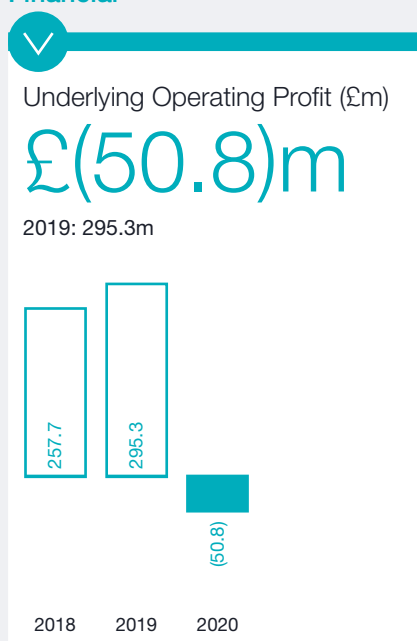


Measuring our progress

Financial



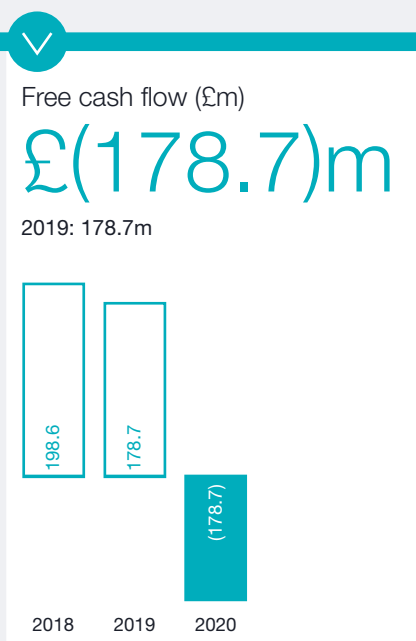
KPI definition
Group Underlying Operating Profit from operations.

Relevance to strategy
A key measure of the overall performance of the business.

We are focused on driving growth in 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
Profit performance has been significantly impacted by lower revenue as a result of the pandemic with the ensuing travel restrictions and closure of schools and businesses. As a result the Group recognised an underlying operating loss of £51m.

Remuneration linkage
Group underlying profit before tax is one of three bonus inputs to the Executive Directors' and senior managers' annual bonus structure.



KPI definition
Free cash flow is the cash flow available after deducting net interest and tax from operating cash flow. See reconciliation on page 25.

Relevance to strategy
Strong cash generation provides the funding to invest in initiatives to drive our strategy.

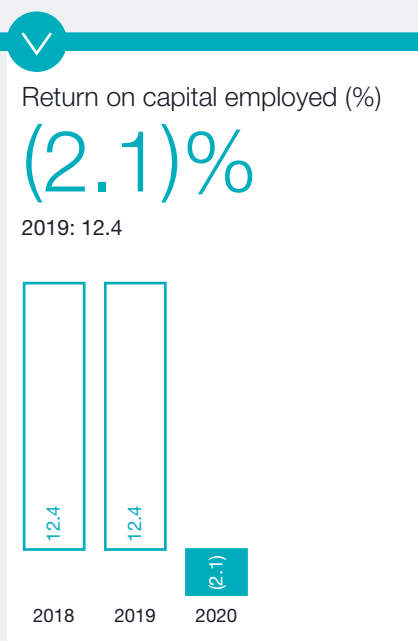
This focus on strong cash generation ensures that we are running the business efficiently, converting profit to cash to enable investment into the business; returns to shareholders; and providing the platform for further growth for all our stakeholders.

Performance
Underlying operating cash outflow of £115 million reflects the operating loss of £51m.

Free cash outflow of £179 million after investing £216 million in capital expenditure to maintain our fleet, together with a working capital outflow of £78 million reflects the temporary change in revenue streams to subsidy income with a longer payment cycle.

Generated over £770 million of free cash flow in the previous five years.

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



KPI definition
Return on capital employed (ROCE) is underlying operating profit, divided by average net assets excluding net debt and derivative financial instruments, translated at average exchange rates. See reconciliation on page 244.

Relevance to strategy
Demonstrates how efficiently the Group is deploying its capital resources to generate operating profit.

A focus on 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
ROCE of (2.1)% – reflects the operating loss in the year.

Invested £216 million of net maintenance capital, predominantly in replacing our fleet in our existing operations.

