de Mallorca
(bl)	Madrid (Las Rozas), Avda de Marsil 33
(bm)	C/ Eduardo Torroja, 57 – Madrid
(bn)	C/Mendez Álvaro (Estación de Autobuses), Madrid
(bo)	C/ Ali Bei, 80 (Estación de Autobuses), Barcelona (08013)
(bp)	Barrio Ubillurts, Andoaín – Guipuzcoa
(bq)	c/ Santander, 71 – Barcelona
(br)	C/Las Mimosas, Parcelas 126-127, Pol. Ind. De Arinaga, Agüimes (Las Palmas)
(bs)	C/Pepe Cosmen, (Estación de Autobuses), Oviedo (33001)
(bt)	Plaza Coca Piñera, s/n (Estación de Autobuses), Jaén
(bu)	Avda Candina, 35-37, Santander (39011)
(bv)	C/ Investigación. Nº 2 – Getafe (Madrid)
(bw)	Pol. Ind. Espírtiu Santo, Oviedo (33010)
(bx)	Paraje de la Asomada, Cartagena (Murcia)
(by)	Avda Juan Carlos I, s/n. Ronda del Ingeniero, Vélez Málaga (Málaga)
(bz)	Polígono Industrial del Henares, Calle Livorno, 55, Marchamalo, Guadalajara (19180)
(ca)	Glorieta de las Tres Culturas, Córdoba
(cb)	Muelle de Poniente, Alicante
(cc)	S' Hort den Serral (San Agustín) San Josep de sa Talaia, Illes Balears
(cd)	8 Chemin de Morglas, 1214, Genève
(ce)	Rue du Mont Blanc 14, 1201, Genève
(cf)	Chemin Des Aulx 9 – Plan Les Ouates – Switzerland
(cg)	1209 Orange Street, Wilmington, DE 19801-1120
(ch)	600 N. 2nd Street, Suite 401, Harrisburg, PA 17101-1071
(ci)	208 S. LaSalle Street, Chicago, IL 60604
(cj)	4701 Cox Road, Glen Allen, County of Henrico, VA 23060
(ck)	3800 North Central Avenue, Ste. 460 Phoenix, AZ 85012
(cl)	155 Federal Street, Suite 700, Boston, MA 02110
(cm)	820 Bear Tavern Road, West Trenton, NJ 08628
(cn)	301 S. Bedford St., Suite 1, Madison, WI 53703

38 Subsidiary undertakings and other significant holdings continued

Key	Address
(co)	28 Liberty Street, New York, NY 10005
(cp)	160 Mine Lake Ct #200, Raleigh, NC 27615
(cq)	333 North Brand Blvd. Suite 700 Glendale, CA 91203
(cr)	334 North Senate Avenue, Indianapolis, IN 46204
(cs)	22 Adelaide Street West Suite 3400, Toronto, Ontario, M5H 4E3, Canada
(ct)	Al-Nakhil District, Al- Takhasousi Street, Building Number 7995, Riyadh 11443
(cu)	Avda de España, 1, Logroño- La Rioja
(cv)	Ctra de Asturias, Ponferrada
(cw)	Avda Valladolid, Aranda de Duero (Burgos)
(cx)	Plaza de las Estacones, Santander (Cantabria)
(cy)	Rúa Caballeros, 21, 15009 A Coruña
(cz)	Plaza de la Constitución, Estación de Autobuses, 2ª Planta, Oficina 26, Lugo
(da)	C/ Musico Gustavo Freire, 1 -1° Dcha, Lugo (27001)
(db)	Paseo Colón, 18, Bajo Dcha. Sevilla
(dc)	C/ Ruiz Perelló, 15, Madrid
(dd)	Paseo de La Habana, 26, Madrid
(de)	Calle Sierra de la Pila, 3005, Murcia
(df)	c/ Puerto de Used, 20, 28021, Madrid
(dg)	Avenida General Primo de Rivera, 49600, Zamora, Benavente
(dh)	Calle Túnez, 10005, Caceres
(di)	Rue de Montezelo, 815, 4510-609, Porto
(dj)	Polgno. Vilecha Oeste s/n 24192 León (León) ESPAÑA
(dk)	C/ Henao, 48009, Vizcaya, Bilbao
(dl)	Calle Portal de Gamarra, 01013, Alava, Vitoria
(dm)	c/ Prolongación Nuestra Señora del Rosario, s/n. Oroteanda 38639 San Miguel de Abona (Sta. C. Tenerife) ESPAÑA
(dn)	C/ Tornavacas Estacion De Autobuses Nº2 10600 Plasencia (Cáceres) España
(do)	Alameda Gregorio de la Revilla, 27-1 48010 Bilbao (Bizkaia) ESPAÑA
(dp)	c/ Quintanavides 21 28050 Madrid (Madrid) ESPAÑA
(dq)	Avda. de la Institución Libre de Enseñanza, 41 Planta 3 28037 Madrid (Madrid) ESPAÑA
(dr)	c/ Hermanos García Noblejas 41, Planta 3 28037 Madrid (Madrid) ESPAÑA
(ds)	c/ Coton de Arriba, 2 27297 Lugo (Lugo) ESPAÑA
(dt)	Avda. Valladolid 40. Estación de Autobuses. Oficina Alsa 42004 Soria (Soria) ESPAÑA
(du)	Avda. Almeiras,3 15180 Culleredo (A Coruña) ESPAÑA
(dv)	Lugar Almeiras. Ctra de El Burgo Los Pelamios 3 15180 Culleredo (A Coruña) ESPAÑA
(dw)	Rua San Caetano s/n 15079 Santiago de Compostela (A Coruña) ESPAÑA
(dx)	Rua Coton de Arriba 2. Polígono Louzaneta 27297 Lugo (Lugo) ESPAÑA
(dy)	Almeiras. Crta. del Burgo a los Pelamio, 15189, A Coruña, Cullerdo
(dz)	Al-Nakheel District, 11443, Riyadh, Kingdom of Saudi Arabia
(ea)	Calle Manuel Azaña S/n28033, Madrid (Madrid). España
(eb)	Calle Estación de Autobuses, 27002, Lugo
(ec)	Rua da Cooperativa Agricola do Funchal, Bloco C, 2 andar, sala F, 9050-555, Ilha de Madeira

39 Post balance sheet events

Washington Metropolitan Area Transit Authority ('WMATA') contract in WeDriveU

On 12 May 2026 the Washington Metropolitan Area Transit Authority ("WMATA") issued a notice of termination to a U.S. subsidiary of Mobico within WeDriveU, Diamond Transportation Services Inc. ("Diamond"), to cease operating paratransit services effective on that date. Diamond has co-operated with WMATA to ensure an efficient transition of services.

