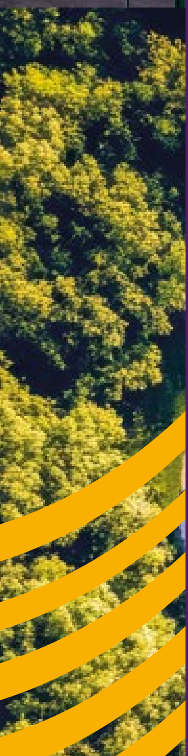


The Future of High Performing Places

Mitie Group plc
Annual Report and Accounts
2026

We are Mitie

We are the UK's leading technology-focused Facilities Management, Facilities Transformation and Facilities Compliance company.

A trusted partner to a diverse range of public and private sector customers, managing and transforming their built estates and ensuring they meet with increasing regulatory requirements.

In each of our Facilities Management service lines of Engineering Maintenance, Security and Hygiene we hold market leadership positions.

We upsell Facilities Transformation capital projects in higher-growth categories including buildings infrastructure, data centres, decarbonisation, fire & security and power & grid connections.

We also deliver business-critical Facilities Compliance in Fire & Security and Water & Environmental Services.

Contents

"FY26 has been another year of progress as we enter the final year of our FY25-FY27 Strategic Plan.

We achieved double-digit growth in revenue and operating profit before other items for the third consecutive year and good free cash flow generation, while building both our order book and bidding pipeline to record levels.

Additionally, the strategic acquisition of Marlowe during the year further developed our leadership into Facilities Compliance and created unique 'Total Managed Water' and 'Total Fire & Security' propositions.

Our performance is driven by the commitment of our 84,000 colleagues and I would like to extend my thanks to the team for their hard work and service excellence.

With good momentum and growth underpinned by favourable macro trends, we are confident of delivering our Strategic Plan and continuing to create long-term value for shareholders."

Phil Bentley
Chief Executive Officer, Mitie Group

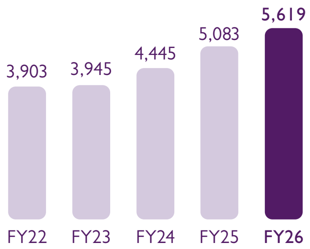
OUR PERFORMANCE HIGHLIGHTS

Another year of progress

Good financial performance

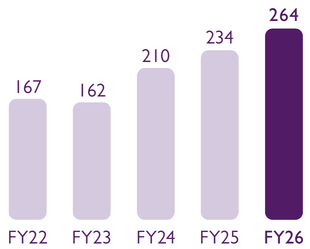
Revenue (£m)
KPI

£5,619m



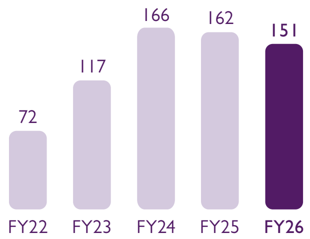
Operating profit before Other items[1] (£m)
KPI

£264m



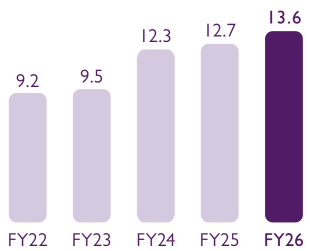
Operating profit (£m)

£151m



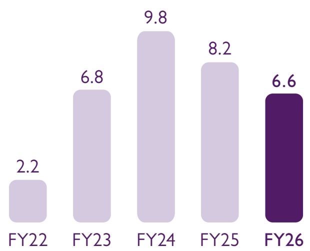
Basic earnings per share before Other items[1] (p)
KPI

13.6p



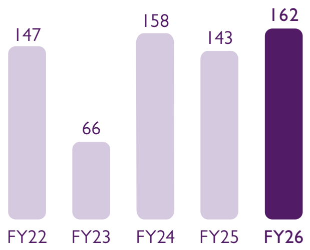
Basic earnings per share (p)

6.6p



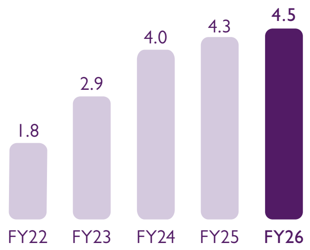
Free cash flow (£m)
KPI

£162m



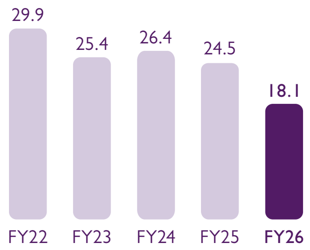
Dividend per share (p)
KPI

4.5p



ROIC (%)
KPI

18.1%



Alternative Performance Measures (APMs)
The Group's performance measures continue to include some measures which are not defined or specified under International Financial Reporting Standards (IFRS). A reconciliation of the APMs to the equivalent IFRS measures is provided in the Appendix – Alternative Performance Measures on pages 223 to 225.

