

Mobico Group PLC

Unaudited results for the 12 months ended 31 December 2025

Turnaround underway with momentum building

Phil White, Mobico Group Executive Chairman, said:

“Mobico delivered further growth in 2025 and meaningful strategic progress, with Alsa achieving another record year of double-digit revenue growth. This offset a challenging trading environment in the UK and operational issues with the WMATA contract in WeDriveU, for which resolution plans are now in progress. Adjusted operating profit increased 9% to £198m, above recent guidance, largely due to strong end-of-year trading in Spain and commencement of the ‘Simplify for Success’ cost programme.

We continue to progress with our ‘Simplify, Strengthen, Succeed’ strategy to strengthen the business. Most notably, we announced in January an agreement in principle had been reached with the German Rail PTAs which delivers a sustainable business going forwards. UK Coach is also now largely integrated into Alsa which will reduce overheads and realign the business to a more competitive environment. Together with our other initiatives, we expect to deliver £100m of annualised cost savings for the Group by the end of 2026. As a result of these efforts, we expect further growth and progress in 2026 with Adjusted Operating Profit in the range of £195m - £210m.”

2025 highlights

- **Group Revenue¹ growth of 6.2% to £2.76bn (2024: £2.60bn)**
 - Double-digit growth to a new record in Alsa, with continued growth in WeDriveU
 - UK Coach revenue decreased following increased competition on key routes with the integration with Alsa to improve competitiveness
- **Adjusted Operating Profit of £198.0m (2024: £181.1m)**
 - Record performance in Alsa with strong end of year trading in Spain
 - Benefit of Group cost savings and monetisation of land and property within UK Bus
 - Morocco saw a reduced footprint resulting from changes to the operating environment
- **Statutory Operating Profit of £21.9m (2024: £34.0m)**
 - Impacted by one-off adjusting items, primarily driven by one off non-cash items
- **Covenant gearing improved to 2.7x (2024: 2.8x), aided by proceeds from NASB disposal**
 - Group maintains ample liquidity and has sufficient facilities to meet its 2027 and 2028 obligations
 - RCF facility of £600m remained undrawn at 31 December 2025 and net cash on hand of £265m
 - Free Cash Flow of £77.3m (2024: £210.2m), with the decrease mainly reflecting NASB prior to sale
- **Improved cash generation and de-leveraging remains the priority**
 - Agreement in principle reached with German Rail PTAs which delivers a sustainable business
 - Focus on cost reduction across the Group, targeting £100m run-rate by end of 2026
 - Strict controls on Capex, with improvement expected from 2026 given the impact of long-lead time orders
 - UK Bus asset monetisation to continue in preparation for franchising
 - Sale of NASB complete, raising de-leveraging proceeds of £273m
- **Outlook**
 - Group expects FY 2026 Adjusted Operating Profit to be in the range of £195m - £210m²

¹ Adjusted Revenue

² Adjusted Operating Profit guidance will be updated to reflect the positive impact of revised contract changes in Germany once legally binding agreements have been signed with the German PTAs

Financial Summary

Continuing operations	2025	2024 ¹	Change (Constant FX)	Change (Reported)
Group Adjusted ² Revenue	£2.76bn	£2.60bn	6.0%	6.2%
Group Adjusted ² EBITDA	£342.9m	£329.7m	3.0%	3.9%
Group Adjusted ² Operating Profit	£198.0m	£181.1m	8.1%	9.3%
Group Adjusted ² Profit before Tax	£122.3m	£103.7m		
Group Adjusted ² Profit for the Period ³	£78.8m	£58.9m		
Return on Capital Employed ⁴	18.3%	10.2%		
Statutory				
Group Revenue	£2.74bn	£2.60bn		
Group Operating Profit	£21.9m	£34.0m		
Group Loss before Tax	£(58.5)m	£(46.2)m		
Group Loss for the Period ³	£(287.3)m	£(794.6)m		
Basic EPS	(51.8)p	(135.0)p		
Free Cash Flow ⁴	£77.3m	£210.2m		
Net Debt ⁴	£1,075.7m	£1,202.5m		
Covenant Gearing ⁴	2.7x	2.8x		

¹ Restated for a German Rail prior year restatement and to represent prior periods for discontinued operations, see notes 1 & 8 in the Financial Statements for further information.

² To supplement IFRS reporting, we also present our results (including EBITDA) on an adjusted basis to show the performance of the business before adjusting items. These are detailed in note 5 to the Financial Statements and principally comprise intangible amortisation for acquired businesses, re-measurement of historic onerous contract provisions and impairments. In addition to performance measures directly observable in the Group financial statements (IFRS measures), alternative financial measures are presented that are used internally by management as key measures to assess performance.

³ Includes Profit/(Loss) from discontinued operations

⁴ These are alternative performance measures and include discontinued operations

Webcast presentation for institutional investors and analysts at 09:30am GMT today

Mobico's Executive Chair, Phil White, Group CFO, Brian Egan, and Group COO, Francisco ("Paco") Iglesias, will host a webcast for institutional investors and analysts to discuss these financial results.

To join online: <https://streamstudio.world-television.com/1355-2498-42831/en>

A recording will be made available later in the day on the website: <https://www.mobicogroup.com/investors/>

Investor Meet Company webcast at 11.30am GMT today

Mobico's Executive Chair, Phil White, Group CFO, Brian Egan, and Group COO, Francisco ("Paco") Iglesias, will also present these results live on the Investor Meet Company platform.

To join: <https://www.investormeetcompany.com/mobico-group-plc/register-investor>

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About Mobico Group

Mobico is a leading, international shared mobility provider with bus, coach and rail services in the UK, North America, continental Europe, North Africa and the Middle East.

Notes

1. Legal Entity Identifier: 213800A8IQEMY8PA5X34
2. This announcement contains forward-looking statements with respect to the financial condition, results and business of Mobico Group. By their nature, forward-looking statements involve risk and uncertainty and there may be subsequent variations to estimates. Mobico's actual future results may differ materially from the results expressed or implied in these forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, Mobico does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. Forward-looking statements can be made in writing but also may be made verbally by members of the management of the Group (including without limitation, during management presentations to financial analysts) in connection with this announcement.

Results overview

The Group's strong 2025 performance was driven by Alsa which delivered record results and continued to develop internationally. Across the rest of the Group, action is being taken to address areas of underperformance.

£m	Adjusted			Statutory		
	2025	2024 ¹	Change	2025	2024	Change
Revenue						
Alsa	1,488.3	1,327.6	12.1%	1,466.6	1,327.6	10.5%
WeDriveU	432.2	412.7	4.7%	432.2	412.7	4.7%
UK and Germany	839.3	857.2	(2.1)%	839.3	857.2	(2.1)%
Group from continuing operations	2,759.8	2,597.5	6.2%	2,738.1	2,597.5	5.4%
Operating Profit/(Loss)						
Alsa	212.0	186.1	13.9%	168.6	176.9	(4.7)%
WeDriveU	20.2	29.3	(31.3)%	(36.5)	18.5	N/A
UK and Germany	2.0	(0.4)	N/A	(12.2)	(105.2)	88.4%
Central Functions	(36.2)	(33.9)	(6.8)%	(98.0)	(56.2)	(74.4)%
Operating Profit from continuing operations	198.0	181.1	10.7%	21.9	34.0	(35.6)%
Operating Margin from continuing operations	7.2%	7.0%	0.2%	0.8%	1.3%	(0.5)%
Profit/(Loss) before tax	122.3	103.7		(58.5)	(46.2)	
Tax (charge)	(45.2)	(50.8)		(30.4)	(91.7)	
Profit/(Loss) for the period from continuing	77.1	52.9		(88.9)	(137.9)	
Profit/(Loss) for the period from discontinued operations	1.7	6.0		(198.4)	(656.7)	
Profit/(Loss) for the period	78.8	58.6		(287.3)	(794.6)	

¹ Restated for a German Rail prior year restatement and to represent prior periods for discontinued operations, see notes 1 & 8 in the Financial Statements for further information.

Group financial and operating performance

Continuing operations

Group Revenue³ grew by £162.3m (6.2%) on a reported basis. This principally reflects strong growth in **Alsa** where passenger figures in most businesses increased, including by 9.8% in Spain. **WeDriveU** also saw revenue growth driven by new contracts in corporate, university shuttle and paratransit operations. Revenue decreased in the **UK** due to further pressure on yields in **UK Coach**, offset by a small net revenue increase in **UK Bus** following the 8.6% fare rise.

Adjusted Operating Profit increased by £16.9m to £198.0m, whilst Statutory Operating Profit of £21.9m decreased by £12.1m.

Alsa's record performance saw revenue increase 12.1% to £1,488.3m (10.8% on a constant currency basis). **Alsa's** Adjusted Operating Profit increased 13.9% to £212.0m (12.6% on a constant currency basis). There was strong momentum in regional, urban and long-distance markets in Spain where revenue grew 9.5% and Operating

³ Adjusted revenue

Profit grew 14.1%. Statutory Operating Profit fell 4.7% to £168.6m due to significant one-off adjusting items related to Morocco.

While **WeDriveU** achieved revenue growth of 4.7%, operating profit was below 2024 levels due to operational challenges in the WMATA and CARTA contracts, with the CARTA contract exited early at the start of 2026. Operating and financial performance improved significantly in the second half, with Adjusted Operating Profit rising to £17.6m from £2.6m in H1 2025. This includes the impact of the onerous contract provision made in WMATA, the remainder of the business has performed well in 2025.

Revenues in the **UK and Germany** decreased by 2.1%, driven by increased competition on key routes in **UK Coach**. **UK Bus** revenue increased by 2.4% due to the 8.6% fare rise implemented in June 2025 and revenue in **Germany** decreased by 1.4%.

Operating Profit in the **UK and Germany** improved by £2.4m, driven by a £15.9m improvement in **Germany** and the sale of depot and land in UK Bus at the end of 2025. Increased competition in **UK Coach** and weaker **UK Bus** performance offset this improvement.

Adjusting items

The variance between the Adjusted Operating Profit (£198.0m) and Statutory Operating Profit (£21.9m) for continuing operations is driven by non-recurring adjusting items totalling £176.1m. Key adjusting items are:

WeDriveU Onerous Contract Provisions (£52.4m): As previously stated, following a rapid expansion in July 2024, the WMATA contract turned unprofitable due to lower-than-projected volumes compared to the initial bid. While losses initially narrowed in 2025 due to operational improvements, these increased again due to reductions in volume made by the local authority which we consider contrary to our contract. As a result, whilst an onerous contract provision has been booked to cover anticipated future losses, the Group is seeking legal redress with the client to recover the ongoing losses. Any future legal settlement cannot be assumed in the provision calculation. The process is expected to take 18 to 24 months and WeDriveU will continue to be committed to delivering services during this time. £4.5m of the provision was utilised as of 31 December 2025.

Moroccan operating environment (£27.3m): Alsa's Moroccan operations faced a significant shift in 2025 following changes in the operating environment. This led to a strategic settlement in Casablanca and a transfer of staff and assets in Marrakech and Tangier. The resulting £27.3m charge has been classified as an adjusting item to reflect its exceptional and non-recurring nature.

Restructuring and Efficiency Costs (£35.4m): To realise and make progress towards our £100m cost-saving target (run-rate by the end of 2026) we incurred £35.4m in one-off restructuring costs in 2025. This figure also includes costs relating to the disposal of the School Bus business.

North America School Bus ("NASB") Retained Liabilities (£38.5m): As part of the disposal of NASB, the Group retained legal liabilities relating to open insurance claims that existed at the date of sale. A £38.5m charge has been recognised in the Income Statement in 2025, primarily due to material adverse developments on more significant individual claims.

A full list of adjusting items has been provided in the CFO review section.

Discontinued Operations

North America School Bus

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 is presented as a discontinued operation for the 12 month period to 31 December 2025.

National Express Transport Solutions (NXTS)

The NXTS business experienced significant losses following the COVID-19 pandemic, which prompted a comprehensive restructuring and rationalisation programme in late 2023. Following this thorough review, it was

determined that divesting these businesses offered the most effective path to reducing losses within the Group. Prior to divestment, the NXTS business had Operating Losses of £1.8m in 2025.

Balance sheet

As at 31 December 2025, the Group had £0.9bn of cash and undrawn committed facilities and a covenant gearing ratio of 2.7x (H1 25: 3.0x and 2024: 2.8x). The Group continues to benefit from strong liquidity, having extended the vast majority of its Core RCF facility to 2029 and having completed the sale of NASB. The Group has sufficient liquidity to cover maturities in 2027 and 2028.

The Group elected not to exercise its voluntary option to redeem the Hybrid on the first call date and has paid the coupon for February 2026. In line with the terms of the Hybrid's prospectus, the coupon reset in February 2026 to a new rate derived from the five-year gilt plus the initial spread of 413.5bps. The first payment of the coupon at the higher rate will be in February 2027.

Key priorities

Although the Group continues to maintain a healthy liquidity position with the ability to meet upcoming maturities in 2027 and 2028, debt and leverage reduction remains the Board's priority, and we continue to consider all options to meet this objective. The sale of NASB and reaching an agreement with the German PTAs are significant steps towards de-risking and de-leveraging.

The Group also continues to seek opportunities to improve efficiency, reduce costs, improve profitability and de-leverage.

Simplify for Success cost programme

Launched at the H1 25 results, the 'Simplify for Success' programme commenced delivering, initial cost savings in 2025. Together with further cost savings and improved efficiencies to be implemented in the current year, we expect £75m of in-year cost savings in 2026 reaching a £100m run-rate by the end of 2026.

German rail agreement

Post period-end, the Group reached a comprehensive agreement in principle with five German PTAs to realign contract terms for its rail service in North Rhine-Westphalia and adjacent regions. The agreement, approved by the relevant governing bodies of the PTAs and Mobico, enables a material reset and de-risking of its German rail business and will support a sustainable business going forward.

Key contract wins

In 2025, the group won 25 new contracts with annualised revenue of £84m and total contract values of £437m. These contracts have an average ROCE of 45%. The conversion rate on bids submitted and awarded was 28%, up from 23% in the prior year.