This follows the filing of a civil lawsuit by Diamond on 28 January 2026 for breach of contract against WMATA in the U.S. District Court for the District of Columbia.

There can be no certainty as to the outcome of any ongoing or potential future litigation in relation to the contract, and as such the impact relating to both the onerous contract provision (OCP) for the WMATA contract as disclosed in notes 2 and 26, and other potential financial impacts, cannot be accurately quantified at the current time.

German Rail contracts

On 19 June 2026, the Group announced that it had entered into formal legally binding agreements with the Public Transport Authorities ("PTAs") in Germany to realign contract terms for its rail service in North Rhine-Westphalia and adjacent regions. The approved agreements enable a material reset and derisking of the German Rail business and supports a long-term sustainable business going forward.

The key impacts of the agreed changes for each of the contracts are summarised below:

- **Rhein-Muensterland Express ("RME")**

  The RME contract, covering lines RE 7 and RB 48, will convert to a gross contract structure from 2026, removing revenue risk from National Express. Additionally, the revised gross contract terms will meet current industry norms. The contract term will be extended by two years to 2032, with an option for the PTAs to extend for a further year to 2033.

- **Rhein-Ruhr-Express ("RRX")**

  The current loss making RRX contracts, covering lines RE 1, RE 5, RE 6, RE 11 and RE 4, will be shortened by 3 years and will end in 2030. This will facilitate a coordinated retendering aligned with North Rhine-Westphalia's regional transport plan.

The impact of the above on the Group Financial Statements is summarised below:

- **RME**

  Under IFRS 15, a contract modification is deemed to have taken effect when there has been a change to existing enforceable rights and obligations of the parties to the contract, and thus this is deemed to have occurred at the point of signing the formal legally binding agreements. As such, the accounting in relation to the RME contract as at 31 March 2026, including the valuation of the contract asset on the Balance Sheet does not reflect the full settlement.

  In the next accounting period, a material improvement in the expected future profitability of the RME contract is anticipated, as a result of the lengthening of the contract to at least 2032 and other compensation awarded through the settlement. Given the high level of sensitivity of the IFRS 15 contract asset historically to changes in various inputs and assumptions, and the need to perform a full re-forecast of these with the position at the next Balance Sheet date, the financial impact of the settlement has not been quantified at the current time.

- **RRX**

  Under IAS 37, an OCP should reflect the Group's best estimate of the present obligation under the RRX contracts and therefore in the assessment as at 31 March 2026 the Group has reflected the impact of the new agreement in its forward-looking projections of the future contract performance. Full details of this are set out in note 2 and 26. As such, the impact of the new contract is already reflected in the accounting as at 31 March 2026.

Company Balance Sheet

At 31 March 2026

	Note	31 March 2026 £m	31 December 2024 £m
Non-current assets			
Intangible assets		**0.3**	0.5
Property, plant and equipment		**–**	0.1
Investments in subsidiaries	3	**1,797.7**	1,987.4
Other non-current receivables	6	**196.8**	247.1
Deferred tax assets	10	**–**	1.7
Total non-current assets		**1,994.8**	2,236.8
Current assets			
Trade and other receivables	5	**17.0**	35.5
Derivative financial instruments	4	**3.4**	11.1
Cash and cash equivalents	7	**201.3**	122.7
Total current assets		**221.7**	169.3
Total assets		**2,216.5**	2,406.1
Non-current liabilities			
Other non-current liabilities	9	**(1,085.8)**	(1,044.8)
Derivative financial instruments	4	**(3.9)**	(0.3)
Provisions		**(0.6)**	(0.5)
Total non-current liabilities		**(1,090.3)**	(1,045.6)
Current liabilities			
Trade and other payables	8	**(295.9)**	(248.4)
Derivative financial instruments	4	**(8.5)**	(36.7)
Provisions		**(0.1)**	(0.1)
Current tax liabilities		**(1.4)**	(1.8)
Total current liabilities		**(305.9)**	(287.0)
Total liabilities		**(1,396.2)**	(1,332.6)
Net assets		**820.3**	1,073.5
Shareholders' equity			
Share capital	12	**30.7**	30.7
Share premium		**533.6**	533.6
Own shares	12	**(2.5)**	(4.3)
Hybrid reserve	12	**498.8**	513.0
Other reserves	13	**225.3**	225.5
Retained earnings		**(465.6)**	(225.0)
Shareholders' equity		**820.3**	1,073.5

The Company reported a loss for the 15-month financial period ended 31 March 2026 of £212.2m (2024: £789.5m loss).

Phil White
Executive Chair

Paco Iglesias
Group CEO

Brian Egan
Group CFO

28 July 2026

Company Number 02590560

Company Statement of Changes in Equity

For the 15-months ending 31 March 2026

	Share capital (note 12) £m	Share premium £m	Own shares (note 12) £m	Hybrid reserve (note 12) £m	Other reserves (note 13) £m	Retained earnings £m	Total £m
At 1 January 2025	**30.7**	**533.6**	**(4.3)**	**513.0**	**225.5**	**(225.0)**	**1,073.5**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(212.2)**	**(212.2)**
Revaluation through Other Comprehensive Income	**–**	**–**	**–**	**–**	**(3.3)**	**–**	**(3.3)**
Transfers to the Income Statement on cash flow hedges	**–**	**–**	**–**	**–**	**3.1**	**–**	**3.1**
Total comprehensive income/(loss)	**–**	**–**	**–**	**–**	**(0.2)**	**(212.2)**	**(212.4)**
Shares purchased	**–**	**–**	**(1.7)**	**–**	**–**	**–**	**(1.7)**
Own shares released to satisfy employee share schemes	**–**	**–**	**3.5**	**–**	**–**	**(3.5)**	**–**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**5.1**	**5.1**
Deferred tax charge on share-based payments	**–**	**–**	**–**	**–**	**–**	**(1.7)**	**(1.7)**
Accrued payments on hybrid instrument	**–**	**–**	**–**	**28.3**	**–**	**(28.3)**	**–**
Payments on hybrid instrument	**–**	**–**	**–**	**(42.5)**	**–**	**–**	**(42.5)**
Deferred tax charge on hybrid instrument payments	**–**	**–**	**–**	**–**	**–**	**–**	**–**
At 31 March 2026	**30.7**	**533.6**	**(2.5)**	**498.8**	**225.3**	**(465.6)**	**820.3**

Details of dividends paid, declared and proposed during the period are given in note 12 to the Group Consolidated Financial Statements.