KPI **Key performance indicators (KPIs)**
Pages 30 to 33.

1. Other items are as described in Note 4 to the consolidated financial statements.

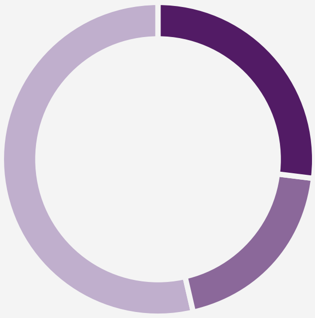
Record total order book and bidding pipeline

Customer type by revenue

Government
50%

Non-government
50%

Total order book
£16.3bn (+6% yoy)



1 year
£4.4bn

1-2 years
£3.2bn

>2 years
£8.7bn

Bidding pipeline
£31.7bn
(+34% yoy)

Immigration & Justice
£8.6bn

Defence
£5.0bn

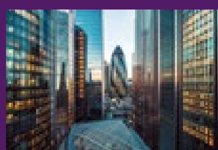
CNI & Data Centres
£2.5bn

Retail
£2.2bn

Healthcare
£1.9bn

Local Gov & Education
£1.8bn

Industry & Manufacturing
£1.6bn



Financial Services
£1.4bn

Compliance
£0.4bn

Positive trends across non-financial measures

Colleague engagement KPI
74% +11ppt
FY25: 63%

Net Promoter Score KPI
+64 +1pt
FY25: +63

Colleague turnover KPI
12% 0ppt
FY25: 12%

Carbon emissions[1] KPI
257,995 -5%
FY25: 270,419

1. Scope 1, 2 and 3 global carbon emissions (tonnes CO2e), net of 6,778 carbon credits.

The Future of High Performing Places

Our purpose: Better Places; Thriving Communities

We believe better places lead to thriving communities. When people have better places, it is easier for them to connect and collaborate, to feel safe and secure, and to belong. It drives us to make every place we touch safer, cleaner and more secure and sustainable.

Our approach

Better places do not happen by accident. It takes care, attention and a blueprint for the future. At Mitie, we create low-carbon, technology-enabled places that are safe, connected, responsive and resilient. All backed by data, so that every decision we make delivers. We are the Future of High Performing Places.

Our customers' evolving needs

Optimising
asset performance and maximising productivity

Protecting
people, property and assets

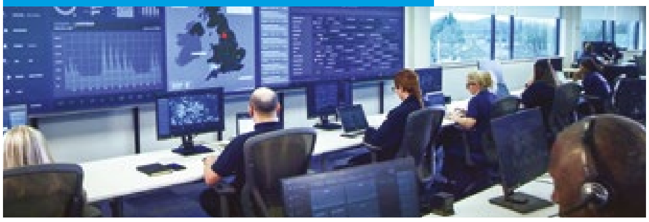
Creating
healthier and more sustainable spaces

Transforming
estates, workplaces and customer experience

Accelerating
the path to Net Zero

Complying
with increasingly stringent building regulations

FACILITIES MANAGEMENT



Engineering Maintenance

We work with customers to optimise the performance and productivity of their assets through an extensive suite of engineering services that enable predictive maintenance and remote monitoring. We have the UK's largest team of trained engineers, implementing solutions to ensure that buildings comply with regulations and infrastructure and systems remain fully operational.

Security

We protect our customers' property and assets and keep people safe. Our delivery is underpinned by leading risk and threat intelligence, technology and a team of fully vetted, highly trained security professionals at our two Intelligence Security Operations Centres (ISOCs), working together with our front-of-house colleagues to enable Safer Communities for our colleagues, customers and the public.

Hygiene

We create healthier and more sustainable spaces for our customers, using technologies such as sensors, spill detect computer vision and our Merlin Connect operating platform to deliver data-driven, demand-led hygiene solutions. This provides customers with assurance over cleanliness and drives efficiency and productivity gains.

See pages 16 to 19

See FY25-FY27 Strategic Plan page 15

FACILITIES TRANSFORMATION

Projects

We bring together technology and expertise from across the business to offer an unrivalled breadth of self-delivery capability to consult, design and deliver projects that transform our customers' estates, workplaces and experiences, and accelerate their path to Net Zero. We continue to enhance our capabilities both organically and through infill acquisitions.

See pages 20 to 21

FACILITIES COMPLIANCE

Fire & Security / Water & Environmental Services

We provide national, end-to-end compliance across fire & security, water and air quality management, electrical testing and asbestos services. We work with customers, including those in the most complex and regulated industries, to protect critical environments, avoid disruption to operations, extend asset lifespans and meet sustainability targets.