Invested £35 million in growth capital expenditure including vehicles to service new contracts in ALSA and North America and mobilisation costs in Morocco and German Rail.

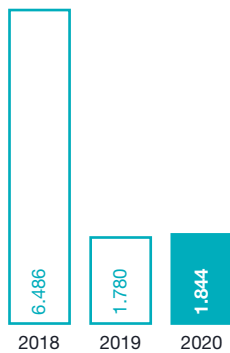
Remuneration linkage
ROCE is one of the performance conditions for the Long-Term Incentive Plan of Executive Directors and senior managers.

Non-financial

Safety – Fatalities and Weighted Injuries (FWI)*

1.844

2019: 1.780



KPI definition*

The Fatalities and Weighted Injuries (FWI) Index weights injuries by severity to give an overall standard based score. The definition has been amended in the year to excluded non-responsible minor injuries, with prior year numbers restated to give a like-for-like comparison.

Relevance to strategy

Safety is of paramount importance to a public transport operator and is a core measure of our strategic priority: Delivering operational excellence.

Safety is at the heart of our Values and is our priority for both our customers and our employees.

High safety standards also help to drive sustainable growth through customer loyalty and new business wins.

Performance

- In 2020 we saw a small increase in the score to 1.844
- This score compares to the best ever score recorded in 2019 and remains significantly better than historical scores as the second lowest score
- The 2020 scores represents a 71.9% improvement since 2018
- For the second year running, our businesses in North America and Morocco both recorded their lowest ever scores, improving by 32% and 82% respectively on the prior year

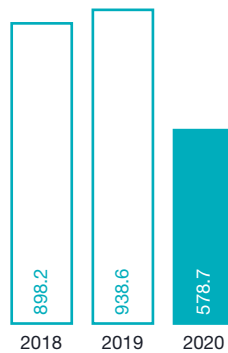
Remuneration linkage

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

Passenger journeys

578.7m

2019: 938.6 million



KPI definition

Passenger numbers as measured by the aggregate of passenger journeys across each of our operating divisions.

Our numbers for North America are estimated as our school bus services are non-ticketed.

Relevance to strategy

Growth in passenger journeys is a leading indicator for growing our business and hence driving modal shift from cars to buses and coaches.

National Express is targeting increased passenger ridership as a longer-term driver of sustainable value for both the business and the environment, with public transport a key solution to lowering carbon emissions and easing travel congestion.

Performance

- Passenger numbers were down 38% in 2020 with the impact of Covid-19 resulting in:
 - numerous national and local lockdowns in the UK and Spain
 - school closures in North America in Q2, followed by delayed new school year start backs with some schools choosing either hybrid or online teaching; and
 - reduced demand in our transit and corporate shuttle services in North America
- Growth in Morocco of 1% reflects the full year impact of new contracts in Casablanca and Rabat mostly offset by falls elsewhere due to Covid-19

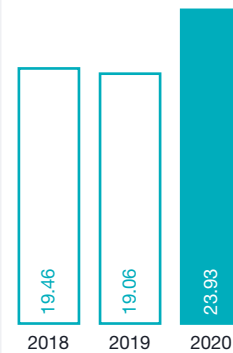
Remuneration linkage

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

Reduction in GHG emissions*

23.93

2019: 19.06



KPI definition

Total Scope 1,2 and 3 greenhouse gas (GHG) emissions divided by the total number of passenger kilometres travelled across each of our operating divisions.

* Measured as tCO₂e / million passenger km

Relevance to strategy

Reducing the environmental impact of transport is core to our Purpose. Per passenger, bus and coach travel is vastly less polluting than cars and, as such, modal shift is the single most important thing we can do. But we are also committed to making public transport greener. We have adopted targets through to 2025 that are 'science based' and aligned with limiting global warming in line with the Paris Agreement.

Performance

- Total Group carbon emissions reduced by 33% due to the reduction in operations as a result of the pandemic
- 26% increase in tCO₂e / million km to 23.93 due to significantly reduced load factors, particularly where social distancing restrictions applied
- We expect to make further progress against our targets in 2021 and 2022 as Covid-19 restrictions change
- At the start of 2020 we committed never to buy another diesel bus in the UK and to be zero emission in bus by 2030 and coach by 2035. We have started in the UK but will drive a similar level of ambition across the Group

Remuneration linkage

25% of the Executive Directors' and senior managers' Long-Term Incentive Plan is linked to reducing GHG emissions.