	Share capital (note 12) £m	Share premium £m	Own shares (note 12) £m	Hybrid reserve (note 12) £m	Other reserves (note 13) £m	Retained earnings £m	Total £m
At 1 January 2024	30.7	533.6	(3.6)	513.0	225.3	597.5	1,896.5
Loss for the period	–	–	–	–	–	(789.5)	(789.5)
Revaluation through Other Comprehensive Income	–	–	–	–	1.8	–	1.8
Transfers to the Income Statement on cash flow hedges	–	–	–	–	(1.6)	–	(1.6)
Total comprehensive income/(loss)	–	–	–	–	0.2	(789.5)	(789.3)
Shares purchased	–	–	(2.2)	–	–	–	(2.2)
Own shares released to satisfy employee share schemes	–	–	1.5	–	–	(1.5)	–
Share-based payments	–	–	–	–	–	4.6	4.6
Deferred tax credit on share-based payments	–	–	–	–	–	0.6	0.6
Accrued payments on hybrid instrument	–	–	–	21.3	–	(21.3)	–
Payments on hybrid instrument	–	–	–	(21.3)	–	–	(21.3)
Deferred tax charge on hybrid instrument payments	–	–	–	–	–	(15.4)	(15.4)
At 31 December 2024	30.7	533.6	(4.3)	513.0	225.5	(225.0)	1,073.5

Notes to the Company Accounts

For the period ended 31 March 2026

1 Employee numbers & benefit costs

	15-months ending 31 March 2026 £m	12-months ending 31 December 2024 £m
Wages and salaries	**15.6**	16.1
Social security costs	**1.1**	1.8
Pension costs	**0.9**	0.9
Share-based payment	**1.3**	4.6
	18.9	23.4

The average number of employees during the period was 68 (2024: 73).

2 Directors' emoluments

Detailed information concerning Directors' emoluments, shareholdings and options is shown in the audited sections of the Directors' Remuneration Report.

3 Investments in subsidiaries

	£m
Cost or valuation:	
At 1 January 2025	**3,615.6**
Additions	**275.3**
Reclassifications	**18.6**
Disposals	**(258.1)**
At 31 March 2026	**3,651.4**
Provisions:	
At 1 January 2025	**1,628.2**
Charge in the period	**465.0**
Reclassifications	**18.6**
Disposals	**(258.1)**
At 31 March 2026	**1,853.7**
Net carrying amount:	
At 31 March 2026	**1,797.7**
At 1 January 2025	1,987.4

The addition in the year represents an additional investment in National Express Intermediate Holdings Limited of £271.6m arising from restructuring activity ahead of the North America School Bus disposal. In addition the Company has made share awards to the employees of its direct and indirectly owned subsidiaries, and as such, the Company recognises an increase in the cost of investment in subsidiaries of £3.7m (2024: nil). Reclassifications of £18.6m within cost and provisions arises from prior period amounts relating to share awards made to employees of direct and indirectly owned subsidiaries; the cumulative impact of which has been corrected in-year within both cost and provisions. There is no net impact on the net carrying amount of investments as at either 31 December 2024 nor 31 March 2026 and as a result the cumulative impact has been corrected in-year rather than being treated as a prior period restatement as it is not deemed to be material to the users of the Financial Statements.

National Express Financing LP was dissolved during the period and as such the cost of £258.1m and accumulated impairment of £258.1m have been reversed.

The Company assesses its investments in subsidiaries annually for indicators of impairment. The Company has performed a detailed assessment in the current period given that the Group's market capitalisation value remains below the net carrying amount of investments in subsidiaries, which is seen as an indicator of potential impairment.

This assessment for National Express Intermediate Holdings Limited, the principal holding company for the Group's trading subsidiaries, showed that the equity value was lower than the net carrying value of the investment in subsidiaries, and, as a result, an impairment charge of £465.0m has been recorded. The recoverable amount has been determined with reference to the equity value of each of the underlying trading companies, which has been derived from the enterprise value calculations with relevant adjustments to the fair value of adjusted net debt and fair value of surplus assets, and is calculated on the same basis as detailed in note 14 to the Group Consolidated Financial Statements for Alsa, UK Coach and WeDriveU; with the same methodology applied for the other divisions.

3 Investments in subsidiaries continued

Sensitivities are as follows:

Investments in subsidiaries	Sensitivity	(Decrease)/Increase in carrying value £m 31 March 2026	 31 December 2024
Pre-tax discount rate	Increase of 1.5 percentage points	**(407.4)**	(370.9)
Long term growth rate	Decrease of 1.0 percentage point	**(228.1)**	(292.4)
Adjusted Operating Profit Margin throughout the assessment period	Decrease of 1.5 percentage point	**(473.2)**	(841.0)
Free cash flow in the terminal value	Decrease by 10%	**(161.9)**	(183.9)

A full list of principal subsidiaries of the Company can be found in note 16 to the Group Consolidated Financial Statements.