See pages 22 to 23

Delivering our capabilities through two business divisions

Our Facilities Management, Transformation and Compliance capabilities are delivered through two divisions, each with specialist capabilities and sector focus:

Business Services (£3.0bn revenue)
- Security
- Hygiene & Landscapes
- Facilities Compliance (inc. Marlowe)
- Central Government
- Immigration & Justice
- Spain

Technical Services (£2.6bn revenue)
- Engineering
- Defence
- Healthcare, Local Government & Education

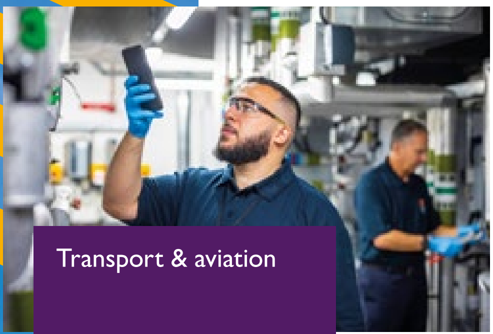
See Operating review on pages 41 to 45

Our customers

We have a loyal and diverse blue-chip customer base across a broad range of sectors, including those showcased below.

Retail, logistics, hospitality and leisure

ALDI, amazon, AS Watson, B&Q, Boots, co op, DP WORLD, FedEx, halfords, IKEA, LIDL, M&S EST. 1884, PRIMARK, Sainsbury's, Starbucks, Superdrug, Travelodge, Unibail Rodamco Westfield, WHITBREAD



Transport & aviation

ABP, Birmingham Airport, Bristol Airport, BRITISH AIRWAYS, eurostar, GWR, Heathrow, Hilton FOR THE STAY, London, manchester airport, NATS, NetworkRail, SOUTH WEST TRAINS, Transport for London

Corporate and professional services

EY, Homerton, JLL, Landsec, LLOYDS BANKING GROUP, MARSH, nationwide, oneAIM safe efficient delivery, Standard Life Part of Phoenix Group, vodafone

Manufacturing

Aston Martin · BAE Systems · Bayer · BMW · Fujitsu · GSK · INEOS · Kellogg's · McCormick · pladis · Rolls-Royce · Stellantis · Toyota · Unilever · Walkers

Public sector

Bank of England · Department of Health & Social Care · Department for Transport · Department for Work & Pensions · Driver & Vehicle Licensing Agency · Essex County Council · Foreign & Commonwealth Office · HM Revenue & Customs · Home Office · Metropolitan Police · Ministry of Defence · Ministry of Justice · The Scottish Government · UK Parliament · Senedd Cymru Welsh Parliament

Critical environments (including healthcare and life sciences)

love every drop anglianwater · ARK Data Centres · AWE · Community Health Partnerships · KAO DATA · nationalgrid · NHS · Nuclear Waste Services · RWE · ScottishPower · Sellafield Ltd · United Utilities Water for the North West · NHS University College London Hospitals NHS Foundation Trust

Delivering growth; building long-term value

"In my first year as Chair, I have been impressed by the strength of Mitie's technology-led proposition, its culture and the dedication of our colleagues, whose commitment underpins our success.

The Group has delivered another year of progress, while further developing its leadership into business-critical Facilities Compliance through the acquisition of Marlowe.

I am confident that your Company will continue to build momentum, and I would like to thank our shareholders, customers, colleagues and partners for your continued support."

Christopher Rogers
Chair

Dear Mitie Shareholder

FY26 has been a year of further progress for Mitie, as we continue to lead the industry in anticipating and meeting the increasingly sophisticated needs of our customers for their built estates, against a rapidly evolving economic and regulatory backdrop.

It has also been my first year as Chair, having been appointed at Mitie's Annual General Meeting (AGM) in July 2025, succeeding Derek Mapp. I would like to begin by acknowledging Derek's significant contribution during his eight-year tenure. His leadership helped to shape Mitie into a business with great potential for further growth.

Since joining Mitie, I have spent time engaging with colleagues and customers across the business. This has reinforced my confidence in the quality and ambition of your Company. Mitie stands out as a purpose-driven business, playing an essential role in supporting our customers, the wider economy and society. We serve a broad range of public and private sector customers, many of whom entrust us with complex and business-critical operations.

Mitie's focus on technology and data is central to its differentiation. Whether deploying smart, integrated systems to improve energy performance or manage water consumption across customer estates, applying predictive analytics to maximise asset productivity or using Artificial Intelligence (AI) to automate systems and processes, Mitie is regarded as an innovation partner. We will continue to invest in these capabilities.