While these consolidated figures demonstrate robust progress, they exclude major non-consolidated Joint Venture and Joint Operation (JV/JO) successes, most notably the Qiddiya project in the Middle East and the Guadalajara health transport bid. On a pro-forma basis, including these strategic JV/JO wins, the total value of new contracts secured in 2025 exceeded £1 billion.

Additionally, Alsa is in the process of securing a five-year extension of its Andalusia contract. This is one of the largest contracts in the regional business with annual revenues of circa €75m.

2026 calendar year guidance

Adjusted Operating Profit for 2026 is expected to be between £195m - £210m. Guidance will be updated to reflect the positive impact of revised contract changes in Germany once legally binding agreements have been signed with the German PTAs.

Strategic commentary

2025 reflects a year of meaningful positive change across the Group, with each of the businesses embracing the 'Simplify for Success' cost programme. The underlying momentum in demand for low emission and mass transit mobility solutions is likely to provide long-term structural support across our key markets. In the meantime, focus remains on simplifying and strengthening our business and on increased cash flow generation.

Divisional results overview – continuing operations

The following section describes the performance of the Group's continuing businesses for the 12-month period to 31st December 2025, compared to 2024.

Alsa

Alsa is the leading bus and coach operator in Spain with an increasingly diversified portfolio of domestic and international transport businesses. Operations span Regional, Urban and diversified transport services across Spain and in Morocco, Switzerland, Portugal, Bahrain and Saudi Arabia. Alsa has largely integrated the UK Coach business into its operations, with the benefits expected through 2026.

This strategy of diversification has seen the contribution of its core Long Haul services fall.

	2025	2024	Change	Change
	m	m	m	%
Reporting currency (£)				
Adjusted Revenue	£1,488.3	£1,327.6	£160.7	12.1%
Adjusted Operating Profit	£212.0	£186.1	£25.9	13.9%
Statutory Operating Profit	£168.6	£176.9	£(8.3)	(4.7)%
Local Currency (€)				
Adjusted Revenue	€1,737.9	€1,568.5	€169.4	10.8%
Adjusted Operating Profit	€247.6	€219.8	€27.8	12.6%
Adjusted Operating Margin	14.2%	14.0%	0.2%	0.2%
Statutory Operating Profit	€196.9	€209.0	€(12.1)	(5.8)%
Statutory Operating Margin	11.5%	13.3%	(1.8)%	(1.8)%

FX rates: CY25: €1.17:£1; FY24: €1.18:£1

Highlights

Alsa continues to grow across a diverse portfolio, delivering a record result in 2025.

- Record revenue of £1,488.3m, driven by double-digit growth in Urban and Regional segments
- Adjusted Operating Profit of £212.0m, an increase of £25.9m from 2024
- Total passengers reached 640.7m, supported by a 9.8% increase in Spanish domestic demand
- Long Haul passenger numbers grew 4.6% year on year, despite the change in multi-voucher initiatives from H1 25
- A "Single Ticket" initiative, sponsored by the Spanish Government, is now live for 2026 which allows for unlimited travel at a flat rate

Commentary

Alsa had another strong year with adjusted revenues of £1,488.3m in reported currency, an increase of £160.7m or 12.1% from 2024. In constant currency terms, revenue was €1,737.9m, an increase of €169.4m or 10.8% from 2024.

Adjusted Operating Profit increased by £25.9m or 13.9% in reported currency terms and €27.8m or 12.6% in constant currency. While statutory Operating Profit was affected by significant reduction in Alsa's Moroccan footprint, Alsa continues to expand its leading position in Spain and internationally.

Spain

Spain remains Alsa's core market, generating €1,298.8m (74.7% of Alsa revenue) with contributions primarily from four pillars: Regional (€531.5m), Long-Haul (€284.1m), Urban (€206.9m) and Other Transport (€213.7m).

The Regional (and Metropolitan) lines performed exceptionally well, with revenues increasing 8.7% in constant currency terms, underpinned by strong passenger growth of 8.1%. Similarly, Urban revenues climbed by 11.5%, driven by a significant 12.7% increase in passenger volume which offset a marginal decrease in passenger yield. Alsa is in the process of securing a 5-year extension of its Andalusia contract. This is one of the largest contracts within the regional business with annual revenues of circa €75m.

Long Haul delivered revenues of €284.1m, a 3.4% increase over the prior year and was supported by the Government's "Multi-Voucher" scheme in 2025 and the "Young Summer" initiative from June to September. The new "Single Ticket" initiative will boost Long-Haul in 2026. Overall passenger numbers increased by 4.5%, while the nine main corridors saw a 3.7% increase. Despite the decrease in discount of the multi-vouchers, occupancy remained remarkably resilient, closing 2025 in-line with last year's figure.

The Tourism and Other Transport segment continues to demonstrate strong growth momentum, building on the successful integration of CanaryBus. Alsa has recently been named the preferred bidder for a €230m, 10-year contract in Ibiza. With the formal award expected in the coming weeks, this will establish Alsa as the island's leading operator. Growth is further bolstered by the four-year renewal of its Madrid sightseeing services which is expected to secure €5.8m in annual revenue and reinforce Alsa's footprint in Spain's most vital tourism centres.

International and diversified

Revenue from international markets and diversified Spanish business units totalled €412.8m. The main contributors were Morocco at €151.6m, Other International at €111.3m and Diversified transport operations at €149.9m. Wider diversification activities continue, with the revenue from Health Transport businesses doubling since 2024 and Operating Profit having increased by circa 35%. Growth in this sector continued with the award of two large health transport contract in Guadalajara and a new contract in Catalonia effective from April 2026.

Moroccan impact

In 2025, Alsa's Moroccan operations faced a shift in the local operating environment. This necessitated a strategic settlement in Casablanca and resulted in the transfer of staff and assets in Marrakech and Tangier. The impact of which is covered in the 'Adjusting items' section.

Adjusted Operating Profit from Morocco in 2025 was €8.0m, a €4.7m decrease from 2024. Going forward, Alsa will manage a focused portfolio, including the revised Casablanca contract through to 2029 and the Rabat contract through to 2034 which benefits from an agreed fare increase implemented in July 2025.

Spain's Sustainable Mobility Law and future tender process

The Sustainable Mobility Law (published 4 December 2025) prioritises low carbon public-focussed transport and offers the potential to unlock EU green funding. Alsa is actively managing the associated compliance costs and the complexity of coordinating with local authorities.

The passing of the new 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, whilst increasing their size. As the largest operator in Spain, Alsa's presence and scale should prove beneficial in the tender process for the enlarged concessions. Expectations remain that Alsa will retain most of its existing routes.

We continue to expect contract renewals to occur in 2027 and 2028, with the financial impact expected from 2028.

Competition

Competitive pressure remains in Long Haul due to aggressive high-speed rail pricing. Alsa is countering this with a 360° fares project and dynamic pricing to protect margins. Competition in the Regional and Urban businesses remains stable and primarily focused on the public tendering process.

To compete effectively and retain customer loyalty, the quality of Alsa's service and the overall experience delivered is paramount. The focus on enhancing customer experience and improving retention is evidenced by the share of digital sales increasing to 74.1% (up from 71.3% in 2024), while customer sentiment continues to improve from its already high standard.

2026 priorities and outlook

Our priorities for 2026 are underpinned by the Sustainable Mobility Law and the rollout of the "Single Ticket" initiative to further drive the modal shift towards public transport. Alsa's strategic focus remains on replicating performance in 2025, preparing for key retentions in Spain as well as continuing to diversify operationally and internationally.

Overall, strong underlying performance is expected to be maintained in 2026.

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. 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.

	2025	2024	Change	Change
	m	m	m	%
Reporting currency (£)				
Revenue	£432.2	£412.7	£19.5	4.7%
Adjusted Operating Profit	£20.2	£29.3	£(9.1)	(31.1)%
Statutory Operating Profit/(Loss)	£(36.5)	£18.5	£(55.0)	(297.3)%
Local currency (\$)				
Revenue	\$570.2	\$527.4	\$42.8	8.1%
Adjusted Operating Profit	\$26.7	\$37.5	\$(10.8)	(28.8)%
Adjusted Operating Margin	4.7%	7.1%	(2.4)%	(2.4)%
Statutory Operating Profit/(Loss)	\$(54.7)	\$23.6	\$(78.3)	(331.8)%
Statutory Operating Margin	(9.6)%	4.5%	(14.1)%	(14.1)%

FX rates: CY25: \$1.32:£1; FY24: \$1.28:£1

Highlights

WeDriveU continued to secure significant contract wins, particularly within the University Shuttle sector, maintaining strong market momentum. While overall performance in 2025 was impacted by isolated challenges at WMATA, the increase in H2 25 Operating Profit demonstrates the underlying strength of the business.

Commentary

Revenue grew by 4.7% on a reported basis and 8.1% at constant currency. The revenue growth normalised in H2 25 as H2 24 contracts matured into their second year. Adjusted Operating Profit reduced by £9.1m to £20.2m, driven largely by an £8.7m impact from operational headwinds in the WMATA and CARTA contracts. The adjusted Operating Profit excludes losses of £4.5m incurred on the WMATA contract since July, as these losses are covered by the onerous contract provision.

Statutory results were impacted by the WMATA onerous contract provision. See the 'Adjusting items' section for full details on the provision.

In February 2026, WeDriveU successfully exited the CARTA contract early which will improve margins through avoiding future annual losses of circa \$3.5m.

A focus on operating improvements saw a 26% reduction in missed trips in H2 25 and the launch of the 'WeDriveUniversity' platform in June 2025 has improved driver staffing across the business markets to near-optimal levels.

Growth remains robust across high-value segments, highlighted by strategic new wins in the University Shuttle sector, notably the University of Rochester and RIT, alongside the successful retention of key transit contracts such as GoDurham and paratransit expansions in Greater Peoria and Burlington.

WMATA

Following a rapid expansion in July 2024, the WMATA contract turned unprofitable due to lower-than-projected volumes compared to the initial bid. While WeDriveU made steady progress in narrowing these losses throughout 2025, significant volume changes were implemented by the client in Q4 2025 which increased losses and we

consider contrary to our contract. As a result, WeDriveU has commenced legal proceedings with a resolution anticipated within 18-24 months. In the interim, service levels are expected to stabilise and the level of losses diminish as WeDriveU adapts to the operational changes.

2026 priorities and outlook

While market pressures for cost-efficiency persist, WeDriveU maintains a healthy pipeline of new opportunities and is focussed on reviewing existing contracts to ensure long-term sustainability.

Overall, we expect WeDriveU to deliver improved underlying performance in 2026 when excluding the circa £9m impact of WMATA and CARTA on 2025 underlying performance.

UK & Germany

Overall revenue declined by £17.9m for the division due to reductions in revenue in UK Coach and German Rail. The division reported an adjusted Operating Profit of £2.0m, an improvement on the £(0.4)m loss in 2024. This was a result of significant improvement in Operating Profit in Germany offset slightly by decline in UK Coach.

UK

UK Bus is the market leader in the West Midlands bus sector, the largest UK urban bus market outside London. UK Coach is the largest provider of scheduled coach services with a UK-wide network and is in the process of being integrated into Alsa to create a pan-European coach powerhouse. Given its extensive experience, Alsa is also collaborating with UK Bus on franchise opportunities across the UK.

	2025	2024	Change	Change
	m	m	m	%
Reporting / Local currency (£)				
Revenue	£586.9	£601.2	£(14.3)	(2.4)%
Adjusted Operating Profit/(Loss)	£(4.6)	£9.7	£(14.3)	
Adjusted Operating Margin	(0.8)%	1.6%	(2.4)%	(2.4)%
Statutory Operating Loss	£(17.2)	£(7.6)	£(9.6)	(126.3)%
Statutory Operating Margin	(2.9)%	(1.3)%	(1.6)%	(1.6)%

¹ Excludes NXTS revenue which is reported under Discontinued Operations.

UK Bus

Highlights

- Punctuality improved to 84% (2024: 82%) driven by a focus on operational discipline
- Enhanced operational KPIs delivered a 15% year-on-year reduction in customer complaints during H2 25

Commentary

Revenue grew by £6.4m to £271.9m, an increase of 2.4%, mainly due to an 8.6% fare rise implemented in June 2025, partially offset by commercial passenger numbers decreasing 4% in 2025 and 6% in H2 25 in-line with the industry. Concessionary, tender and other revenue all increased.

The business sought to manage the impact on margin caused by the reduction in passenger numbers through a 2% network reduction in H2 25, securing five new tender contracts and increasing frequencies on high-demand routes.

Operating Profit grew by £0.6m over the year benefitting from £4.3m of profit from the sale of the Acocks Green depot and land on Oak Road. For the underlying business, operating costs inflation, increases in pay and a £3.9m increase in employer national insurance contributions outpaced revenue growth and increased local authority funding.

As part of the 'Simplify for Success' cost programme, structural changes were implemented towards the end of 2025 which resulted in reduced staff overhead costs.

Funding agreement

Funding has been secured at enhanced levels until 31 March 2026 to mitigate the impact of the current economic climate on commercial patronage. A two-month extension is currently being finalised, while discussions continue regarding a longer-term funding package for the 2026/27 financial year.

Franchising

The business maintains an active and collaborative engagement with Transport for the West Midlands (TfWM) in preparation for the transition to franchising during 2027-2029. Ahead of franchising, the Group continues to explore further options to monetise the assets of the business. In late 2025 the Acocks Green depot and land on Oak Road were monetised as part of the preparation.

Following the shift toward franchising nationwide, we are leveraging Alsa's extensive experience in running franchised bus opportunities to pursue new opportunities, with a focus on balancing service quality with sustainable returns.

2026 priorities and outlook

Depending on the outcome of the ongoing funding discussions, UK Bus is expected to deliver a small positive performance in 2026, with further benefit dependent on the pace and outcome of further asset monetisation (including the remaining fleet and depots).