4 Derivative financial instruments

	31 March 2026 £m	31 December 2024 £m
Cross currency swaps	**0.3**	0.4
Foreign exchange forward contracts	**3.1**	10.7
Current derivative financial assets	**3.4**	11.1
Cross currency swaps	**(3.9)**	(0.3)
Non-current derivative financial liabilities	**(3.9)**	(0.3)
Interest rate derivatives	**–**	(9.9)
Foreign exchange forward contracts	**(8.5)**	(26.8)
Current derivative financial liabilities	**(8.5)**	(36.7)

Full details of the Group's financial risk management objectives and policies can be found in note 29 to the Group Consolidated Financial Statements. As the holding company for the Group, the Company faces similar risks over foreign currency and interest rate movements.

5 Trade and other receivables

	31 March 2026 £m	31 December 2024 £m
Amounts owed by subsidiary undertakings	**10.5**	32.3
Prepayments and other debtors	**6.5**	3.2
	17.0	35.5

Expected credit losses in respect of amounts owed by subsidiary undertakings due within one year were £nil (2024: £nil) at the reporting date. Amounts owed by subsidiary undertakings due within one year are short term in nature and settlement is expected within 30 days.

6 Other non-current receivables

	31 March 2026 £m	31 December 2024 £m
Amounts owed by subsidiary undertakings	**195.0**	244.4
Prepayments and other debtors	**1.8**	2.7
	196.8	247.1

Expected credit losses in respect of amounts owed by subsidiary undertakings due after more than one year were £nil (2024: £nil) at the reporting date. For the purpose of the impairment assessment, amounts owed by subsidiary undertakings are considered low credit risk and therefore, the Company measures the provision at an amount equal to 12-month expected credit losses. The subsidiary undertakings with amounts owing to the Company are all solvent and hence the probability of default is considered to be insignificant.

7 Cash and cash equivalents

	31 March 2026 £m	31 December 2024 £m
Cash at bank and in hand	**45.3**	7.7
Other short-term deposits	**156.0**	115.0
	201.3	122.7

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The fair value of cash equals the carrying value.

8 Trade and other payables

	31 March 2026 £m	31 December 2024 £m
Trade creditors	**4.4**	1.8
Amounts owed to subsidiary undertakings	**163.9**	211.6
Accruals and deferred income	**21.8**	19.1
Accrued interest on borrowings	**16.9**	7.1
Bank overdrafts	**88.9**	8.8
	295.9	248.4

Trade creditors are non-interest bearing and are normally settled on 30-day terms.

9 Other non-current liabilities

	31 March 2026 £m	31 December 2024 £m
Bonds	**681.3**	648.3
Private placements	**404.5**	396.5
	1,085.8	1,044.8

10 Deferred tax

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit is probable through the reversal of deferred tax liabilities and forecast future taxable profits.

Deferred tax assets and liabilities have been included in the Balance Sheet is as follows:

	31 March 2026 £m	31 December 2024 £m
Deferred tax assets	–	1.7
Deferred tax liabilities	–	–
Net deferred tax assets	–	1.7

The major components of the net deferred tax asset are as follows:

	31 March 2026 £m	31 December 2024 £m
Tax losses carried forward	–	–
Other short-term temporary differences	–	1.7
Accelerated tax depreciation	–	–
Net deferred tax assets	–	1.7

A reconciliation of the movement in deferred tax balances is as follows:

	Deferred tax assets £m
At 1 January 2025	**1.7**
Tax charged to Income Statement	**(1.7)**
Tax credited to Other Comprehensive Income	–
At 31 March 2026	–

Unrecognised deferred tax assets

The Company did not recognise deferred tax assets in respect of tax losses carried forward of £135m (2024: £101m) and restricted interest expenses of £160m (2024: £77m). The benefits in respect of the tax losses and restricted interest expenses do not time expire.

Timing differences associated with investments

No deferred tax (2024: £nil) has been recognised on the unremitted earnings of subsidiaries and associates, as no dividends have been accrued as receivable and no binding agreement to distribute the past earnings in the future has been entered into by the subsidiaries and as dividends received by the Company are generally exempt from UK corporation tax.

11 Interest-bearing loans and borrowings

The effective interest rates at the balance sheet date were as follows:

	31 March 2026 £m	Maturity	Effective interest rate	31 December 2024 £m	Maturity	Effective interest rate
Current						
Bank overdrafts	**88.9**	**–**	**–**	8.8	–	–
Accrued interest on borrowings	**16.9**	**–**	**–**	7.1	–	–
Total current	**105.8**			15.9		
Non-current						
9-period Sterling bond	**248.9**	**November 2028**	**3.63%[1]**	239.7	November 2028	GBP SONIA + 3.23%[1]
8-period Euro bond	**432.4**	**September 2031**	**4.875%**	408.6	September 2031	4.875%
Private placements	**404.5**	**2027–2032**	**1.92%**	396.5	2027–2032	1.92%
Total non-current	**1,085.8**			1,044.8		

1 During the period a fixed to floating interest rate swap attached to the 9-year Sterling bond matured in November 2025. Subsequent to this the bond reverted to a fixed rate of 3.63% until maturity.

The Company currently has £600.0m of unsecured committed revolving credit facilities, details of which are set out in the liquidity risk section of note 29 of the Consolidated Accounts. Details of the Company's interest rate management strategy and interest rate swaps are included in notes 29 and 30 to the Group Consolidated Financial Statements.

12 Share capital

Authorised, issued and fully paid:	No. of shares	31 March 2026 £m	No. of shares	31 December 2024 £m
At the beginning and end of the period	**614,086,377**	**30.7**	614,086,377	30.7

Each share has a par value of 5p.

The total number of share options exercised in the period was 5,790,141 (2024: 825,839) of which 5,080,181 (2024: 776,967) exercises were satisfied by transferring shares from the National Express Employee Benefit Trust.

Own shares (31 March 2026: (£2.5m), 31 December 2024: (£4.3m))

Own shares comprises 4,849,234 (2024: 3,742,873) ordinary shares in the Company that have been purchased by the trustees of the National Express Employee Benefit Trust (the Trust). During the period, the Trust purchased 6,186,542 (2024: 3,411,379) shares, and 5,080,181 (2024: 776,967) shares were used to satisfy options granted under a number of the Company's share schemes. nil shares (2024: nil) were sold during the period to the open market.

Where the Trust purchases the Company's equity share capital the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. The market value of the shares held by the Trust at 31 March 2026 was £0.8m (2024: £3.0m). Dividends are payable on nil (2024: nil).