What also struck me is Mitie's distinctive culture: low ego, high impact, where our 84,000 colleagues consistently demonstrate collaboration, care for one another and the communities we serve, and an unwavering commitment to service excellence.

Taken together, these attributes underpin the Group's good operational and financial performance, as well as progress towards delivering our FY25-FY27 Strategic Plan.

Mitie delivered double-digit growth in revenue and operating profit before Other items in FY26, underpinned by significant contract awards as well as a record order book and pipeline of bidding opportunities.

Cash generation and the balance sheet remained strong, reflecting the quality of our business model and disciplined financial management. This has enabled continued proactive capital deployments, including the strategic acquisition of Marlowe in August 2025, extending our market leadership into business-critical Facilities Compliance.

Board changes

In addition to Derek Mapp stepping down as Chair and leaving the Board in July 2025, Mary Reilly, who remains on the Board, stepped down as Chair of the Audit Committee after eight years of service. I would like to thank Mary for her significant contribution as Chair of the Audit Committee and welcome Penny James, who joined the Board in February 2024, as her successor. The Audit Committee became the Audit & Risk Committee in January 2026.

We also said farewell to Senior Independent Director, Roger Yates, who retired from the Board in December 2025 after almost eight years of distinguished service. Jennifer Duvalier has assumed the role of Senior Independent Director, while continuing to serve as Chair of the Remuneration Committee.

Jennifer is expected to remain on the Board beyond the UK Corporate Governance Code's recommended tenure limit of nine years for non-executive directors on a 'comply or explain' basis. This will provide continuity and the retention of significant experience, while maintaining strong standards of governance and effective Board oversight.

Finally, as highlighted in the Chief Executive Officer's Review, it remains Phil Bentley's intention to retire at the end of the FY25-FY27 Strategic Plan, once a successor is in place. A comprehensive succession process is well underway and further updates will be provided in due course.

Shareholder returns

Our capital deployment policy is focused on the best use of capital to deliver superior returns to shareholders and drive long-term growth in the business, while maintaining a strong balance sheet, with leverage of 0.75-1.5x (daily average net debt/EBITDA).

The Board is recommending a final dividend of 3.1p per share. When added to the 1.4p interim dividend paid in respect of the first six months of the year, this brings the total dividend for FY26 to 4.5p per share. This represents a 5% increase on the prior year (FY25: 4.3p) and a payout ratio of 33% (FY25: 34%). The final dividend will be paid on 27 August 2026, following approval at the July 2026 AGM.

During FY26, we returned a total of £147m to shareholders through share buybacks, share purchases to fulfil colleague incentive schemes, and dividends. This is in addition to investing c.£350m in Marlowe (cash and shares consideration) and £15m in four smaller, capability-enhancing acquisitions.

Looking ahead

Mitie is entering FY27 with confidence of delivering its FY25-FY27 Strategic Plan and good momentum to continue building a platform for long-term, sustainable value creation.

As Chair, my priorities are to support the executive team in executing our strategy; ensure the Board continues to provide rigorous governance, oversight and challenge; plan for succession; maintain capital discipline and effective risk management; and foster open and constructive engagement with shareholders and other stakeholders.

Mitie benefits from compelling growth opportunities, underpinned by favourable macro trends, and a strategic focus on expanding our leadership in Facilities Management, Transformation and Compliance, led by an exceptional team.

I am confident that the business will continue to build momentum and I would like to thank our shareholders, customers, colleagues and partners for their continued support and commitment.

Christopher Rogers
Chair

Further reading

FY25-FY27 Strategic Plan
See page 15

Chief Executive Officer's Review
See pages 24 to 29

Stakeholder engagement
See pages 36 to 40

Finance review
See pages 46 to 51

Sustainability statement
See pages 52 to 83

Governance report
See pages 99 to 152

MACRO TRENDS

Underpinning our growth

Our service lines and sectors have attractive growth prospects that are underpinned by favourable macro trends, ranging from decarbonisation and the modernisation of the built environment to changes in the regulatory landscape and public sector areas of investment.

£5.5bn
spent on crime prevention in past five years

Facilities Management

Rising business crime

The British Retail Consortium Crime Report 2026 highlights that crime remains a significant operational and financial burden for UK retailers. The combined known cost of crime and prevention remains close to £1bn per annum, alongside continued high levels of violence and abuse against shopworkers. Retail crime drives higher security costs, operational disruption and risks to colleague safety, reinforcing the need for sustained investment in prevention and enforcement.