UK Coach

Highlights

- Challenging operating environment in the UK due to increased competition on key routes
- Ongoing growth in Ireland
- Integration into Alsa progressing well, with benefits expected in 2026

Commentary

Revenue, excluding the NXTS business, declined £20.7m on a reported basis to £315.0m. The 6.2% decrease in reported revenue was largely in the core coach business, partially offset by further growth in Ireland. The UK business experienced high levels of competition with period-on-period declines accentuated by the end of disruptions to the rail sector which boosted revenues in 2024.

Adjusting for rail disruption, passenger numbers were down just 2.7% (3.8% before adjusting) with yield also showing a slight decline of 1.8%. Occupancy was broadly flat year-on-year, with a 2.2% improvement in H2 25 versus H1 25.

Operating profit declined by £11.6m, reflecting lower revenues and increased employer national insurance charges. These losses were partly offset by revenue growth and improved operating margins in Ireland.

Several strategic initiatives were implemented in H2 25, including divesting the loss-making NXTS business, enabling the Group to focus on its core business segments with the aim of improving margins. To optimise utilisation, we refined our network by implementing seasonal timetables, further increasing weekend capacity and reducing midweek services. We also streamlined our core London-Stansted network which improved efficiency while maintaining volumes. These changes boosted punctuality, operator performance and customer satisfaction.

Alsa integration and 2026 outlook

UK Coach will report under Alsa from 1 January 2026, which will be reflected in the 15m 2025 audited accounts. As part of the integration, there has been a strong focus on cost synergies, technology improvements and alignment of processes.

The focus in 2026 remains on driving profitable growth, achieving the cost savings plan, delivering on our transformation programmes and building on the operating platform created at the end of 2025.

We expect UK Coach to be more competitive and deliver an improvement in performance in 2026, however high levels of competition and pressure on yields are expected to continue.

Germany

In Germany, National Express is the second largest rail operator in North Rhine-Westphalia and one of the top five operators in Germany, with three contracts RME, RRX 1 and RRX 2/3.

	2025	2024 ¹	Change	Change
	m	m	m	%
Reporting currency (£)				
Revenue	£252.4	£256.0	£(3.6)	(1.4)%
Adjusted operating Profit/(Loss)	£6.6	£(10.1)	£16.7	
Statutory operating Profit/(Loss) ¹	£5.0	£(97.6)	£102.6	
Local currency (€)				
Revenue	€294.8	€302.4	€(7.6)	(2.5)%
Adjusted Operating Profit/(Loss)	€7.7	€(12.4)	€20.1	
Adjusted Operating Margin	2.6%	(4.1)%	6.7%	6.7%
Statutory operating (loss) ¹	€5.9	€(115.8)	€121.7	
Statutory Operating Margin ¹	2.0%	(37.8)%	40.3%	40.3%

FX rates: CY25: €1.17:£1; FY24: €1.18:£1

¹ Restated for a German Rail prior year restatement, see notes 1 Financial Statements for further information.

Highlights

Reported revenue of £252.4m decreased 1.4% from 2024 (2.5% in constant currency) from 2024, with RME adjusted Operating Profit increasing by £15.9m.

Operations in North Rhine-Westphalia (NRW) returned to full-service levels in December 2025. This follows two years of operating an agreed reduced timetable whilst German Rail executed a recovery plan. The return to full operations means we expect improved financial performance going forwards.

A key priority for 2025 was the renegotiation of our contractual and commercial position across the rail contracts in Germany. In January 2026, we announced an agreement in principle with the Public Transport Authorities (PTAs) which will support a long-term sustainable German Rail business. Formalisation of the changes to the contracts is expected to be concluded by 30 June 2026.

The RME contract will convert to a gross contract structure from 2026, removing revenue risk from our German rail business, with the new contract terms meeting current industry standards. The contract term will also be extended by two years to 2032. Adjusted Operating Profit for the RME contract in 2025 was £6.6m, a £15.9m increase on 2024, and is expected to improve looking ahead with the changes to the contract structure.

The loss making RRX contracts will be shortened by 3 years and end in 2030. The contracts are both onerous and are expected to remain so, with losses in 2025 being offset by a £56.1m utilisation of the onerous contract provision (now £133m as at 31 December 2025).

On a combined basis, these contracts are expected to be sustainable going forwards over the full contract duration.

Commentary

The return to full service is a critical step for the stabilisation of the NRW rail network. We have addressed the skilled worker shortage by modernising our training strategy and implementing digital learning tools. Integrating an additional 72 drivers this year provides the operational cushion required to manage a high-utilisation network.

Despite the improvement in driver numbers and the optimisation of technology, issues outside the Company's control due to increasing levels of construction and engineering work negatively impacted contractual performance. The new agreement with the PTAs will help to mitigate these impacts going forward, significantly de-risking the business.

Looking ahead, a focus on operational efficiency is expected to deliver additional financial benefits and help the business meet operational targets.

Discontinued Operations

North American School Bus (NASB)

On 25 April 2025, we announced an agreement to sell the NASB business to I Squared Capital for an enterprise value of up to \$608m (circa £457m) and, following approval by the relevant authorities, the sale was completed on 14 July 2025.

NASB performance to July 2025

	2025	2024	Change	Change
	m	m	m	%
Reporting currency (£)				
Revenue	£441.9	£792.6	£(350.7)	(44.2)%
Adjusted operating Profit	£14.8	£8.9	£5.9	66.3%
Statutory operating Profit/(Loss) ¹	£6.5	£(550.1)	£556.6	101.2%

See note 8 for details of the sale.

NXTS

As part of the Simplify for Success programme, we made the strategic decision to focus on our core scheduled coach services business and to dispose of the loss-making NTXS business. The sale of the remaining NXTS businesses to The Coach Travel Group Limited was completed on 17 October 2025.

	2025	2024	Change	Change
	m	m	m	%
Reporting currency (£)				
Revenue	£13.1	£21.8	£(8.7)	(39.9)%
Adjusted Operating Loss	£(1.8)	£(3.2)	£1.4	43.8%
Statutory Operating Loss ¹	£(1.8)	£(4.7)	£(2.9)	61.7%

See note 8 for further details of the sale.

Group Chief Financial Officer's review

The Group has seen further growth from its continuing operations in 2025, with adjusted revenue performance up 6.2% year on year. Adjusted Operating Profit increased by £16.9m year on year to £198.0m, largely a result of strong trading in ALSA, and the commencement of the 'Simplify for Success' cost programme.

Adjusted net debt and covenant gearing have reduced when compared to the prior year, with £126.8m net funds inflow during the 12 month period. This was aided by proceeds received and debt disposed of relating to North America School Bus and National Express Transport Solutions. Covenant gearing was 2.7x at 31 December 2025.

Adjusting items of £366.1m for the period includes non-cash movements including the £185.0m arising from the disposal of North America School Bus and National Express Transport Solutions, a £52.4m re-measurement of onerous contract provisions in WeDriveU and the impact of changes to the operating environment in Morocco (£27.3m).

Group Performance

	12 months to 31 December					
	Adjusted result ¹ 2025 £m	Adjusting items 2025 £m	Statutory total 2025 £m	Adjusted result ^{1&2} 2024 £m	Adjusting items ² 2024 £m	Statutory total ² 2024 £m
Continuing operations						
Revenue	2,759.8	(21.7)	2,738.1	2,597.5	–	2,597.5
Operating costs	(2,561.8)	(154.4)	(2,716.2)	(2,416.4)	(147.1)	(2,563.5)
Group operating profit/(loss)	198.0	(176.1)	21.9	181.1	(147.1)	34.0
Share of results from associates	–	–	–	(0.3)	–	(0.3)
Net finance costs	(75.7)	(4.7)	(80.4)	(77.1)	(2.8)	(79.9)
Profit/(loss) before tax	122.3	(180.8)	(58.5)	103.7	(149.9)	(46.2)
Tax (charge)/credit	(45.2)	14.8	(30.4)	(50.8)	(40.9)	(91.7)
Profit/(loss) for the period from continuing operations	77.1	(166.0)	(88.9)	52.9	(190.8)	(137.9)
Profit/(loss) for the period from discontinued operations	1.7	(200.1)	(198.4)	6.0	(662.7)	(656.7)
Profit/(loss) for the period	78.8	(366.1)	(287.3)	58.9	(853.5)	(794.6)

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 onerous contract provisions 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 a German Rail prior year restatement and to represent prior periods for discontinued operations, see notes 1 & 8 in the Financial Statements for further information.

Group Revenue increased by £140.6m (5.4%) year-on-year to £2,738.1m (2024: £2,597.5m). Revenue growth was led by ALSA, and WeDriveU, the latter driven by new contracts in corporate, university shuttle and paratransit operations.

Group profitability has increased with Adjusted Operating Profit up £16.9m (9.3%) from £181.1m to £198.0m, largely driven by ALSA. Segmental performance is explained further below.

After £176.1m (2024: £147.1m) of adjusting items, statutory operating profit decreased to £21.9m (2024 restated: £34.0m). Adjusting items are detailed in the following section.

Adjusted net finance costs decreased slightly by £1.4m to £75.7m (2024: £77.1m); with reduced interest rates on the floating rate portion of the Group's debt.

The Group recorded an Adjusted Profit before tax of £122.3m (2024: £103.7m).

The adjusted effective tax rate of 37.0% (2024 restated: 49.0%), 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 £45.2m (2024 restated: £50.8m charge). The statutory tax charge was £30.4m (2024 restated: £91.7m), with an adjusting tax credit of £14.8m (2024 restated: £40.9m charge) consisting of a £3.6m tax credit on adjusting intangible amortisation, a £4.3m tax credit on tax deductible operating costs, and a £6.9m credit in relation to the recognition of deferred tax assets in respect of the changing operating environment in Morocco. During 2024 the tax charge on adjusting items from continuing operations of £40.9m was made up of a £47.7m charge on deferred tax asset derecognition and a £6.8m tax credit on adjusting intangible amortisation.

Discontinued operations reflect the results of North America School Bus and National Express Transport Solutions (in the UK) up to the dates of disposal in July 2025 and October 2025 respectively.

Adjusting items within discontinued operations of £200.1m mainly resulted from disposal of the North America School Bus and National Express Transport Solutions businesses of £185.0m, as detailed in the next section.

The statutory loss for the period for the Group was £287.3m (2024 restated: £794.6m loss).

Adjusting items

Adjusting items in the period were £366.1m (2024 restated: £853.5m), of which £166.0m related to continuing operations (2024 restated: £190.8m) and £200.1m related to discontinued operations (2024 restated: £662.7m). Cash outflows in the period related to adjusting items were £118.7m (2024 restated: £99.2m).

	Income statement 12 months to 31 December 2025 £m	Income statement 12 months to 31 December 2024 ¹ £m	Cash 12 months to 31 December 2025 £m	Cash 12 months to 31 December 2024 ¹ £m
Adjusting items				
Adjusting items from continuing operations:				
Intangible amortisation / impairment for acquired businesses	(23.5)	(20.7)	–	–
Re-measurements of onerous contracts and impairments resulting from the Covid-19 pandemic	–	4.1	–	(1.4)
Re-measurement of German Rail onerous contract provisions	–	(86.4)	(56.1)	(45.8)
Final re-measurement of the Rabat put liability	1.0	–	–	–
Re-measurement of WeDriveU onerous contract provisions	(52.4)	0.7	(4.5)	(1.8)
Repayment of UK Coronavirus Job Retention Scheme grant ('Furlough')	–	–	–	(8.9)
Costs in relation to the legacy School Bus legal claims provision	(38.5)	–	(18.9)	–
Impairments and other costs associated with Morocco contract changes	(27.3)	–	(2.9)	–
Restructuring and other costs	(35.4)	(44.8)	(29.8)	(36.3)
Adjusting operating items from continuing operations	(176.1)	(147.1)	(112.2)	(94.2)
Finance costs:				
Unwind of discounting of provisions	(4.7)	(2.8)	–	–
Total adjusting operating items from continuing operations before tax	(180.8)	(149.9)	(112.2)	(94.2)
Tax credit/(charge) on adjusting items	14.8	(40.9)	–	–
Total adjusting operating items after tax from continuing operations	(166.0)	(190.8)	(112.2)	(94.2)
Adjusting items from discontinued operations:				
Intangible amortisation / impairment for acquired businesses	(2.2)	(7.0)	–	–
Disposal of School Bus and National Express Transport Solutions	(185.0)	–	–	–
Goodwill impairment on North America School Bus	–	(547.7)	–	–
Restructuring and other costs	(6.1)	(5.8)	(6.5)	(5.0)
Adjusting operating items before tax from discontinued operations	(193.3)	(560.5)	(6.5)	(5.0)
Tax charge on adjusting items	(6.8)	(102.2)	–	–
Total adjusting operating items after tax from discontinued operations	(200.1)	(662.7)	(6.5)	(5.0)

¹ Restated

to represent prior periods for discontinued operations, see note 8 in the Financial Statements for further information

During the period two significant disposals were completed, being North America School Bus, and National Express Transport Solutions in the UK. For North America School Bus a £234.7m 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 National Express Transport Solutions 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 increased by £2.8m in the period. Amortisation on intangibles within acquired businesses from discontinued operations fell by £4.8m as a result of the sale of North America School Bus during the year.

There was no movement relating to re-measurement of German Rail onerous contract provisions in the period (2024 restated: £86.4m charge). A £52.4m charge relating to the re-measurement of onerous contract provisions in WeDriveU was recorded in the period (2024 restated: £0.7m credit), with the current year charge mostly relating to the WMATA contract which became

onerous in the period. The Group is seeking legal redress with the customer to recover the ongoing losses. We expect the outcome of the legal proceedings to be successful and the contract losses significantly reduced; however any future legal settlement cannot currently be assumed in the provision calculation.

The final re-measurement of the Rabat put liability, which had been originally estimated at December 2023 and the final amount settled in June 2025, amounted to a £1.0m credit (2024 restated: £nil).

As a result of part of the sale agreement of the North America School Bus 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 £38.5m in the period.

As a result of a changing 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 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 including fuel hedging.