Hybrid reserves (31 March 2026: £498.8m, 31 December 2024: £513.0m)

The Group has in issue a Sterling denominated hybrid instrument of £500m, with an initial annual coupon rate of 4.25%. The contractual terms of the instrument allow the Group to defer coupon payments and the repayment of the principal indefinitely. However, any deferred payments must be made in the event of a dividend distribution. The instrument was issued in November 2020 and the terms also allow for the instrument to be redeemed at the option of the Group at five periods after issue (first call date) and 10 periods (second call date), and subsequently at each coupon date or in the event of highly specific circumstances (such as a change in IFRS or change of control). As the Group has the unconditional right to avoid transferring cash or another financial asset in relation to this instrument, it is classified within equity. The Group did not redeem the hybrid instrument at the first call date in November 2025. The annual coupon rate was fixed for the first five years at 4.25%, and subsequently resets as per the specific terms of the issuance. The new coupon rate effective from February 2026 is 8.14%.

13 Other reserves

	Capital redemption reserve £m	Cash flow hedge reserve £m	Cost of hedging reserve £m	Merger reserve £m	Total £m
At 1 January 2025	**0.2**	**1.2**	**–**	**224.1**	**225.5**
Losses on hedging	**–**	**(3.4)**	**–**	**–**	**(3.4)**
Hedging losses reclassified to Income Statement	**–**	**3.2**	**(0.1)**	**–**	**3.1**
Cost of hedging	**–**	**–**	**0.1**	**–**	**0.1**
At 31 March 2026	**0.2**	**1.0**	**–**	**224.1**	**225.3**

	Capital redemption reserve £m	Cash flow hedge reserve £m	Cost of hedging reserve £m	Merger reserve £m	Total £m
At 1 January 2024	0.2	1.2	(0.2)	224.1	225.3
Gains on hedging	–	1.6	–	–	1.6
Hedging gains reclassified to Income Statement	–	(1.6)	–	–	(1.6)
Cost of hedging	–	–	0.2	–	0.2
At 31 December 2024	0.2	1.2	–	224.1	225.5

The nature and purpose of the other reserves are as follows:

- The cash flow hedge reserve records the movements on designated hedging instruments.
- The cost of hedging reserve records the movements in the currency basis, which are excluded from the hedging instrument on the designated hedging instruments in the cash flow hedge reserves.
- The merger reserve included the premium on the share issue in May 2020.

14 Share-based payments

During the period ended 31 March 2026, the Company had a number of share-based payment arrangements, which are described in note 9 to the Consolidated Accounts, along with all required disclosures.

15 Commitments, contingencies and insurance contracts

Contingent liabilities

Guarantees

The Company has guaranteed the liabilities of a number of its subsidiaries under Section 479C of the Companies Act 2006 and these subsidiaries are exempt from the requirements of the Act relating to the audit of individual accounts by virtue of section 479A of the Act. These subsidiaries are highlighted in the full subsidiaries listing in note 38 to the Consolidated Accounts.

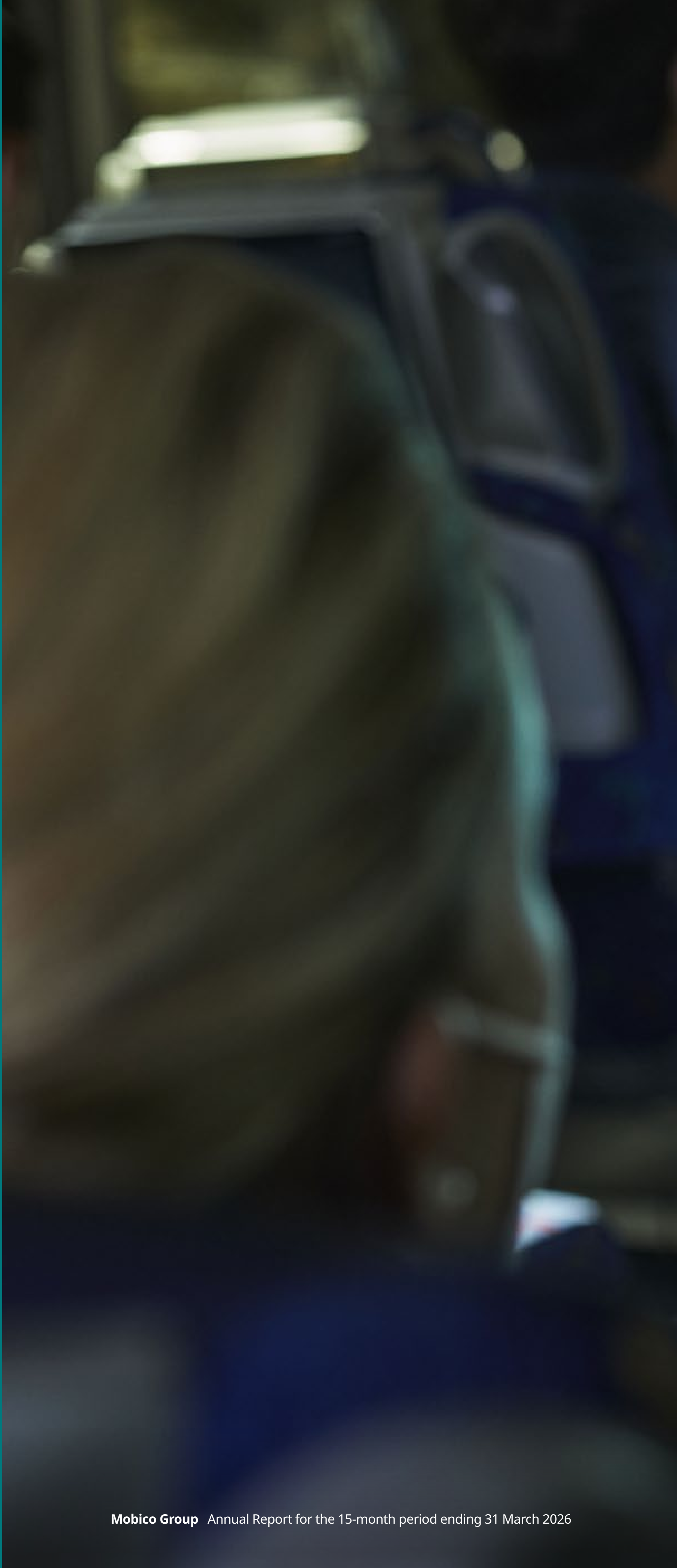
Insurance contracts

In the ordinary course of business, the Company is required to issue counter-indemnities in support of its operations. These are valued as insurance contracts in scope of IFRS 17 Insurance Contracts from 1 January 2023. Previously these had been disclosed as contingent liabilities in the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