£8.8bn
UK security market

Facilities Management

Private sector as first line of defence

The Terrorism (Protection of Premises) Act 2025, known as 'Martyn's Law', received Royal Assent in 2025, placing statutory responsibility for public safety on those responsible for certain buildings and events. Mitie contributed to the development of this legislation and is supporting customers with security best practice and compliance. Together with increased government outsourcing, rising levels of business crime and greater demand for technology-enabled security solutions. We compete in a £8.8bn UK security market comprising core facilities management services, active fire and security systems.

£64bn
government commitment to maintain the NHS estate until 2035

Facilities Management

NHS estate maintenance

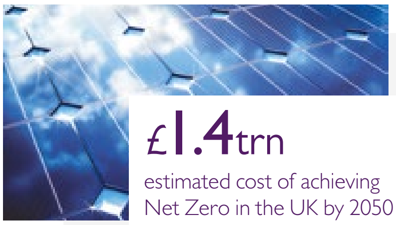
The UK Government has committed £64bn over the next decade to maintain the NHS estate, with allocations protected in real terms until 2035. The NHS capital guidance outlines a £4.0bn annual allocation for provider operational capital, covering day-to-day maintenance, the renewal of plant and equipment, and minor building works. Complementing this is a dedicated £750m per annum Estates Safety Fund to tackle critical infrastructure risks and ensure statutory compliance.

£10bn
government investment to increase prison capacity

Facilities Management

Prison capacity shortage

At the end of 2025, 87,000 individuals were held in the UK's adult prison estate, significantly exceeding designed operational capacity. In response, the Ministry of Justice's 10-year Prison Capacity Strategy sets out plans to deliver an additional 14,000 prison places by 2031, supported by c.£10bn of investment in new prisons, new houseblocks, rapid deployment cells and the refurbishment of existing facilities.

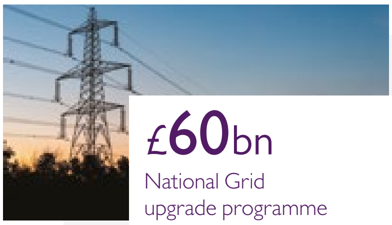


£1.4trn
estimated cost of achieving Net Zero in the UK by 2050

Facilities Transformation

Decarbonising and modernising the built environment

As the UK progresses towards Net Zero, the energy performance requirements for commercial buildings are becoming more stringent. Around 80% of UK buildings require investment to meet the Minimum Energy Efficiency Standards (MEES) by 2030. This increasing, compliance-driven investment is complemented by spending on workplace redesigns that support hybrid working. These redesigns place greater emphasis on amenities, technology, wellbeing and sustainability in order to attract and retain talent.



£60bn
National Grid upgrade programme

Facilities Transformation

Repurposing the electricity grid

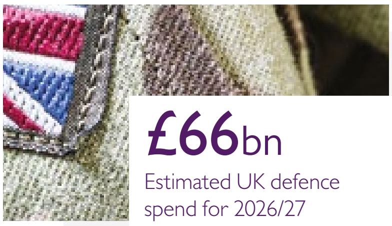
The UK's energy requirements are becoming increasingly reliant on renewable sources, requiring substantial investment to modernise and upgrade Grid infrastructure and build sufficient storage capacity. To meet these needs, National Grid is investing up to £60bn in its infrastructure network by 2029. This also creates opportunities for Independent Connection Providers to deliver private network solutions supporting growing demand from data centres, batteries and renewable energy developments.

£45bn
UK data centre investments

Facilities Transformation

Accelerating data centre investment

The UK has designated data centres as Critical National Infrastructure, underlining their strategic importance to AI and the digital economy. Industry analysis identifies over £45bn of announced UK data centre investments since 2023, with rapid near-term expansion driven by AI workloads, hyperscale cloud demand and data sovereignty requirements, despite ongoing power and regulatory constraints.



£66bn
Estimated UK defence spend for 2026/27

Facilities Transformation

Increasing investment in UK Defence

The UK's estimated core military expenditure for the 2026/27 financial year is £66bn, according to the Labour government's 2025 Budget. This figure represents a rise of £13.3bn over five years, driven by plans to increase spending to 2.6% of GDP by 2027 and eventually reach 3.5% of GDP for armed forces by 2035.

£7.6bn
Facilities Compliance market

Facilities Compliance

Growing building legislation

Demand is growing for business-critical compliance services as a result of more stringent building regulations, including those relating to fire and building safety and the environment, alongside increasing insurance and sustainability requirements. In the public sector alone, the National Audit Office estimates a £49bn maintenance backlog across government buildings, highlighting the scale of investment required to meet statutory requirements and increased levels of scrutiny.