Restructuring and other costs of £41.5m (2024 restated: £50.6m) includes the impact of Group wide strategic initiatives and restructuring, including costs relating to the disposal of the School Bus business.

Segmental performance

	12 months to 31 December 2025 Local currency m	12 months to 31 December 2024 ¹ Local currency m	12 months to 31 December 2025 £m	12 months to 31 December 2024 ¹ £m
Adjusted Operating Profit				
ALSA	247.6	219.8	212.0	186.1
WeDriveU	26.7	37.5	20.2	29.3
UK			(4.6)	9.7
German Rail	7.7	(12.4)	6.6	(10.1)
Central functions			(36.2)	(33.9)
Group adjusted operating profit from continuing operations			198.0	181.1

¹ Restated for a German Rail prior year restatement, see note 1 in the Financial Statements for further information.

ALSA's revenue increased by 10.8% to €1,737.9m on a constant currency basis (excluding adjusting items) as a result of strong passenger demand in ALSA's domestic market (including long haul, urban and regional operations). This led to ALSA delivering a record Adjusted Operating Profit of €247.6m; an increase of 12.6% on a constant currency basis.

WeDriveU Adjusted Operating Profit reduced by \$10.8m to \$26.7m, a result of operational challenges on some of its key contracts.

In the UK an Adjusted Operating Loss of (£4.6m) was recorded, against a £9.7m profit in the prior year. In UK Bus, passenger volumes fell by 4%, in line with broader industry trends. UK Coach continues to face passenger demand and yield pressure due to market conditions, including increased competition.

German Rail Adjusted Operating Profit of €7.7m, versus a (€12.4m) loss in the prior year 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-year losses being offset by a £56.1m utilisation of the onerous contract provision.

Central Functions costs have increased £2.3m, principally due to 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 & cash management

	12 months to 31 December 2025 £m	Year to 31 December 2024** £m
Funds flow		
Adjusted Operating Profit from continuing operations	198.0	181.1
Adjusted Operating Profit from discontinued operations	13.0	5.7
Depreciation and other non-cash items	170.9	238.5
EBITDA	381.9	425.3
Net maintenance capital expenditure*	(155.6)	(157.8)
Working capital movement	(27.1)	48.9
Pension contributions above normal charge	(7.8)	(7.6)
Operating cash flow	191.4	308.8
Net interest paid	(76.9)	(83.6)
Tax paid	(37.2)	(15.0)
Free cash flow	77.3	210.2
Growth capital expenditure*	(69.4)	(59.3)
Acquisitions of businesses (net of cash & debt acquired)	(18.2)	(57.9)
Disposals of businesses (net of cash & debt disposed)	286.6	–
Adjusting items	(118.7)	(99.2)
Payment on hybrid instrument	(21.3)	(21.3)
Other, including foreign exchange	(9.5)	26.7
Net funds flow	126.8	(0.8)
Adjusted net debt	(1,075.7)	(1,202.5)

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

** Restated for a German Rail prior year restatement and to represent prior periods for discontinued operations, see notes 1 & 8 in the Financial Statements for further information.

The Group generated EBITDA of £381.9m in the period (2024 restated: £425.3m); with the year-on-year reduction driven by the loss of School Bus EBITDA in the second half of the year following its disposal; partly offset by an improvement in profitability in the continuing businesses.

£155.6m of maintenance capital expenditure is broadly consistent year on year and mainly relates to fleet capex within North America School Bus (prior to its disposal) and ALSA.

Working capital net outflow of £27.1m 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 £77.3m (2024 restated: £210.2m).

Growth capital expenditure of £69.4m has increased by £10.1m (2024: £59.3m outflow). This increase is a result of contract wins in prior and current periods, in particular in North America School Bus prior to its disposal.

Acquisitions outflow of £18.2m (2024: £57.9m) relates primarily to the planned deferred consideration payment relating to the CanaryBus acquisition in ALSA which completed last year.

Disposals inflow of £286.6m (2024: £nil) mostly reflects the cash inflow and lease and other debt extinguished on the School Bus disposal.

A cash outflow of £118.7m was recorded in respect of the items excluded from adjusted results as explained in the section above.

£21.3m of coupon payments on the hybrid instrument were made in the period, in line with prior periods. Other outflows of £9.5m 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 £126.8m (2024: £0.8m outflow) resulted in adjusted net debt of £1,075.7m (2024: £1,202.5m).

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 December 2025, covenant gearing was 2.7x (31 December 2024: 2.8x) and interest cover was 4.5x (31 December 2024: 4.6x). At 31 December 2025, the Group had utilised £1.3 billion of debt capital and committed facilities, with an average maturity of 4.1 years.

At 31 December 2025, the Group's £600m RCF facility was undrawn. The Group had a total of £0.9 billion in cash and undrawn committed facilities available to it. The table below sets out the composition of these facilities.

	Facility	Utilised at 31 December 2025	Headroom at 31 December 2025	Maturity year
	£m	£m	£m	
Funding facilities				
Core RCFs*	600	–	600	2028-2029*
2028 bond	250	250	–	2028
2031 bond	436	436	–	2031
Private placements**	403	403	–	2027-2032
Divisional bank loans	31	31	–	various
Leases	167	167	–	various
Funding facilities excluding cash	1,887	1,287	600	
Net cash and cash equivalents		(265)	265	
Total		1,022	865	

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

** The portion of Private placements that mature in 2027 is £231.2m maturing May and June 2027. The remainder matures in 2030 and 2032.

To ensure sufficient liquidity, the Board requires the Group to maintain a minimum of £300 million in cash and undrawn committed facilities at all times. This does not include factoring facilities which allow the without-recourse sale of receivables. These arrangements provide the Group with more economic alternatives to early payment discounts for the management of working capital, and as such are not included in (or required for) liquidity forecasts.

At 31 December 2025, 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 December 2025, the proportion of Group debt at floating rates was 6% (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 December 2025 the Group is 82% hedged for 2026 at an average price of 50.2p per litre; around 39% hedged for 2027 at an average price of 44.5p per litre; and around 16% hedged for 2028 at an average price of 39.9p per litre. This compares to an average hedged price in 2024 and 2025 of 51.6p per litre and 51.8p per litre respectively.

Return on capital employed

The return on capital employed at the end of the period was 18.3% (2024: 10.2%).

Dividend

An interim 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 December 2025 was £3.8m (31 December 2024: £11.5m), with the IAS 19 deficit for the Group's main scheme in the UK Bus division being £3.9m (31 December 2024: £11.3m).

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 1 of the Financial Statements.

Risks and uncertainties

In the 2024 Annual Report and Accounts the Board sets out what it considers to be the principal risks and uncertainties. Having subsequently reviewed these again the Board considers them to remain relevant. The principal risks are summarised below:

- Unprecedented external factors
- Adverse economic conditions affecting our speed of recovery
- Adverse political and policy environment affecting funding
- Regulatory landscape and ability to comply
- Climate changes (physical)
- Climate changes (transitional)
- Implications of new technology in our business model (ZEV transformation)
- Competition and market dynamics in a digital world
- Shortages of drivers and frontline employees

- Industrial action
- Cyber attack
- Safety incidents, litigation and claims
- Credit/financing
- Attraction and retention of talent and succession planning

For a full summary of the Principal Risks and Uncertainties facing the Group, please refer to the 2024 Annual Report and Accounts pages 44 to 51 at <https://www.mobicogroup.com/media/f1djgmn2/mobico-group-plc-annual-report-2024.pdf>

Brian Egan
Group Chief Financial Officer
25 February 2026

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, 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.
Gearing & Covenant EBITDA	No direct equivalent	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 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.
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 Report) 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	Net debt is the measure by which the Group and interested stakeholders assess its level of overall indebtedness.

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 16.

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 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.
Return on capital employed (ROCE)	Operating profit ¹ and net assets	Adjusted Operating Profit divided by average capital employed. Capital employed is net assets excluding Net Debt and derivative financial instruments, and for the purposes of this calculation is translated using average exchange rates. The calculation of ROCE is set out in the reconciliation tables below.	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

	12 months to 31 December 2025	12 months to 31 December 2024
	£m	£m
Reconciliation of net cash flow from operating activities to free cash flow		
Net cash flow from operating activities	109.6	259.0
Cash expenditure in respect of adjusting items	118.7	99.2
Net maintenance capital expenditure	(155.6)	(157.8)
Other non-cash movements	(2.4)	(2.0)
Profit on disposal of fixed assets	7.0	11.8
Free cash flow	77.3	210.2

	12 months to 31 December 2025	12 months to 31 December 2024
	£m	£m
Reconciliation of capital expenditure in statutory cash flow to funds flow		
Purchase of property, plant and equipment	(169.3)	(195.6)
Proceeds from disposal of property, plant and equipment	10.4	47.4
Payments to acquire intangible assets	(6.3)	(6.4)
Proceeds from disposal of intangible assets	2.1	3.6
Net capital expenditure in statutory cash flow statement	(163.1)	(151.0)
Profit on disposal of fixed assets	(7.0)	(11.8)
Capitalisation of leases initiated in the year, less disposals	(54.9)	(54.3)
Net capital expenditure in the funds flow (presented in the Group Chief Financial Officer's Report)	(225.0)	(217.1)
<i>Split as:</i>		
<i>Net maintenance capital expenditure</i>	(155.6)	(157.8)
<i>Growth capital expenditure</i>	(69.4)	(59.3)

	12 months to 31 December 2025	(Restated) 12 months To 31 December 2024 ¹
	£m	£m
Reconciliation of ROCE		
Group statutory operating profit/(loss) from continuing operations	21.9	34.0
Add back: adjusting items from continuing operations	176.1	147.1
Add back: Adjusted Operating Profit from discontinued operations	13.0	5.7
Return – Adjusted Group Operating Profit from continuing & discontinued operations	211.0	186.8
Average net assets	(3.4)	614.9
Average net debt	1,139.1	1,202.1
Average derivatives, excluding amounts within net debt	21.9	21.3
Foreign exchange adjustment	(2.9)	(2.3)
Average capital employed	1,154.7	1,836.0
Return on capital employed	18.3%	10.2%

¹ Restated for a German Rail prior year restatement and to represent prior periods for discontinued operations, see notes 1 & 8 in the Financial Statements for further information. Note whilst the inputs to the calculation have changed as a result of the restatement, the Return on capital employed of 10.2% remains the same as originally reported.

	12 months to 31 December 2025 £m	12 months to 31 December 2024 £m
Reconciliation of depreciation and other non-cash items		
Depreciation charge	146.1	213.4
Amortisation charge (excluding amortisation from intangibles from acquired businesses)	23.2	22.5
Share-based payments	5.4	4.6
Amortisation of fixed asset grants	(3.8)	(2.0)
Depreciation and other non-cash items	170.9	238.5

Directors' Responsibility Statement

Directors confirm that, to the best of their knowledge:

- the condensed financial statements of the Company have been prepared in accordance with IAS 34; and
- the interim management report of the Company includes:
 - a fair review of important events during the first twelve months of the financial year and their impact on the condensed financial statements and a description of the principal risks and uncertainties for the remaining three months of the financial year, as required by DTR 4.2.7R; and
 - a fair review of related party transactions and changes therein, as required by DTR 4.2.8R.

On behalf of the Board

Phil White
Group Executive Chairman

Brian Egan
Group Chief Financial Officer

25 February 2026

MOBICO GROUP PLC
CONDENSED GROUP INCOME STATEMENT
For the 12 months ended 31 December 2025

12 months to 31 December (unaudited)

		Adjusted result 2025 £m	Adjusting items (note 5) 2025 £m	Total 2025 £m	(Restated) Adjusted result 2024 ¹ £m	(Restated) Adjusting items (note 5) 2024 ¹ £m	(Restated) Total 2024 ¹ £m
Note							
Continuing operations							
Revenue	3	2,759.8	(21.7)	2,738.1	2,597.5	–	2,597.5
Operating costs		(2,561.8)	(154.4)	(2,716.2)	(2,416.4)	(147.1)	(2,563.5)
Group operating profit/(loss)	3	198.0	(176.1)	21.9	181.1	(147.1)	34.0
Share of results from associates		–	–	–	(0.3)	–	(0.3)
Finance income	4	5.0	–	5.0	2.2	–	2.2
Finance costs	4	(80.7)	(4.7)	(85.4)	(79.3)	(2.8)	(82.1)
Profit/(loss) before tax		122.3	(180.8)	(58.5)	103.7	(149.9)	(46.2)
Tax (charge)/credit	6	(45.2)	14.8	(30.4)	(50.8)	(40.9)	(91.7)
Profit/(loss) for the period from continuing operations		77.1	(166.0)	(88.9)	52.9	(190.8)	(137.9)
Profit/(loss) for the period from discontinued operations	8	1.7	(200.1)	(198.4)	6.0	(662.7)	(656.7)
Profit/(loss) for the period		78.8	(366.1)	(287.3)	58.9	(853.5)	(794.6)
Profit/(loss) attributable to equity shareholders		71.8	(366.1)	(294.3)	49.9	(853.5)	(803.6)
Profit attributable to non-controlling interests		7.0	–	7.0	9.0	–	9.0
		78.8	(366.1)	(287.3)	58.9	(853.5)	(794.6)
Earnings per share:	9						
Earnings per share from continuing operations							
– basic earnings per share				(19.2)p			(27.6)p
– diluted earnings per share				(19.2)p			(27.6)p
Earnings per share from continuing and discontinued operations							
– basic earnings per share				(51.8)p			(135.0)p
– diluted earnings per share				(51.8)p			(135.0)p

¹ The results for the year to 31 December 2024 have been restated to represent prior periods for discontinued operations and German Rail prior year restatement; see notes 1 & 8 respectively for further information.