As at 31 March 2026, the Company had performance bonds in respect of businesses in the USA of £6.1m (2024: £207.0m), in Spain of £115.5m (2024: £107.9m), in Germany of £57.5m (2024: £54.9m), and in the Middle East of £1.6m (2024: £6.4m). Letters of credit have been issued to support insurance retentions of £91.1m (2024: £162.5m).

The directors believe that the expected pay out of these contracts is £nil (2024: £nil) and the insurance liability recorded in the Financial Statements at the end of the period is £nil (2024: £nil).

Additional Information

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Five-year summary

All numbers in £m unless stated	15-months ending 31 March 2026[1]	12-months ending 31 December 2024[1]	12-months ending 31 December 2023	12-months ending 31 December 2022	12-months ending 31 December 2021
Adjusted					
Adjusted Revenue	**3,419.9**	2,597.5[2]	3,150.9	2,807.5	2,170.3
Adjusted Operating profit	**231.0**	179.4[2]	168.6	197.3	87.0
Adjusted Return on capital employed (Adjusted ROCE)	**21.5%**	10.0%[2]	7.0%	7.6%	3.4%
IFRS					
Revenue	**3,358.0**	2,597.5[2]	3,150.9	2,807.5	2,170.3
Operating profit/(loss)	**11.7**	32.3[2]	(43.2)	(173.5)	(36.2)
Loss before tax	**(89.2)**	(50.4)[2]	(120.1)	(225.3)	(84.9)
Basic EPS (pence)	**(28.2)**	(28.6)[2]	(33.7)	(41.4)	(16.6)
Dividends per share	**nil**	nil	1.7	5.0	nil
Adjusted net debt					
Cash	**425.6**	244.5	356.3	291.8	508.4
Bank overdrafts	**(184.0)**	(41.4)	(62.6)	(58.7)	(132.2)
Other debt receivable	**4.5**	2.7	2.9	2.7	1.0
Bonds	**(681.3)**	(648.3)	(659.2)	(621.4)	(640.9)
Bank loans (net of arrangement fees)	**(111.5)**	(177.5)	(243.9)	(194.7)	(189.6)
Fair value of derivatives included in adjusted net debt	**(4.7)**	(9.8)	(18.6)	(32.0)	(3.7)
Net lease liabilities[3]	**(177.7)**	(222.3)[2]	(223.7)[2]	(183.7)	(218.9)
Private placements	**(404.5)**	(396.5)	(404.7)	(411.9)	(393.9)
Adjusted net debt	**(1,133.6)**	(1,248.6)[2]	(1,253.5)	(1,207.9)	(1,069.8)

1 Group Adjusted and IFRS numbers for these periods are from continuing operations
2 Restated for prior period restatements and to represent for discontinued operations, see Notes 2 and 19 respectively for further information
3 Net lease liabilities is inclusive of finance lease receivables which are reported separately from borrowings on the face of the Group's Balance Sheet

Shareholder information

Ordinary shares

The Company's ordinary shares, each of nominal value 5 pence, are traded on the main market for listed securities on the London Stock Exchange (LON:MCG).

Dividends

Having your dividends paid directly into your bank or building society account is more secure than receiving your dividend by cheque. If you would prefer your dividends to be paid directly into your bank or building society account, further information is available from Equiniti (**www.shareview.co.uk**). You will still receive an annual dividend confirmation detailing each dividend you receive.

ShareGift

ShareGift is an independent charity share donation scheme administered by the Orr Mackintosh Foundation (registered charity number 1052686). Shareholders who hold only a small number of shares, the value of which makes it uneconomic to sell them, can donate their shares to ShareGift who will sell them and donate the proceeds to a range of charities. Further information may be obtained on 020 7930 3737 or by visiting: **www.sharegift.org**.

Shareholder security

You should always check that any firm contacting you about potential investment opportunities is properly authorised by the FCA. If you deal with an unauthorised firm, you will not be eligible for compensation under the Financial Services Compensation Scheme. You can find out more about protecting yourself from investment scams by visiting the FCA's website at **www.fca.org.uk/consumers**, or by calling the FCA's consumer helpline on 0800 111 6768 (overseas callers dial +44 207 066 1000). If you have already paid money to share fraudsters contact Action Fraud immediately on 0300 123 2040, whose website is: **www.actionfraud.police.uk**.

Company website

The Company website (**www.mobicogroup.com**) contains information about the Company's operations. Copies of the Company's annual reports, results announcements, notices and other corporate communications, together with information about the Company share price and dividends, can be found there.

e-Communication

We encourage Shareholders to receive communications from the Company electronically as this is quicker, more environmentally friendly and more cost effective. To register for this service, you should go to **www.shareview.co.uk**.

Registrar

The Company's Registrar is Equiniti Limited.

Equiniti provides a range of services to Shareholders.

Extensive information including many answers to frequently asked questions can be found online.

Use the QR code to register for FREE at **www.shareview.co.uk**

Equiniti's registered address is:

Highdown House, Yeoman Way, Worthing, BN99 6DA.

Personal data

The Company processes personal data about its Shareholders in compliance with applicable laws. A copy of the Shareholder Privacy Notice explaining how the Company processes your personal data and your rights in respect of that processing can be found at: **www.mobicogroup.com/privacy-centre/**.