£104bn
Asset Management Period 8 (AMP8) investment

Facilities Compliance

Investment in UK water infrastructure

AMP8 represents a step change in UK water infrastructure investment, with Ofwat approving c.£104bn of spend between 2025 and 2030. This funding is focused on improving water quality, reducing pollution and leakage, strengthening resilience to climate change and population growth, and accelerating progress towards Net Zero. Delivery of AMP8 will require sustained investment in asset maintenance, upgrades and new infrastructure across the water estate.

Mitie is a high-quality compounder of growth

We have a proven track record of delivery, operating in segments underpinned by favourable macro trends. We have a loyal and diverse blue-chip customer base, long-duration contracts and core capabilities differentiated by technology, innovation and our colleagues.

Consistent track record

- Track record of delivering earnings growth, margin expansion and sustainable free cash flow (FCF) generation
- Record bidding pipeline and order book to support future growth
- High win and retention rates
- Ability to improve contract profitability through efficiencies and cross-sell of higher-margin adjacencies
- Successful acquirer, creating material value through revenue and cost synergies
- Strong balance sheet; modest leverage

210%

Total Shareholder Return (FY22-FY26)

Scale and market leadership

- Leading Facilities Management (FM) market share and leadership in core FM service lines
- Leading Facilities Transformation projects offering in attractive growth markets
- Leading Facilities Compliance market share in fragmented market
- 3,000+ customers across broad sectors
- Long-duration contracts (c.4-5-year average) with inflation protection on the majority
- 84,000 colleagues delivering outstanding service, as reflected by +64pt Net Promoter Score

#1

in UK Facilities Management, Transformation and Compliance

Dynamic growth market

- Operating in Europe's largest and most dynamic FM market, with the highest outsourcing and Integrated FM (IFM) rates
- Service lines and sectors with attractive growth prospects, underpinned by favourable macro trends
- Significant exposure to high-growth segments (e.g. data centres, defence, healthcare and life sciences)
- Record £32bn pipeline of bidding opportunities across key sectors

£30bn

FM market (Frost & Sullivan, 2025)

Technology and AI investment

- Market-leading technologies a key differentiator and create barriers to entry
- Ability to aggregate workflow and workforce data across customer estates
- Capabilities enriched by AI to drive efficiencies and deliver high-value insights
- Considerable scale advantages and strategic partnerships with global technology companies
- New enterprise-wide programme to reimagine and optimise internal workflows and customer-facing solutions
- Industry-leading cyber security credentials: A99; NIST 4.1; and ISO 27001:2022 certified

£200m

technology investment since 2017

Best-in-class ESG credentials

- AA rating from MSCI; CDP Climate and Supply Chain A List; and Low risk rating from Sustainalytics
- Achievement of effective Net Zero for Scope 1 and 2 emissions in 2025
- Ambitious Net Zero target for Scope 3 emissions by 2035
- One of the UK's largest fleets of electric vehicles
- Plan Thrive pledges, including to uplift one million lives, demonstrating the commitment to our purpose
- Top Employer for eighth consecutive year, and one of the most diverse

FY25-FY27 STRATEGIC PLAN

Targeting growth and margin expansion

Our Strategic Plan is based on satisfying our customers' evolving needs; delivering our pillars of growth; and meeting our ambitious financial targets.

Key pillars of growth

+£1.2bn
Three-year revenue growth target

Facilities Compliance

- Business-critical compliance services
- High recurring revenues and attractive margins
- Cross-sell to existing FM customers
- Unique Total Fire & Security offering
- Total Managed Water & Environmental Services

Performance: £230m revenue[1]

FY27 target: +£400m revenue

Facilities Transformation

- Leading consult/design/deliver capabilities
- Full asset lifecycle/upgrade approach
- 80% upsell to existing FM customers
- £300k average project size
- Projects Centre of Excellence

Performance: £322m revenue[1]

FY27 target: +£200m revenue

Facilities Management

- High win/renewal rates and IFM penetration
- Inflation-linked revenues; strong order book
- Leadership positions in core service lines
- Significant economies of scale
- Investments in technology leadership

Performance: £623m revenue[1]

FY27 target: +£600m revenue

See Chief Executive Officer's review, pages 24 to 29

Progress towards our medium-term financial targets

Strong financial performance

FY26 performance	FY27 target
Revenue growth 10.5%	High single-digit compound annual revenue growth
Op. profit margin 4.7%	Op. profit margin >5%
FCF generation £162m	FCF generation of £150m p.a.