MOBICO GROUP PLC
CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME
For the 12 months ended 31 December 2025

	Unaudited	Unaudited
	12 months to	(Restated)
	31 December	Year to
	2025	31 December
	£m	2024 ¹
Note		£m
Loss for the period	(287.3)	(794.6)
Items that will not be reclassified subsequently to profit or loss:		
Actuarial (losses)/gains on defined benefit pension plans	(0.8)	11.2
Deferred tax credit/(charge) on actuarial losses/(gains)	0.2	(2.8)
Gains on financial assets at fair value through Other Comprehensive Income	–	9.1
	(0.6)	17.5
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on retranslation of foreign operations	7.5	(30.8)
Exchange differences on retranslation of non-controlling interests	2.1	(1.5)
(Losses)/gains on net investment hedges	(16.7)	21.3
(Losses)/gains on cash flow hedges	(24.5)	3.8
Cost of hedging	0.1	0.2
Hedging losses/(gains) reclassified to Income Statement	4.2	(1.6)
Deferred tax charge on foreign exchange differences	–	(0.5)
Deferred tax charge on cash flow hedges	–	(0.7)
Net investment hedges recycled to the income statement on disposal of subsidiary	8 (1.8)	–
Foreign exchange reclassified to income statement on disposal of subsidiary	8 (87.3)	–
	(116.4)	(9.8)
Other comprehensive (expense)/income for the period	(117.0)	7.7
Total comprehensive expense for the period	(404.3)	(786.9)
Total comprehensive (expenditure)/income attributable to:		
Equity shareholders	(413.4)	(794.4)
Non-controlling interests	9.1	7.5
	(404.3)	(786.9)

¹ Restated for German Rail prior year restatement, see note 1 for further information.

MOBICO GROUP PLC
CONDENSED GROUP BALANCE SHEET

At 31 December 2025

		Unaudited Unaudited	Unaudited (Restated)	Unaudited (Restated)
		31	31	31
		December	December	December
		2025	2024 ¹	2023 ¹
	Note	£m	£m	£m
Non-current assets				
Intangible assets		938.3	986.2	1,551.8
Property, plant and equipment	12	723.4	1,193.6	1,164.5
Derivative financial instruments	13	–	0.2	0.1
Financial assets at fair value through Other Comprehensive Income		8.6	25.0	15.2
Investments accounted for using the equity method		3.6	6.5	11.1
Other non-current receivables		109.7	155.2	139.1
Finance lease receivable		14.2	14.8	6.5
Deferred tax assets		–	–	164.4
Defined benefit pension assets	14	0.1	0.1	0.2
Total non-current assets		1,797.9	2,381.6	3,052.9
Current assets				
Inventories		18.6	34.0	33.7
Trade and other receivables		494.1	547.5	573.1
Finance lease receivable		4.4	3.2	2.7
Derivative financial instruments	13	2.0	12.6	11.1
Current tax assets		0.4	0.6	12.4
Cash and cash equivalents	10	406.8	244.5	356.3
Assets held for resale		–	–	18.2
Total current assets		926.3	842.4	1,007.5
Total assets		2,724.2	3,224.0	4,060.4
Non-current liabilities				
Borrowings		(1,229.7)	(1,258.8)	(1,290.6)
Derivative financial instruments	13	(10.0)	(3.4)	(15.3)
Deferred tax liabilities		(47.8)	(46.8)	(46.8)
Other non-current liabilities		(121.3)	(116.9)	(115.2)
Defined benefit pension liabilities	14	(3.9)	(11.6)	(32.8)
Provisions		(198.8)	(172.2)	(158.2)
Total non-current liabilities		(1,611.5)	(1,609.7)	(1,658.9)
Current liabilities				
Trade and other payables		(887.7)	(1,032.5)	(963.9)
Borrowings		(278.8)	(208.9)	(271.2)
Derivative financial instruments	13	(16.2)	(44.7)	(31.6)
Current tax liabilities		(10.9)	(9.5)	–
Provisions		(129.0)	(115.8)	(108.3)
Total current liabilities		(1,322.6)	(1,411.4)	(1,375.0)
Total liabilities		(2,934.1)	(3,021.1)	(3,033.9)
Net (liabilities)/assets		(209.9)	202.9	1,026.5
Shareholders' equity				
Share capital		30.7	30.7	30.7
Share premium		533.6	533.6	533.6
Own shares		(2.9)	(4.3)	(3.6)
Hybrid reserve		513.0	513.0	513.0
Other reserves		281.3	397.5	397.6
Retained earnings		(1,612.0)	(1,303.7)	(475.0)
Total shareholders' equity		(256.3)	166.8	996.3
Non-controlling interest in equity		46.4	36.1	30.2
Total equity		(209.9)	202.9	1,026.5

¹ Restated for German Rail prior year restatement, see note 1 for further information.

MOBICO GROUP PLC
CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY
For the 12 months ended 31 December 2025

	Share capital	Share premium	Own shares	Hybrid reserve	Other Reserves	Retained earnings	Total	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Unaudited									
At 1 January 2025	30.7	533.6	(4.3)	513.0	397.5	(1,303.7)	166.8	36.1	202.9
(Loss)/profit for the period	-	-	-	-	-	(294.3)	(294.3)	7.0	(287.3)
Other comprehensive (expense)/income for the period	-	-	-	-	(127.5)	8.4	(119.1)	2.1	(117.0)
Total comprehensive (expense)/income	-	-	-	-	(127.5)	(285.9)	(413.4)	9.1	(404.3)
Shares purchased	-	-	(1.7)	-	-	-	(1.7)	-	(1.7)
Own shares released to equity employee share schemes	-	-	3.1	-	-	(3.1)	-	-	-
Share-based payments	-	-	-	-	-	5.4	5.4	-	5.4
Deferred tax charge on share-based payments	-	-	-	-	-	(1.6)	(1.6)	-	(1.6)
Accrued payments on hybrid instrument	-	-	-	21.3	-	(21.3)	-	-	-
Payments on hybrid instrument	-	-	-	(21.3)	-	-	(21.3)	-	(21.3)
Hedging gains and losses and costs of hedging transferred to the cost of inventory	-	-	-	-	11.3	-	11.3	-	11.3
Purchase of subsidiary shares from non-controlling interest	-	-	-	-	-	(1.8)	(1.8)	3.2	1.4
Dividends to non-controlling interests	-	-	-	-	-	-	-	(2.9)	(2.9)
Contributions from non-controlling interests	-	-	-	-	-	-	-	0.9	0.9
At 31 December 2025	30.7	533.6	(2.9)	513.0	281.3	(1,612.0)	(256.3)	46.4	(209.9)

				(Restated)	(Restated)		Non-	(Restated)	1
	Share	Share	Own		Other	Retained	(Restated)	controlling	Total
	capital	premium	shares	Hybrid	Reserves ¹	Earnings ¹	Total ¹	interests	equity ¹
	£m	£m	£m	reserve	£m	£m	£m	£m	£m
				£m					
Unaudited									
At 1 January 2024 (Restated) ¹	30.7	533.6	(3.6)	513.0	397.6	(475.0)	996.3	30.2	1,026.5
(Loss)/profit for the period	–	–	–	–	–	(803.6)	(803.6)	9.0	(794.6)
Other comprehensive income/(expense) for the period	–	–	–	–	0.8	8.4	9.2	(1.5)	7.7
Total comprehensive(expense)/income	–	–	–	–	0.8	(795.2)	(794.4)	7.5	(786.9)
Shares purchased	–	–	(2.2)	–	–	–	(2.2)	–	(2.2)
Own shares released to equity 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 bond 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 to non-controlling interests	–	–	–	–	–	–	–	(1.6)	(1.6)
At 31 December 2024	30.7	533.6	(4.3)	513.0	397.5	(1,303.7)	166.8	36.1	202.9

Restated for German Rail prior year restatement, see note 1 for further information.

MOBICO GROUP PLC
CONDENSED GROUP STATEMENT OF CASH FLOWS
For the 12 months ended 31 December 2025

		Unaudited 12 months to 31 December 2025	Unaudited Year to 31 December 2024
	Note	£m	£m
Cash generated from operations	17	221.4	355.5
Corporate income tax paid		(37.2)	(15.0)
Interest paid		(78.1)	(82.5)
Interest received		3.5	1.0
Net cash flow from operating activities		109.6	259.0
Cash flows from investing activities			
Payments to acquire businesses, net of cash acquired	15	(1.2)	(29.2)
Deferred consideration for businesses acquired	15	(12.8)	(16.2)
Proceeds on disposal of subsidiaries, net of cash disposed	8	209.0	–
Purchase of property, plant and equipment		(169.3)	(195.6)
Proceeds from disposal of property, plant and equipment		10.4	47.4
Payments to acquire intangible assets		(6.3)	(6.4)
Proceeds from disposal of intangible assets		2.1	3.6
Payments to settle net investment hedge derivative contracts		(19.8)	(9.2)
Receipts on settlement of net investment hedge derivative contracts		26.0	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		16.6	–
Net cash flow from investing activities		55.6	(190.0)
Cash flows from financing activities			
Dividends paid to holders of hybrid instrument		(21.3)	(21.3)
Principal lease payments		(54.6)	(64.5)
Principal lease receipts		4.0	3.8
Increase in borrowings		84.9	121.1
Repayment of borrowings		(116.8)	(182.7)
Transaction costs relating to new borrowings		–	(0.3)
Payments to settle foreign exchange forward contracts		(34.0)	(29.7)
Receipts on settlement of foreign exchange forward contracts		57.7	20.4
Purchase of own shares		(1.7)	(2.2)
Acquisition of non-controlling interests		(8.7)	–
Dividends paid to non-controlling interests		(2.9)	(1.6)
Net cash flow from financing activities		(93.4)	(157.0)
Increase/(decrease) in net cash and cash equivalents		71.8	(88.0)
Opening net cash and cash equivalents		203.1	293.7
Increase/(decrease) in net cash and cash equivalents		71.8	(88.0)
Foreign exchange		(9.5)	(2.6)
Closing net cash and cash equivalents	10	265.4	203.1

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 8.

MOBICO GROUP PLC

NOTES TO THE CONDENSED SET OF FINANCIAL STATEMENTS

For the 12 months ended 31 December 2025

1. General information

Basis of preparation

The condensed interim Financial Statements have been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and with International Accounting Standards 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board. It should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2024, which were prepared in accordance with applicable law and International Financial Reporting Standards as issued by the International Accounting Standards Board.

On 26 November 2025 the Group announced that its accounting reference date and financial year will be changed to 31 March. The Group will therefore prepare its next Annual Report and Accounts for the 15 month period ending 31 March 2026. 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.

These condensed interim Financial Statements for the 12 months ended 31 December 2025 do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2024 were approved by the Board of Directors on 28 April 2025 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

Figures for the year ended 31 December 2024 have been initially extracted from the Group's Annual Report and Accounts for the year ended 31 December 2024 but have been restated for discontinued operations and German Rail prior year restatement; see notes 1 and 8 for further information. These interim results are unaudited.

Going concern

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 Group continues to maintain a strong liquidity position, with £0.9bn in cash and undrawn committed facilities available to it as of 31 December 2025 and total committed facilities of £1.9bn at this date. The going concern review covers the period up to February 2027 (12 months from the date of these interim financial statements). There is no expiry of these facilities within the going concern outlook period to February 2027; with the first upcoming maturity being the Private Placements totalling £231.2m which are due to mature in May and June 2027. For prudence, the Group has modelled a continuation of the going concern assessment out to December 2027 and concluded that significant liquidity headroom would remain in the event that these facilities are not renewed. The Group has positive relationships and regular dialogue with its lenders. Certain of the Group's borrowings 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 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.

2025 has been another year of positive change across the Group, with each of the businesses at different stages of structural improvement or growth. The underlying momentum in demand for low emission and mass transit solutions is likely to provide long term structural support to many of our key markets. At the same time, the Group continues to focus on its Simplify for Success programme that is delivering tangible operational improvements and cost savings. Furthermore the sale of the capital-intensive School Bus business and the loss-making National Express Transport Solutions (NXTS) business during the year has created additional capacity for deleverage and profitable growth.

The base case projections, which cover the period to February 2027, assume:

- Continued strong trading outlook in ALSA, with its Long Haul and Regional businesses continuing to benefit from strong underlying passenger demand and the continuation of government subsidised travel schemes with the implementation in January 2026 of a new scheme in Spain offering a single transport pass providing unlimited nationwide travel for €60 a month (€30 for under 26 year olds);
- Continued financial performance recovery across other divisions including operational improvements in key contracts in WeDriveU and significant improvements in Germany driven by contracts returning to full mileage and reduced penalties, enabled by reduced driver shortages; and assume the conclusion of PTA contract settlement discussions.
- The base case also assumes the continuation and advancement of targeted cost saving initiatives through the Simplify for Success programme, which has delivered savings in 2025.

The reasonable worst case ("RWC") has been formed on a consistent basis with the assessment at 31 December 2024. In summary, the downside risks modelled are all correlated with the Group's principal risks. The downsides modelled include, but are not limited to:

1. Reduced passenger demand adversely affecting revenues in those lines of business without passenger revenue protection
2. Fewer new contract wins and increased competition from other operators and modes of transport
3. Higher wage inflation on the cost base, with none of this being able to be passed on to customers
4. A material delay in realising cost saving and revenue improvement initiatives

In addition to these wider downside themes described above, we have modelled downsides on the impact of potential systems failures and cyber-attacks, serious safety incidents, periods of non-service due to climate change and adverse weather conditions.

These downsides have been modelled for each division in turn, taking into account the current economic situation in each market, including the relative labour market and inflation dynamics between geographies.

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 across Travel & Accommodation, Advertising & Marketing, Training & Development and Legal & Professional fees which is more than achievable as demonstrated during the Covid pandemic.
2. The removal of any planned annual discretionary bonuses.

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 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 so extreme as to be considered clearly remote. As ever, covenants that include EBITDA as a component are more sensitive to reverse stress testing; the Directors have therefore conducted in-depth stress testing on all covenant tests through to 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 EBITDA reduction and no lender support to amend or waive EBITDA-related covenants. Stress tests on both reduced passenger demand and higher irrecoverable cost inflation have been modelled. Taking this into account the Directors concluded that the probability was remote that circumstances arise that cause covenants to be breached.