Definitions and supporting information

AGM	Annual General Meeting
AI	Artificial intelligence
APMs	Alternative performance measures
Board	The Board of Directors of the Company
Code	The UK Corporate Governance Code published by the FRC in 2018
Company	Mobico Group PLC
Consolidated Financial Statements	The Financial Statements for the Group for the 15-months ending 31 March 2026
CPI	Consumer Price Index
CRM	Customer relationship management
Directors	The Directors of the Company
Dividend	Dividend amount payable per ordinary share
DTRs	Disclosure Guidance and Transparency Rules
EDBP	Executive Deferred Bonus Plan
EURIBOR	Euro Interbank Offered Rate
EV	Electric vehicle
Executive Directors	The Executive Directors of the Company
FCA	The Financial Conduct Authority
FRC	The Financial Reporting Council
FWI	Fatalities and Weighted Injuries
GDP	Gross Domestic Product – used to determine the economic performance of a whole country or region
GHG	Greenhouse gas emissions
Group	The Company and its subsidiaries and associates
HMRC	His Majesty's Revenue and Customs
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
KPIs	Key performance indicators
LTIP	Long-Term Incentive Plan
NASB	North America School Bus
Net interest expense	Finance costs less finance income
Non-Executive Directors	The Non-Executive Directors of the Company
OCP	Onerous Contract Provision
Organic Constant Currency	Compares current period's results with the prior period's results translated at the current period's exchange rates
Operating margin or 'margin'	Ratio of adjusted operating profit to revenue
Ordinary shares	Ordinary shares of nominal value 5 pence each in the Company
PBT	Profit before tax
PTA	Public Transport Authority
RCF	Revolving credit facility
RME	Rhine-Münster Express
RMS	Revenue Management System
RPI	Retail Prices Index
RRX	Rhine-Ruhr Express
SBTi	Science Based Targets initiative
TfWM	Transport for West Midlands
Thermal event	Self-sustaining exothermic reactions in the batteries of electric vehicles that can pose significant safety risks
TSR	Total shareholder return – the growth in value of a shareholding over a specified period assuming that dividends are reinvested to purchase additional shares
UK Listing Rules	The Listing Rules of the FCA
WACC	Weighted Average Cost of Capital
WMATA	Washington Metropolitan Area Transit Authority
ZEV	Zero Emission Vehicle

Alternative performance measures

In the reporting of financial information, the Group has adopted various Alternative Performance Measures (APMs). APMs should be considered in addition to IFRS measurements. The Directors believe that these APMs assist in providing useful information on the Adjusted performance of the Group, enhance the comparability of information between reporting periods, and are used internally by the Directors to measure the Group's performance. The key APMs that the Group focuses on are as follows:

Measure	Closest IFRS measure	Definition and reconciliation	Purpose
Adjusted EBITDA	Operating profit[1]	Adjusted Earnings Before Interest and Tax plus Depreciation and Amortisation. It is calculated by taking Adjusted Operating Profit and adding back depreciation, amortisation, fixed asset grant amortisation, and share-based payments.	Adjusted EBITDA is used as a key measure to understand profit and cash generation before the impact of investments (such as capital expenditure and working capital). It is also used to derive the Group's gearing ratio.
Covenant Gearing & Covenant EBITDA	No direct equivalent	Covenant Gearing is defined as the ratio of Covenant net debt to Covenant EBITDA over the last 12-months. Covenant EBITDA is calculated by making the following amendments to Adjusted EBITDA (which is defined above): including any pre-acquisition Adjusted EBITDA generated in that 12-month period by businesses acquired by the Group during that period; the reversal of IFRS 16 accounting; the exclusion of the profit or loss from associates; the exclusion of the profit or loss attributable to minority interest; and the add back of interest costs arising from the unwind of the discount on provisions.	The covenant gearing ratio is considered a key measure of balance sheet strength and financial stability by which the Group and interested stakeholders assess its financial position. Covenant EBITDA is used for the purpose of calculating the Group's two key bank covenant tests: being gearing and interest cover.
Free cash flow	Net cash generated from operating activities	The cash flow equivalent of Adjusted Profit After Tax. A reconciliation of Adjusted Operating Profit and net cash flow from operating activities to free cash flow is set out in the supporting tables below.	Free cash flow allows us and external parties to evaluate the cash generated by the Group's operations and is also a key performance measure and management remuneration.
Net maintenance capital expenditure	No direct equivalent	Comprises the purchase of property, plant and equipment and intangible assets, other than growth capital expenditure, less proceeds from their disposal. It excludes capital expenditure arising from discontinued operations. It includes the capitalisation of leases initiated in the year in respect of existing business. A reconciliation of capital expenditure in the statutory cash flow statement to net maintenance capital expenditure (as presented in the Group Chief Financial Officer's review) is set out in the supporting tables below.	Net maintenance capital expenditure is a measure by which the Group and interested stakeholders assesses the level of investment in new/existing capital assets to maintain the Group's profit.
Growth capital expenditure	No direct equivalent	Growth capital expenditure represents the cash investment in new or nascent parts of the business, including new contracts and concessions, which drive enhanced profit growth. It includes the capitalisation of leases initiated in the year in respect of new business.	Growth capital expenditure is a measure by which the Group and interested stakeholders assesses the level of capital investment in new capital assets to drive profit growth.
Adjusted net debt	Borrowings less cash and related hedges	Cash and cash equivalents (cash overnight deposits, other short-term deposits) and other debt receivables, offset by borrowings (loan notes, bank loans and finance lease obligations) and other debt payable (excluding accrued interest). The components of adjusted net debt as they reconcile to the primary Financial Statements and notes to the accounts is disclosed in Note 37.	Adjusted net debt is the measure by which the Group and interested stakeholders assess its level of overall indebtedness.