See pages 24 to 29

Proactive capital deployment

FY26 performance	FY27 target
ROIC 18.1%	ROIC >20%
Dividend +5% yoy	Progressive dividend policy
Capital deployments £414m	Proactive capital deployment
Leverage 1.2x	Leverage 0.75x–1.5x

See page 27

1. Cumulative revenue added over two years (FY25 and FY26).

Engineering Maintenance

Optimising asset performance and maximising productivity

Growth drivers

- Growing demand for enhanced building performance and energy efficiency
- Greater emphasis on workplace health and safety
- Refurbishment and replacement of ageing buildings
- Digitalisation, smart buildings and predictive maintenance
- AI-enabled technology engineering platforms
- Growing demand for data-driven decision-making

What sets us apart

Scale and capability

We have the largest national mobile engineering workforce and self-delivery engineering capability in the UK. We manage buildings and critical assets through over 300 contracts, including for the Ministry of Defence in both UK and overseas locations.

Technology

We create 'intelligent buildings' through sensor technology, remote monitoring and predictive maintenance for connected assets.

This enables us to turn big data into insights, transforming facilities, reducing asset downtime and saving energy and money for our customers.

Our Maximo systems have been upgraded to MAS 9.1, enabling AI capabilities to be embedded into our core engineering processes.

People

We are one of the UK's largest employers of trained and multi-skilled engineering professionals. We attract and retain the best talent with expertise in all core asset classes and from across multiple industries.

Operational highlights

- 3,235 engineers, of which 450 are locally based mobile engineers across the country
- 2m assets maintained for customers
- 2.35m planned maintenance visits per year
- 47GWh reduction in customers' energy consumption, saving over £9m (10%)

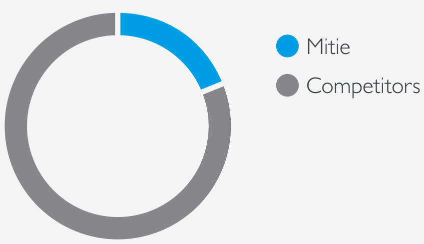
Our position
#1 in UK
The leading provider of technology-led engineering maintenance services

Market size
£10.2bn

Mitie market share
c.19%

Projected market growth
4% p.a.

UK engineering market



Top customer segments

Defence
Healthcare
Finance & Professional Services
Education
Retail

Market data sources: Frost & Sullivan 2025

OUR KEY PILLARS OF GROWTH FACILITIES MANAGEMENT

Security

Protecting people, property and assets

Growth drivers

- Technological advancements including video analytics, biometric authentication and remote access control
- Integration of advanced AI and Machine Learning (ML) technologies into traditional security systems
- Continued uptick in crime rates
- Heightened requirements for regulatory compliance, including Martyn's Law
- Integrated intelligence for early threat detection
- Investment in infrastructure and security systems to create safer, more connected communities

What sets us apart

Intelligence

By harnessing data-driven insights and staying ahead of emerging threats, we proactively identify risks and implement effective solutions. Our intelligence-led approach ensures we do not merely react to incidents, but anticipate and prevent them wherever possible.

Technology

By integrating advanced systems, including real-time monitoring, analytics and automation, into our operations through our Intelligence Security Operations Centres (ISOC), we deliver innovative, tailored solutions to support our customers' complex security needs and changing risk profiles. Our investment in cutting-edge technology and proprietary intelligence software, specifically Merlin 24/7 Protect, not only strengthens our security posture but also drives greater efficiency and value.

People

We attract the best people, including former police officers, military personnel and intelligence professionals with a deep understanding of operational intelligence. Through sustained investments in training, development and wellbeing, we uphold the highest standards of professionalism.

Operational highlights

- 25,000+ security professionals
- 200 intelligence analysts and assurance professionals
- Two ISOCs (Northampton and Craigavon)
- 18 dedicated customer centres within ISOCs
- 121,000 lone workers protected
- 81,000 vehicles and assets tracked
- 33,000 CCTV and alarm systems monitored

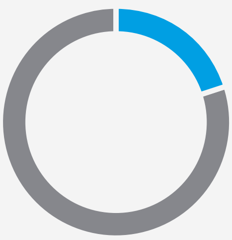
Our position
#1 in UK
Leading converged security services provider

Market size
£8.8bn

Mitie market share
c.13%

Projected market growth
3% p.a.

UK Security market



- Mitie
- Competitors

Top customer segments

Retail
Central Government
Property Management
Transport & Logistics
Finance & Professional Services

Market data sources: Frost & Sullivan 2025; independent research commissioned by Mitie

Hygiene

Creating healthier and more sustainable spaces

Growth drivers

- Robotics, automated cleaning systems and remote monitoring
- Data-led, demand-led hygiene solutions
- Specialised solutions for hospitals, food services and construction sites
- Focus on environmentally sustainable cleaning products and practices
- Recognition of the link between cleanliness and productivity
- Advanced analytics delivering higher-quality hygiene at lower cost

What sets us apart

Innovation

We leverage technology to deliver efficient and effective cleaning solutions. Investments in robotics, spill-detection computer vision and our Merlin Connect platform enable demand-led services that enhance quality, ensure compliance and boost productivity. By using smart sensors to tailor schedules, we elevate hygiene standards and deliver tangible cost savings for our customers.