A stress test on the interest cover covenant has also been performed. We consider the possibility remote that the EBITDA headroom against the interest cover covenant could be exhausted within the next 12 months. The Directors again conclude that the probability was remote that such circumstances could arise that could cause covenants to be breached.

The Directors have reviewed the base case and RWC projections and in both scenarios the Group has a strong liquidity position over the next 12 months and sufficient headroom on all of its covenant tests. 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 12 months ended 31 December 2025.

Accounting policies

The accounting policies adopted in the preparation of the interim condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Group's 2024 Annual Report and Accounts, except for the adoption of new standards effective as of 1 January 2025; these are listed below and did not have an impact on the interim condensed Consolidated Financial Statements of the Group.

- Lack of Exchangeability – Amendments to IAS 21

Taxes on income in the interim periods are accrued using the tax rates that are expected to apply to total annual earnings.

Adjusted profit, after '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 year-on-year trading performance of the Group. The adjusted profit measures are not recognised profit measures 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.

Prior year restatement

During the preparation of the financial statements for the 12-month period ending 31 December 2025, 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 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. 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 recognition 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 year 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 year is not material for the Group accounts individually, the Directors have elected to include in the restatement of prior year 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 year 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 current 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 year 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-year income statement impact of £0.8m
- A total impact on balance sheet net assets of (£18.0m)

There is no tax impact of the restatement.

Note that the Income Statement also reflects the impact of discontinued operations (see note 8).

INCOME STATEMENT	31 December 2024 (Reported)			31 December 2024 (Restated)		
	Adjusted result	Adjusting items	Total	Adjusted result	Adjusting items	Total
	£m	£m	£m	£m	£m	£m
Continuing operations						
Revenue	3,412.4	–	3,412.4	2,597.5	–	2,597.5
Operating costs	(3,224.7)	(707.6)	(3,932.3)	(2,416.4)	(147.1)	(2,563.5)
Group operating profit/(loss)	187.7	(707.6)	(519.9)	181.1	(147.1)	34.0
Share of results from associates	3.2	–	3.2	(0.3)	–	(0.3)
Finance income	2.4	–	2.4	2.2	–	2.2
Finance costs	(92.2)	(2.8)	(95.0)	(79.3)	(2.8)	(82.1)
Profit/(loss) before tax	101.1	(710.4)	(609.3)	103.7	(149.9)	(46.2)
Tax charge	(41.4)	(143.1)	(184.5)	(50.8)	(40.9)	(91.7)
Profit/(loss) for the period from continuing operations	59.7	(853.5)	(793.8)	52.9	(190.8)	(137.9)
Profit/(loss) for the period from discontinued operations	–	–	–	6.0	(662.7)	(656.7)
Profit/(loss) for the year	59.7	(853.5)	(793.8)	58.9	(853.5)	(794.6)
Profit/(loss) attributable to equity shareholders	50.7	(853.5)	(802.8)	49.9	(853.5)	(803.6)
Profit attributable to non-controlling interests	9.0	–	9.0	9.0	–	9.0
Basic EPS from continuing and discontinued operations			(134.8)p			(135.0)p
Diluted EPS from continuing and discontinued operations			(134.8)p			(135.0)p

	Reported 31 December 2024 £m	Adjustment £m	Restated 31 December 2024 £m
STATEMENT OF COMPREHENSIVE INCOME			
Loss for the year	(793.8)	(0.8)	(794.6)
Exchange differences on retranslation of foreign operations	(31.6)	0.8	(30.8)
Other comprehensive income for the period	6.9	0.8	7.7
Total comprehensive expense for the period	(786.9)	–	(786.9)
Total comprehensive (expense)/income attributable to:			
Equity shareholders	(794.4)	–	(794.4)
Non-controlling interests	7.5	–	7.5
	(786.9)	–	(786.9)

BALANCE SHEET	Reported 31 December 2024		Restated 31 December 2024		Reported 31 December 2023	Adjustment	Restated 31 December 2023
	£m	Adjustment £m	£m	£m	£m	£m	£m
Other non-current receivables	169.7	(14.5)	155.2	153.8	(14.7)	139.1	
Total non-current assets	2,396.1	(14.5)	2,381.6	3,067.6	(14.7)	3,052.9	
Total assets	3,238.5	(14.5)	3,224.0	4,075.1	(14.7)	4,060.4	
Trade and other payables	(1,029.0)	(3.5)	(1,032.5)	(960.6)	(3.3)	(963.9)	
Total current liabilities	(1,407.9)	(3.5)	(1,411.4)	(1,371.7)	(3.3)	(1,375.0)	
Total liabilities	(3,017.6)	(3.5)	(3,021.1)	(3,030.6)	(3.3)	(3,033.9)	
Net assets	220.9	(18.0)	202.9	1,044.5	(18.0)	1,026.5	
Retained earnings	(1,284.9)	(18.8)	(1,303.7)	(457.0)	(18.0)	(475.0)	
Other reserves	396.7	0.8	397.5	397.6	–	397.6	
Total shareholders' equity	184.8	(18.0)	166.8	1,014.3	(18.0)	996.3	
Total equity	220.9	(18.0)	202.9	1,044.5	(18.0)	1,026.5	

STATEMENT OF CHANGES IN EQUITY	31 December 2024 (Reported)				31 December 2024 (Restated)			
	Other reserves	Retained earnings	Total	Total equity	Other reserves	Retained earnings	Total	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January 2024	397.6	(435.5)	1,035.8	1,066.0	397.6	(475.0)	996.3	1,026.5
Loss for the year	–	(802.8)	(802.8)	(793.8)	–	(803.6)	(803.6)	(794.6)
Other comprehensive income for the period	–	8.4	8.4	6.9	0.8	8.4	9.2	7.7
Total comprehensive (expense)/income	–	(794.4)	(794.4)	(786.9)	0.8	(795.2)	(794.4)	(786.9)
At 31 December 2024	396.7	(1,284.9)	184.8	220.9	397.5	(1,303.7)	166.8	202.9

As there was no impact on cash and cash equivalents, the Statement of Cash Flows has not been re-presented.

Critical accounting judgements and key sources of estimation uncertainty

The critical accounting judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Group's Annual Report and Accounts for the year ended 31 December 2024.

2. Exchange rates

The most significant exchange rates to UK Sterling for the Group are as follows:

	12 months to 31 December			
	2025		2024	
	Closing rate	Average rate	Closing rate	Average rate
US dollar	1.35	1.32	1.25	1.28
Canadian dollar	1.85	1.84	1.80	1.75
Euro	1.15	1.17	1.21	1.18
Moroccan dirham	12.29	12.31	12.66	12.70

If the results for the 12 months to 31 December 2024 had been retranslated at the average exchange rates for the period to 31 December 2025, WeDriveU would have achieved an adjusted operating profit of £28.4m on revenue of £399.8m compared to adjusted operating profit of £29.3m on revenue of £412.7m as reported; ALSA would have achieved an adjusted operating profit of £188.3m on revenue of £1,343.3m, 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 £9.4m on revenue of £259.5m compared to adjusted operating loss of £10.1m on revenue of £256.0m as reported.

3. Segmental analysis

The Group's reportable segments have been determined based on reports issued to, and reviewed by, the Group Executive Committee and are organised in accordance with the geographical regions in which they operate and nature of services that they provide. Management considers the Group Executive Committee to be the chief decision-making body for deciding how to allocate resources and for assessing operating performance.

As the North America School Bus business has now been classified as a discontinued operation (see note 8); WeDriveU is now a separate reportable segment. The prior period analysis within this note has also been represented.

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.

Revenue is disaggregated by reportable segment, class and type of service as follows:

12 months to 31 December 2025						
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	25.0	480.5	47.6	1.3	32.5	586.9
German Rail	–	63.6	188.0	–	0.8	252.4
ALSA	288.5	795.2	187.9	110.4	84.6	1,466.6
WeDriveU	421.5	–	–	–	10.7	432.2
Total revenue from continuing operations	735.0	1,339.3	423.5	111.7	128.6	2,738.1
Analysis by major service type						
Passenger transport	735.0	1,339.3	423.5	111.7	23.0	2,632.5
Other products and services	–	–	–	–	105.6	105.6
Total revenue from continuing operations	735.0	1,339.3	423.5	111.7	128.6	2,738.1

There have been no material amounts of revenue recognised in the year that relate to performance obligations satisfied or partially satisfied in previous years. Revenue received where the performance obligation will be fulfilled in the future is classified as deferred income or contract liabilities.

There are no material inter-segment sales between reportable segments.

Prior year revenue is disaggregated by reportable segment, class and type of service as follows:

12 months to 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	34.4	496.2	37.4	4.3	28.9	601.2
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 Restated to represent prior period for discontinued operations and for German Rail prior year restatement, see notes 1 & 8 respectively for further information.

Operating profit/(loss) is analysed by reportable segment as follows:

	12 months to 31 December					
	Adjusted result 2025 £m	Adjusting items 2025 £m	Segment result 2025 £m	(Restated) Adjusted result 2024 ¹ £m	(Restated) Adjusting items 2024 ¹ £m	(Restated) Segment result 2024 ¹ £m
UK	(4.6)	(12.6)	(17.2)	9.7	(17.3)	(7.6)
German Rail	6.6	(1.6)	5.0	(10.1)	(87.5)	(97.6)
ALSA	212.0	(43.4)	168.6	186.1	(9.2)	176.9
WeDriveU	20.2	(56.7)	(36.5)	29.3	(10.8)	18.5
Central functions	(36.2)	(61.8)	(98.0)	(33.9)	(22.3)	(56.2)
Operating profit/(loss) from continuing operations	198.0	(176.1)	21.9	181.1	(147.1)	34.0
Share of results from associates			–			(0.3)
Net finance costs			(80.4)			(79.9)
Loss before tax for the period from continuing operations			(58.5)			(46.2)

¹ The results for the 12 months to 31 December 2024 have been restated for to represent prior periods for discontinued operations and German Rail prior year restatement; see notes 1 & 8 respectively for further information.

Segmental results for current year shown before internal management recharges on an arms' length basis, consistent with how management review the segmental results internally.

Non-current assets and additions are analysed by reportable segment as follows:

	12 months to 31 December					
	Intangible assets	Property, plant and equipment	Non-current asset additions	Intangible assets	Property, plant and equipment	Non-current asset additions
	2025	2025	2025	2024 ¹	2024 ¹	2024 ¹
	£m	£m	£m	£m	£m	£m
UK	17.5	163.0	10.7	38.1	178.9	8.3
Central functions	0.3	–	–	7.7	0.1	–
Total UK	17.8	163.0	10.7	45.8	179.0	8.3
German Rail	5.5	5.2	3.3	5.6	2.5	1.9
ALSA	753.6	473.0	184.7	693.4	472.1	132.5
WeDriveU	161.4	82.2	14.1	181.1	93.8	37.4
Total overseas	920.5	560.4	202.1	880.1	568.4	171.8
Discontinued operations	–	–	–	60.3	446.2	124.1
Total	938.3	723.4	212.8	986.2	1,193.6	304.2

¹ The results for the 12 months to 31 December 2024 have been restated for to represent prior periods for discontinued operations

4. Net finance costs

	12 months to 31 December 2025	(Restated) Year to 31 December 2024 ¹
	£m	£m
Bank and bond interest payable	(66.9)	(58.5)
Lease interest payable	(7.2)	(7.8)
Other interest payable	(5.6)	(11.2)
Unwind of discounting of provisions	(0.7)	(0.7)
Interest cost on defined benefit pension obligations	(0.3)	(1.1)
Finance costs before adjusting items	(80.7)	(79.3)
Adjusting items:		
Unwind of discounting of provisions (note 5)	(4.7)	(2.8)
Total finance costs after adjusting items	(85.4)	(82.1)
Lease interest income	1.0	0.5
Other financial income	4.0	1.7
Total finance income	5.0	2.2
Net finance costs from continuing operations	(80.4)	(79.9)

¹ The results for the year to 31 December 2024 have been restated to represent prior periods for discontinued operations; see notes 1 & 8 respectively for further information.

5. Adjusting items

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 Group's policy on adjusting items is shown in note 1.

The total adjusting items before tax from continuing operations for the 12 months to 31 December 2025 is a net charge of £180.8m (2024 restated: £149.9m). See note 8 for details of adjusting items from discontinued operations.

The items excluded from adjusted profit from continuing operations are:

	12 months to 31 December 2025	(Restated) Year to 31 December 2024 ¹
	£m	£m
Intangible amortisation / impairment for acquired businesses (a)	(23.5)	(20.7)
Re-measurements of onerous contracts and impairments resulting from the Covid-19 pandemic (b)	–	4.1
Re-measurement of German Rail onerous contract provisions (c)	–	(86.4)
Re-measurement of WeDriveU onerous contract provisions (d)	(52.4)	0.7
Final re-measurement of the Rabat put liability (e)	1.0	–
Costs in relation to the legacy School Bus legal claims provision (f)	(38.5)	–
Impairments and other costs associated with Morocco contract changes (g)	(27.3)	–
Restructuring and other costs (h)	(35.4)	(44.8)
Total adjusting items in continuing revenue & operating costs	(176.1)	(147.1)
Finance costs:		
Unwind of discounting of provisions (c) (d) (f)	(4.7)	(2.8)
Total adjusting items in continuing operations before tax	(180.8)	(149.9)
Tax credit/(charge) on adjusting items (i)	14.8	(40.9)
Total adjusting items in continuing operations after tax	(166.0)	(190.8)

¹ The results for the year to 31 December 2024 have been restated to represent prior periods for discontinued operations; see notes 1 & 8 respectively for further information.

(a) Intangible amortisation / impairment for acquired businesses

Consistent with previous periods the Group classifies the amortisation for acquired intangibles as an adjusting item by virtue of its size and nature. Its exclusion from the adjusted result enables comparison and monitoring of divisional performance by the Group Executive Committee regardless of whether through acquisition or organic growth. In addition, by disclosing this separately the Group gives users of the accounts visibility of the amount of amortisation of acquired intangibles which improves comparability of the Group's results with those of peer companies, as this continues to be a common adjustment from profit in comparative companies. This amounts to £23.5m in the period (2024 restated: £20.7m).