Alternative performance measures continued

Measure	Closest IFRS measure	Definition and reconciliation	Purpose
Covenant net debt	Borrowings less cash and related hedges	Adjusted net debt adjusted for certain items agreed with the Group's lenders as being excluded for the purposes of calculating net debt for covenant assessment. The adjustments principally comprise the exclusion of IFRS 16 liabilities, the exclusion of amounts owing under arrangements to factor advance subsidy payments, the add back of trapped cash, and an adjustment to retranslate any borrowing denominated in foreign currency to the average foreign currency exchange rates over the preceding 12-months.	Covenant net debt is the measure that is applicable in the covenant gearing test.
Adjusted Revenue	Revenue	Statutory revenue excluding Adjusting items (as described below) and can be found on the face of the Group Income Statement in the first column.	Adjusted Revenue allows for ongoing trends and performance of the Group to be measured by the Directors, management and interested stakeholders.
Adjusted Operating Profit	Operating profit[1]	Statutory operating profit excluding Adjusting items (as described below), and can be found on the face of the Group Income Statement in the first column.	Adjusted Operating Profit is a key performance measure for the Executive Directors' annual bonus structure and management remuneration. It also allows for ongoing trends and performance of the Group to be measured by the Directors, management and interested stakeholders.
Adjusting items	No direct equivalent	Adjusting items are items that are considered significant in nature and value, not in the normal course of business, or are consistent with items that were treated as Adjusting items in prior periods.	Treatment as an Adjusting item provides users of the accounts with additional useful information to assess the year-on-year trading performance of the Group.
Adjusted Operating Margin	Operating profit[1] divided by revenue	Adjusted Operating Profit/(Loss) divided by revenue	Adjusted Operating Margin is a measure used to assess and compare profitability. It also allows for ongoing trends and performance of the Group to be measured by the Directors, management and interested stakeholders.
Adjusted Profit Before Tax	Profit before tax	Statutory profit before tax excluding Adjusting items can be found on the face of the Group Income Statement in the first column.	Adjusted Profit before tax allows a view of the profit before tax after taking account of the Adjusting items.
Adjusted Return on capital employed (Adjusted ROCE)	Operating profit[1] and net assets	Adjusted Operating Profit divided by average capital employed. Capital employed is net assets excluding adjusted net debt and derivative financial instruments, and for the purposes of this calculation is translated using average exchange rates. The calculation of Adjusted ROCE is set out in the reconciliation tables below.	Adjusted ROCE gives an indication of the Group's capital efficiency.

1 Operating profit is presented on the Group income statement. It is not defined per IFRS, however is a generally accepted profit measure.

Supporting reconciliations

Reconciliation of net cash flow from operating activities to free cash flow	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Net cash flow from operating activities	155.9	268.8
Cash expenditure in respect of adjusting items	158.4	99.2
Net maintenance capital expenditure	(187.8)	(161.9)
Other non-cash movements[2]	(2.5)	(2.0)
Profit on disposal of fixed assets	7.8	11.8
Free cash flow	**131.8**	215.9

1 Restated for prior period restatements
2 Principally comprise deal fee amortisation

Reconciliation of capital expenditure in statutory cash flow to funds flow	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Purchase of property, plant and equipment	(204.9)	(195.6)
Proceeds from disposal of property, plant and equipment	13.1	47.4
Payments to acquire intangible assets	(8.6)	(6.4)
Proceeds from disposal of intangible assets	2.5	3.6
Net capital expenditure in statutory cash flow statement	(197.9)	(151.0)
Gain on disposal of property, plant & equipment & intangible assets	(7.8)	(11.8)
Capitalisation of leases initiated in the year, less disposals	(55.6)	(58.4)
Net capital expenditure in the funds flow (presented in the Group Chief Financial Officer's review)	**(261.3)**	(221.2)
Split as:		
Net maintenance capital expenditure	(187.8)	(161.9)
Growth capital expenditure	(73.5)	(59.3)

1 Restated for prior period restatements

Reconciliation of Adjusted ROCE	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Statutory operating profit from continuing operations	11.7	32.3
Add back: adjusting items from continuing operations	219.3	147.1
Add back: Adjusted Operating Profit from discontinued operations	12.9	5.7
Return – Adjusted Group Operating Profit from continuing & discontinued operations	243.9	185.1
Average net assets	(61.6)	622.4
Remove: Average adjusted net debt	1,191.1	1,225.2
Remove: Average derivatives, excluding amounts within adjusted net debt	6.2	21.3
Foreign exchange adjustment	(2.5)	(11.0)
Average capital employed	1,133.2	1,857.9
Adjusted Return on capital employed	**21.5%**	10.0%

1 Restated for prior period restatements and to represent prior periods for discontinued operations

Depreciation and other non-cash items	15-months ending 31 March 2026 £m	(Restated) 12-months ending 31 December 2024[1] £m
Depreciation charge	190.2	223.9
Amortisation charge (excluding amortisation from intangibles from acquired businesses)	30.3	22.5
Share-based payments	5.1	4.6
Amortisation of fixed asset grants	(4.7)	(2.0)
Depreciation and other non-cash items	**220.9**	249.0

1 Restated for prior period restatements

Key contacts and advisers

Group Company Secretary

Gillian Saunderson

company.secretarial@mobicogroup.com

Registered office

Mobico Group PLC
National Express House, Birmingham Coach Station,
Mill Lane, Digbeth, Birmingham, England B5 6DD

Tel: +44 (0) 8450 130 130

www.mobicogroup.com

Registered in England and Wales – No. 2590560

Registrar

Equiniti Limited
Highdown House, Yeoman Way, Worthing, BN99 6DA

Equiniti provides a range of services to Shareholders.

Extensive information including many answers to frequently asked questions can be found online.

Use the QR code to register for FREE at **www.shareview.co.uk**

Auditor

KPMG LLP One Snowhill, Snowhill Queensway,
Birmingham, B4 6GH

www.kpmg.com

Corporate solicitors

Freshfields LLP,
100 Bishopsgate, London, EC2P 2SR

Joint financial advisers and corporate brokers

Bank of America Securities
2 King Edward, London, EC1A 1HQ

Joh. Berenberg, Gossler & Co KG,
60 Threadneedle Street, London, EC2R 8HP

Cautionary statement

Certain statements included in this Annual Report are, or may be deemed to be, forward-looking. They appear in a number of places throughout this Annual Report and include statements regarding our intentions, beliefs or current expectations and those of our officers, Directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements. Forward-looking statements are not guarantees of future performance and no assurances can be given that the forward-looking statements in this document will be realised. Unless otherwise required by applicable law, regulation or accounting standard, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Mobico Group PLC

National Express House
Birmingham Coach Station
Mill Lane
Digbeth
Birmingham
B5 6DD