(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 onerous contract provisions

In German Rail, the RRX Lot 2/3 contract losses were as expected for the period to 31 December 2025 and as at the balance sheet date, remain in line with previous expectations for the contract outlook, a remeasurement was therefore not required (2024: £86.4m). During the period to 31 December 2025, £4.1m has been recorded in interest costs for unwind of discounting of provisions (2024: £2.8m).

(d) Re-measurement of WeDriveU onerous contract provisions

Prior to 2025 one onerous contract had remained in WeDriveU with movements in the provision being treated as an adjusting item in previous years. During the current year, a further contract, WMATA, became onerous and a new onerous contract provision was required. The Group is seeking legal redress with the customer to address the continuing ongoing losses. We expect the outcome of the legal proceedings to be successful and the contract losses significantly reduced; however any future legal settlement cannot currently be assumed in the provision calculation. In the 12 months to 31 December 2025 £52.4m has been charged in relation to the two onerous contracts (2024: £0.7m credit). Additionally, during the period to 31 December 2025, £0.1m has been recorded in interest costs for unwind of discounting of provisions (2024: £nil).

(e) 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 December 2025, a final value has been reached and paid on 5 June 2025, resulting in a re-measurement of the put liability of £1.0m 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.

(f) Costs in relation to the legacy School Bus legal claims provision

As part of the sale agreement of the North America School Bus 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. £38.5m has been charged to the Income Statement in the period to 31 December 2025; 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 to 31 December 2025, £0.5m has been recorded in interest costs for unwind of discounting of provisions.

(g) Impairments and other costs associated with Morocco contract changes

As a result of a changing 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 Marrakech 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.

In addition, fuel hedges no longer expected to be required for 2026 as a result of the contractual changes have been de-designated from hedge accounting, with the accumulated fair value held in the cash flow hedge reserve transferred to the Income Statement.

The total financial impact as a result of the changes is £27.3m (2024: £nil) of which £21.7m was recorded in revenue and £5.6m 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.

(h) 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 £35.4m at 31 December 2025 (2024 restated: £44.8m).

(i) Tax on adjusting items

A £14.8m tax credit on adjusting items from continuing operations has been recognised in the period (2024 restated: £40.9m tax charge).

6. Taxation

Tax on profit on ordinary activities for the 12 months to 31 December 2025 has been calculated on the basis of the estimated annual effective rates across the countries in which the Group operates for the year ending 31 December 2025.

The adjusted tax charge for continuing operations of £45.2m (2024 restated: £50.8m) represents an effective tax rate of 37.0% on the adjusted result (2024 restated: 49.0%) reflecting the combination of business performance across the group's portfolio, restricted tax deductibility of financing costs and derecognised deferred tax assets.

The tax credit on adjusting items from continuing operations of £14.8m (2024 restated: £40.9m charge) is made up of a £6.9m credit on deferred tax asset recognition in respect of the changing environment in Morocco, a £4.3m credit on adjusting tax-deductible operating costs, and a £3.6m tax credit on adjusting intangible amortisation. During 2024 the tax charge on adjusting items from continuing operations of £40.9m was made up of a £47.7m charge on deferred tax asset derecognition and a £6.8m tax credit on adjusting intangible amortisation.

There was a total tax charge of £8.0m on discontinued operations (2024: £92.7m), relating to the North America School Bus business and UK National Express Transport Solutions (NXTS) businesses (see note 8).

Deferred tax asset recoverability continues to be assessed using the strategic plan projections which are used for the going concern and impairment assessments. Tax losses in the US and UK were derecognised at 31 December 2024. At 31 December 2025 there is no change to this position and as a result the Group holds an overall net deferred liability of £47.8m (2024: £46.8m).

The impact of Pillar Two taxes on the Group's current tax expense was immaterial for the period.

7. Dividends paid and proposed

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

8. Discontinued operations

(a) Summary

During the period the Group disposed of two separate major lines of business, being North America School Bus, 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 year-on-year 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 2025 £m	Adjusting items 2025 £m	Total 2025 £m	Adjusted result 2024 £m	Adjusting items 2024 £m	Total 2024 £m
North America School Bus	3.6	(160.7)	(157.1)	5.0	(641.9)	(636.9)
National Express Transport Solutions	(1.9)	(39.4)	(41.3)	1.0	(20.8)	(19.8)
Profit/(loss) for the period from discontinued operations	1.7	(200.1)	(198.4)	6.0	(662.7)	(656.7)

Each of these are detailed separately below.

(b) North America School Bus

On 25 April 2025 the Group announced the sale of its North America School Bus 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 12 month period to 31 December 2025. 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 2025 reflect the results from 1 January 2025 up until disposal on 14 July 2025.

	Adjusted result 2025 £m	Adjusting items 2025 ¹ £m	Total 2025 £m	Adjusted result 2024 £m	Adjusting items 2024 ¹ £m	Total 2024 £m
Revenue	441.9	–	441.9	792.6	–	792.6
Operating costs	(427.1)	(8.3)	(435.4)	(783.7)	(559.0)	(1,342.7)
Group operating profit/(loss) before tax	14.8	(8.3)	6.5	8.9	(559.0)	(550.1)
Share of results from associates	–	–	–	3.5	–	3.5
Net finance costs	(10.0)	–	(10.0)	(12.4)	–	(12.4)
Impairment loss on remeasurement to fair value less cost to sell ²	–	(234.7)	(234.7)	–	–	–
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	(153.9)	(149.1)	–	(559.0)	(559.0)
Tax (charge)/credit	(1.2)	(6.8)	(8.0)	5.0	(82.9)	(77.9)
Profit/(loss) for the period from discontinued operations	3.6	(160.7)	(157.1)	5.0	(641.9)	(636.9)

Adjusting items in operating costs in 2025 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 £234.7m, 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 12 months to 31 December 2025 was (25.8)p (2024: (96.0)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 December 2025, 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

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 North America School Bus are as follows:

	12 months to 31 December 2025 £m	Year to 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 North America School Bus during the year are as follows. These cash flows are included with the Group's Statement of Cash Flows:

	12 months to 31 December 2025 £m	Year to 31 December 2024 £m
Cash (outflow)/inflow from operating activities	(36.3)	39.7
Cash outflow from investing activities	(50.6)	(45.5)
Cash inflow from financing activities (including intercompany financing)	65.3	16.3
Net cash (outflow)/inflow	(21.6)	10.5

(c) National Express Transport Solutions

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 National Express Transport Solutions (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 years) 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:

1

	Adjusted result 2025 £m	Adjusting items 2025 £m	Total 2025 £m	Adjusted result 2024 £m	Adjusting items 2024 ¹ £m	Total 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	–	–	–	4.5	(19.3)	(14.8)
(Loss)/profit for the period from discontinued operations	(1.9)	(39.4)	(41.3)	1.0	(20.8)	(19.8)

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 12 months to 31 December 2025 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

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 National Express Transport Solutions.

The net cash flows incurred by NXTS during the year are as follows. These cash flows are included with the Group's Statement of Cash Flows:

	12 months to 31 December 2025	Year to 31 December 2024
	£m	£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)

9. Earnings per share

	12 months to 31 December 2025	(Restated) Year to 31 December 2024 ¹
	£m	£m
Basic earnings per share from continuing operations	(19.2)p	(27.6)p
Diluted earnings per share from continuing operations	(19.2)p	(27.6)p
Basic earnings per share from continuing and discontinued operations	(51.8)p	(135.0)p
Diluted earnings per share from continuing and discontinued operations	(51.8)p	(135.0)p

¹ Restated for a German Rail prior year restatement; refer to note 1 for further information

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the following data:

	12 months to 31 December 2025	(Restated) Year to 31 December 2024 ¹
	£m	£m
Earnings		
Loss attributable to equity shareholders	(294.2)	(803.8)
Accrued payments on hybrid instrument	(21.3)	(21.3)
Earnings attributable to equity shareholders	(315.5)	(825.1)

¹ Restated for a German Rail prior year restatement; refer to note 1 for further information

	12 months to 31 December 2025	Year to 31 December 2024
Number of shares		
Basic weighted average shares	608,661,664	611,292,234
Adjustment for dilutive potential ordinary shares ¹	31,215,090	24,816,797
Diluted weighted average shares	639,876,754	636,109,031

¹ Potential ordinary shares have the effect of being anti-dilutive in the 12 months to 2025 and 2024 full year, and have therefore been excluded from the calculation of diluted earnings per share.

From continuing operations

	12 months to 31 December 2025	(Restated) Year to 31 December 2024 ¹
	£m	£m
Earnings		
Loss attributable to equity shareholders	(95.8)	(147.2)
Accrued payments on hybrid instrument	(21.3)	(21.3)
Earnings attributable to equity shareholders	(117.1)	(168.5)

¹ Restated for a German Rail prior year restatement; refer to note 1 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.

10. Cash and cash equivalents

	At 31 December 2025 £m	At 31 December 2024 £m
Cash at bank and in hand	228.2	129.4
Overnight deposits	4.6	0.1
Other short term deposits	174.0	115.0
Cash and cash equivalents	406.8	244.5

Included within cash at bank and in hand 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 (including withholding tax that would be due if repatriated) £1.4m (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 arrangements. Net cash and cash equivalents comprise as follows:

	At 31 December 2025 £m	At 31 December 2024 £m
Cash and cash equivalents	406.8	244.5
Bank overdrafts	(141.4)	(41.4)
Net cash and cash equivalents	265.4	203.1

11. Goodwill and impairment

Goodwill is allocated to individual cash-generating units ('CGUs') for annual impairment testing on the basis of the Group's business operations.

The School Bus division in North America was disposed of in July 2025 and, as a result, there is no goodwill subject to impairment testing at the year end. At 31 December 2024, the value in use of the North America School Bus CGU was lower than the carrying amount by £547.7m, resulting in a full impairment of the goodwill balance.

The carrying value by individual CGU is as follows:

	At 31 December 2025 £m	At 31 December 2024 £m
UK ¹	8.7	50.1
WeDriveU	147.0	158.3
ALSA	593.8	576.9
	749.5	785.3

¹ UK Goodwill has been reduced by £41.4m in the period following the disposal of the National Express Transport Solutions business (see note 8)

A full impairment assessment has been performed on all three CGUs.

Assumptions and estimates used in the goodwill impairment assessment calculation

As per IAS36, the cash generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The calculation of value in use for each CGU is most sensitive to the assumptions over cash flows, discount rates and the growth rate used to extrapolate cash flows into perpetuity beyond the five-year period of the management plan.

The key assumptions 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	
	12 months to 31 December			
	2025	2024	2025	2024
UK	10.1%	10.4%	3.1%	2.9%
WeDriveU	10.5%	10.3%	4.0%	3.8%
ALSA	12.5%	12.8%	3.6%	3.4%

Discount rates have reduced for the UK and ALSA, and have been impacted by an increase in the proportion of debt to equity of the comparator companies used in the calculation of the weighted average cost of capital (WACC). The discount rate applied to the WeDriveU CGU has increased as a result of a higher debt:equity ratio impacting the cost of equity, and an increase in the cost of debt driven by higher government bond yields.

The key estimates applied in the impairment review are the forecast level of revenue, operating margins and the proportion of operating profit converted to cash in each year. Forecast revenue and operating margins are based on past performance and management's expectations for the future. A growth rate for each division has been consistently applied in the impairment review for all cash-generating units based on respective long-term country-specific GDP growth rates. The long-term growth rate for all three CGUs has increased by 20bps since December 2024.

Results of the impairment assessment

The value in use in the UK exceeds its carrying amounts by £69.8m (31 December 2024: £72.0m). Headroom is broadly unchanged, despite a reduction in the value of goodwill from £50.1m to £8.7m following disposal of the NXTS division. This is due to a small reduction in the long term cash flow forecast as a result of challenging trading conditions, as well as a prudent view being taken by management in removing the benefit of several turnaround actions which are planned but not yet implemented as of the impairment assessment date. An increase in the WACC of 20bps has also contributed to the reduction in headroom. Impairment of goodwill for the UK CGU continues to be considered as a key source of estimation uncertainty given that reasonable possible changes in the cash flow projections could result in an erosion of remaining headroom due to the significant judgement involved around turnaround assumptions and the ongoing challenging trading environment in UK Coach.

The value in use of the WeDriveU CGU exceeds its carrying amounts by £139.2m (31 December 2024: £266.9m). The reduction is largely driven by a reduction in the discounted cash flows, which reflect a prudent, risk-adjusted view of future trading, excluding the benefit of future profitability improvements not yet delivering as of the assessment date. This reduction is offset slightly by a reduction in the asset base. Impairment of goodwill for the WeDriveU CGU 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.

The value in use of the ALSA CGU exceeds its carrying amounts by £618.7m (31 December 2024: £274.6m). This is primarily driven by an improvement in the cash flow forecast due to growth in the base business, and a reduction in terminal value capital expenditure as a smaller proportion of future vehicle spend is expected to be through traditional outright cash purchase, as IFRIC 12 arrangements expand upon renewals. A reduction in the WACC of 29bps has also contributed to an improvement in headroom. There is no key source of estimation uncertainty regarding ALSA goodwill, given the significant amount of headroom available and remote possibility that this will be eroded within the next 12 months.

Sensitivities to key assumptions

The table below summarises the reasonably possible change in key assumptions which most impact the carrying value of the UK CGU.

Sensitivity analysis for ALSA and WeDriveU has not been prepared given the cash generating units are not considered to be a key source of estimation uncertainty.

	Sensitivity	Decrease in carrying value £m	
		12 months to 31 December	
		2025	2024
		UK	UK
Pre-tax discount rate	Increase of 1.5 percentage points	–	–
Long term growth rate	Decrease of 1.0 percentage point	–	–
Adjusted Operating Profit Margin throughout the assessment period	Decrease of 1.5 percentage points	(36.1) ¹	(41.3)
Free cash flow in the terminal value	Decrease by 10%	–	–

¹ In this scenario, Goodwill of £8.7m would be fully impaired with a further impairment of other UK assets of £27.4m

Sensitivity analysis has 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.

	12 months to 31 December	
	2025	2024
	UK	UK
Increase in pre-tax discount rate	4.1%	4.1%
Reduction in long term growth rate	5.9%	5.2%
Reduction in adjusted operating profit margin	1.0%	1.0%

12. Property, plant and equipment

During the period, the Group's additions amounted to £137.4m (2024: £290.2m) comprising of primarily public service vehicles (£96.9m), and land & buildings to support its operations (£28.2m).

The Group's disposals during the period amounted to a net book value of £67.0m (2024: £40.8m) comprising of primarily public service vehicles and land & buildings.

As a result of the School Bus and National Express Transport Solutions businesses being sold during the period (see note 8); property, plant and equipment with a net book value of £423.9m was derecognised via the sale of those businesses; this number is before the impairment loss on remeasurement to fair value less cost to sell was applied.

Cash flows relating to the acquisition and disposal of property, plant and equipment are shown in the Statement of Cash Flows.

13. Financial instruments

The Group's multi-national transport operations and debt financing expose it to a variety of financial risks, including the effects of changes in fuel prices, foreign currency exchange rates and interest rates. The Group has in place a risk management programme that seeks to limit the adverse effects of these financial risks on the financial performance of the Group by means of derivative financial instruments.

As at 31 December 2025 the Group's portfolio of hedging instruments included fuel price derivatives, cross currency swaps and foreign exchange derivatives. The fuel price derivatives are in place to hedge the changes in price of the different types of fuel used in each division. The cross currency swaps are in place to hedge the risk of changes in foreign exchange rates. The foreign exchange derivatives are in place to hedge the foreign exchange risk on translation of net assets denominated in foreign currency. In addition, the Group held five £50m denominated interest rate derivatives to swap fixed interest on a £250m Sterling bond to a floating rate which fully matured in November 2025.

Financial assets and financial liabilities measured at amortised cost have a fair value which approximates their carrying value. The Group's derivative financial instruments are held in the balance sheet at fair value and are measured using level 2 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 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). The fair value of these investments is typically determined by using recent and forecast earnings. During the period, the Group disposed of a non-listed US investment in Transit Technologies Holdco which was held at fair value through Other Comprehensive Income; for consideration of £16.6m. The fair values of remaining investments are individually immaterial and therefore sensitivities to the valuation have not been disclosed. Deferred contingent consideration is also valued at fair value, categorised within Level 3, but is of an immaterial value. 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 measurements.

The following table presents the changes in level 3 instruments, being financial assets at fair value through Other Comprehensive Income, during the period:

	12 months to 31 December 2025 £m	Year to 31 December 2024 £m
At 1 January	25.0	15.2
Acquisitions in the period	–	0.3
Additions in the period	0.4	0.4
Disposals in the period	(16.3)	–
Fair value movement in the period	–	9.1
Foreign exchange	(0.5)	–
At 31 December	8.6	25.0

The Group applies relevant hedge accounting to the majority of its derivatives outstanding as at 31 December 2025. As a result of the North America School Bus business being sold in July 2025, fuel derivatives that had been previously placed with maturity dates in the second half of 2025 and 2026, following the expected date of completion, are no longer considered a highly probable forecast transaction, therefore these trades have been de-designated from hedge accounting as of the date the School Bus sale was agreed, being 24 April 2025. As a result the fair value of the affected trades accumulated in the cash flow hedge reserve was transferred to the income statement; which amounted to £2.0m.

In addition, following changes to the Group's contracts in Morocco, the Group had more fuel volumes hedged for 2026 than it now forecasts to be required. Fuel hedges no longer expected to be a highly probable forecast transaction were de-designated from hedge accounting at 31 December 2025, with the fair value of the affected trades accumulated in the cash flow hedge reserve being transferred to the income statement; which amounted to £1.3m.

These income statement amounts were classified as an adjusting item (see note 5). All other designated hedge relationships were effective under IFRS 9.

In respect of fuel hedges, at 31 December 2025 the Group was around 82% hedged for 2026, at an average price of 50.2p/litre, around 39% hedged for 2027 at an average price of 44.5p/litre and around 16% hedged for 2028 at an average price of 39.9p/litre.

Derivative financial assets and liabilities on the balance sheet are as follows:

	At 31 December 2025	At 31 December 2024
	£m	£m
Fuel derivatives	–	0.2
Non-current derivative financial assets	–	0.2
Fuel derivatives	–	1.5
Cross currency swaps	0.3	0.4
Foreign exchange derivatives	1.7	10.7
Current derivative financial assets	2.0	12.6
Fuel derivatives	(4.9)	(3.1)
Cross currency swaps	(5.1)	(0.3)
Non-current derivative financial liabilities	(10.0)	(3.4)
Fuel derivatives	(13.3)	(8.0)
Interest rate derivatives	–	(9.9)
Foreign exchange derivatives	(2.9)	(26.8)
Current derivative financial liabilities	(16.2)	(44.7)

14. Pensions and other post-employment benefits

The UK division operates a defined benefit scheme. The Group also provides certain additional unfunded post-employment benefits to employees in ALSA, and maintains a small, legacy rail defined benefit scheme. The post-employment benefits for these schemes have been combined into the 'Other' category below.

The assets of the defined benefits schemes are held separately from those of the Group and contributions to the schemes are determined by independent professionally qualified actuaries.

The total pension cost to adjusted operating profit for the 12 months to 31 December 2025 was £8.6m (2024: £9.4m), of which £7.5m (2024: £7.8m) relates to the defined contribution schemes.

The defined benefit pension (liability)/asset included in the Balance Sheet is as follows:

	At 31 December 2025	At 31 December 2024
	£m	£m
Other	0.1	0.1
Pension assets	0.1	0.1
UK	(3.9)	(11.3)
Other	–	(0.3)
Pension liabilities	(3.9)	(11.6)
Total	(3.8)	(11.5)

The UK net defined benefit pension liability, was calculated based on the following assumptions:

	UK	
	12 months ended 31 December 2025	Year ended 31 December 2024
Rate of increase in salaries	2.5%	2.5%
Rate of increase of pensions in payment	2.2%	2.6%
Discount rate	5.5%	5.4%
Inflation assumption (RPI)	2.7%	3.1%
Inflation assumption (CPI)	2.2%	2.6%

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:

	12 months ended 31 December 2025	Year ended 31 December 2024
	UK	UK
Effect of a 0.5% increase in pensions in payment	(10.9)	(11.8)
Effect of a 0.5% increase in the discount rate	(17.0)	(18.7)
Effect of a 0.5% increase in inflation	(12.1)	(13.1)
Effect of a 1 year increase in mortality rates	(10.5)	(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 scheme, no allowance has been made for any change in assets that might arise under any of the scenarios set out above.

15. Business Combinations

(a) Acquisitions – ALSA

On 1 March 2024 the ALSA division acquired 100% control of Canary Bus (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 remeasurement 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 year acquisitions, were as follows:

	Canary Bus £m	UTE Sanir £m	Meep £m	Urena £m	Total £m
Intangible assets	12.6	2.2	1.5	–	16.3
Property, plant and equipment	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 liability	(1.0)	–	–	–	(1.0)
Net assets acquired	14.6	2.0	–	0.2	16.8
Goodwill	(14.6)	–	–	0.8	(13.8)
Total consideration	–	2.0	–	1.0	3.0
Represented by:					
Cash consideration	–	2.0	–	1.0	3.0

Given the proximity of the current year acquisitions to the period end, and 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 acquired and intangible assets.

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 the acquisition date of the contractual cash flows not to be collected was £nil.

During the period the fair value adjustments relating to primarily intangible and tangible 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 £1.7m 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 year, the Group’s continuing revenue would have been £2,745.5m.

Acquisition costs were immaterial.

(b) Acquisitions – further information

Total cash outflow in the period from acquisitions in the ALSA division was £14.0m, comprising consideration for current year acquisitions of £3.0m and deferred consideration of £12.8m, less cash acquired in the businesses of £1.8m.

16. Adjusted net debt

	At 1 January 2025	Cash flow	Acquisitions and disposals	Exchange differences	Other movements	At 31 December 2025
	£m	£m	£m	£m	£m	£m
Components of financing activities						
Bank and other loans ¹	(177.5)	31.1	43.0	(3.4)	(0.8)	(107.6)
Bonds	(648.3)	–	–	(22.0)	(9.9)	(680.2)
Fair value of interest rate derivatives	(8.7)	–	–	–	8.7	–
Fair value of foreign exchange forward contracts	(5.1)	(23.7)	–	28.1	–	(0.7)
Cross currency swaps	(1.1)	–	–	(4.6)	–	(5.7)
Net lease liabilities ²	(176.2)	50.6	29.2	2.9	(54.9)	(148.4)
Private placements	(396.5)	–	–	(6.2)	(0.3)	(403.0)
Total components of financing facilities	(1,413.4)	58.0	72.2	(5.2)	(57.2)	(1,345.6)
Cash	129.4	132.1	(23.7)	(9.6)	–	228.2
Overnight deposits	0.1	4.4	–	0.1	–	4.6
Other short-term deposits	115.0	59.0	–	–	–	174.0
Bank overdrafts	(41.4)	(100.0)	–	–	–	(141.4)
Net cash and cash equivalents	203.1	95.5	(23.7)	(9.5)	–	265.4
Other debt receivables	2.7	0.8	–	0.3	–	3.8
Remove: fair value of foreign exchange forward contracts	5.1	23.7	–	(28.1)	–	0.7
Adjusted net debt³	(1,202.5)	178.0	48.5	(42.5)	(57.2)	(1,075.7)

¹Net of unamortised arrangement fees totalling £1.9m on bank and other loans

²Includes finance lease receivables which are reported separately from borrowings on the face of the Group's Balance Sheet

³Excludes accrued interest on long-term borrowings

Borrowings include non-current interest bearing loans and borrowings of £1,229.7m (2024: £1,258.8m).

Adjusted net debt is an alternative performance measure. Please refer to the glossary of alternative performance measures in the CFO review for further information.

Other non-cash movements represent lease additions and disposals of £54.9m (2024: £54.3m), a £2.3m (2024: £2.2m) reduction from the amortisation of loan and bond arrangement fees and a £8.7m change in the fair value of the hedging derivatives, offset by a £8.7m change in fair value of bonds.

	At 1 January 2024	Cash flow	Acquisitions and disposals	Exchange differences	Other movements	At 31 December 2024
	£m	£m	£m	£m	£m	£m
Components of financing activities						
Bank and other loans ¹	(243.9)	65.6	(4.4)	5.9	(0.7)	(177.5)
Bonds	(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	(171.9)	60.7	(11.7)	1.0	(54.3)	(176.2)
Private placements	(404.7)	–	–	8.5	(0.3)	(396.5)
Total components of financing facilities	(1,499.5)	135.6	(16.1)	23.1	(56.5)	(1,413.4)
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 debt³	(1,201.7)	31.7	(9.7)	33.7	(56.5)	(1,202.5)

¹Net of unamortised arrangement fees totalling £2.7m on bank and other loans

²Includes finance lease receivables which are reported separately from borrowings on the face of the Group's Balance Sheet

³Excludes accrued interest on long-term borrowings

17. Cash flow statement

The reconciliation of Group loss before tax to cash generated from operations is as follows:

	(Restated)
	Year to
	31 December
	2024 ²
	£m
	£m
Loss before tax from continuing operations	(58.5)
Loss before tax from discontinued operations	(190.4)
Total loss before tax	(248.9)
Net finance costs	90.4
Share of results from associates and joint ventures	–
Depreciation of property, plant and equipment	146.1
Intangible asset amortisation and impairment	46.6
Amortisation of fixed asset grants	(3.8)
Gain on disposal of property, plant and equipment	(5.9)
Gain on disposal of intangible assets	(1.1)
Share-based payments	5.4
Decrease in inventories	0.7
Decrease in receivables	16.4
(Decrease)/increase in payables	(38.2)
(Decrease)/increase in provisions	(5.0)
Decrease in pensions	(8.6)
Adjusting operating items ¹	346.0
Cash flows relating to adjusting items	(118.7)
Cash generated from operations	221.4
	355.5

¹ Excludes amortisation from acquired intangibles which is included within 'intangible asset amortisation' above

² The results for the year to 31 December 2024 have been restated to represent prior periods for discontinued operations and German Rail prior year restatement; see notes 1 & 8 respectively for further information

18. Commitments, contingencies and insurance contracts

a) Capital commitments

	12 months to 31	Year ended
	December 2025	31 December 2024
	£m	£m
Contracted	85.8	167.5

The Group is committed to various vehicle purchases in WeDriveU and ALSA.

b) Contingent liabilities

School Bus disposal

The original proceeds received on completion of the sale of the North America School Bus 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 December 2025 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 \$46.2m, 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 during 2026.

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 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

Bonds and letters of credit

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 December 2025, the Group has performance bonds in respect of businesses in the USA of £6.0m (2024: £207.0m), in Spain of £113.7m (2024: £107.9m), in Germany of £57.4m (2024: £54.9m) and in the Middle East of £5.9m (2024: £6.4m). Letters of credit have been issued to support insurance retentions of £148.0m (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).

19. Related party transactions

There have been no material changes to the related party balances disclosed in the Group's 2024 Annual Report and Accounts. Compared to the prior period, there have been no transactions which have materially affected the financial position or performance of the Group in the 12 months to 31 December 2025.

20. Post balance sheet events

Following the end of the 31 December 2025 period end, and as released externally to the market on 29 January 2026, the Group announced that its subsidiary National Express Rail GmbH 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 was entered into following the period end, and remains subject to entering into formal legally binding agreements between the relevant parties. As such, no financial impact from the revised contract terms has been recognised as at 31 December 2025. Work remains ongoing to fully determine the financial impact for both the RME and RRX contracts from the amended contract terms, and the timing of recognition thereof. As such, the financial impact cannot be accurately quantified at the current time.