Sustainability

We proactively adopt environmentally friendly practices, from using eco-certified products to reducing water and energy consumption. Our teams are trained to minimise environmental impact while delivering outstanding results. At our Cleaning & Hygiene Centre of Excellence (CHCoE), we develop technology-led solutions, disinfection systems and antimicrobial protectants. This facility showcases our capabilities, experienced colleagues and dedication to innovation.

People

Our comprehensive training programmes ensure hygiene operatives are highly skilled, motivated and engaged. By investing in our workforce, we maintain high service standards and foster a culture of continuous improvement.

Operational highlights

- 21,000+ highly trained colleagues
- CHCoE in Birmingham
- 40 NHS trusts supported
- 25m square feet of retail space cleaned every day
- 1,000+ cleaning robots
- UK's largest robotic cleaning fleet at Heathrow Airport

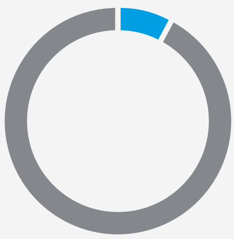
Our position
#1 in UK
The leading UK provider of hygiene services

Market size
£8.8bn

Mitie market share
c.8%

Projected market growth
2% p.a.

UK Hygiene market



- Mitie
- Competitors

Top customer segments
Retail
Transport & Logistics
Finance & Professional Services
Manufacturing
Healthcare

Market data sources: Frost & Sullivan 2025

Enhancing estate performance at LSBU Group

London South Bank University Group (LSBU Group) faced challenges with facilities management services previously spread across eight providers. Mitie was tasked with creating a unified team under a single Integrated Facilities Management (IFM) contract. This involved transferring 300 colleagues and consolidating services including engineering maintenance, hygiene, portering, security, front-of-house, waste management and landscaping. Additionally, Mitie's energy team supported LSBU Group's application for funding under the Public Sector Decarbonisation Scheme, securing resources for decarbonisation projects. The partnership aims to support LSBU Group's mission to provide accessible, high-quality technical education through a safer, more efficient campus environment.

LSBU London South Bank University

100%

compliance achievement

A major outcome in the first year was the significant improvement in the compliance rate of statutory maintenance across the estate, rising from an average of 73% to an impressive 100%. Mitie's engineering team undertook upgrades and replacements to critical life safety equipment, delivering immediate cost savings for LSBU Group and enhancing safety. This achievement demonstrates the effectiveness of our unified approach in addressing previous gaps in statutory maintenance, ensuring the estate meets all regulatory requirements while improving overall operational safety standards for the university community.

19,000+

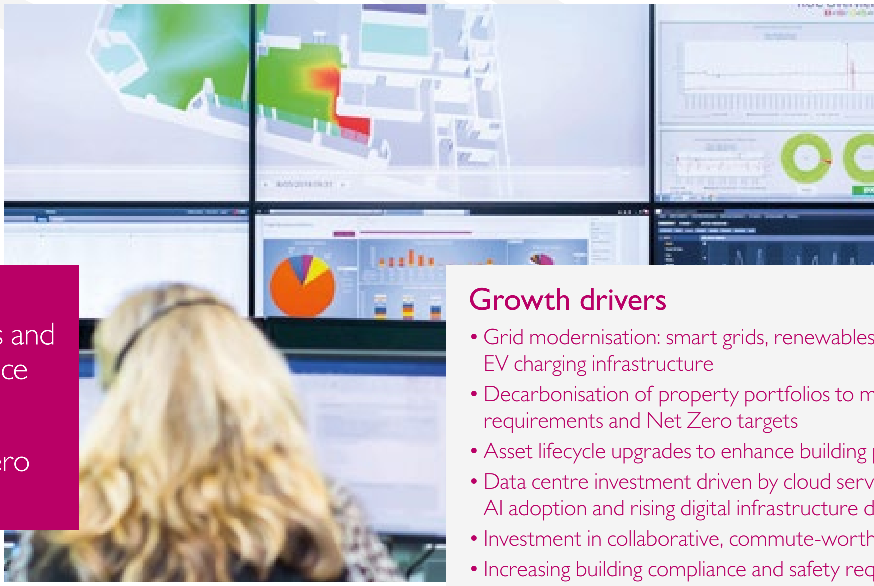
reactive tasks completed

During the first year of the partnership, Mitie's teams completed 19,448 reactive tasks across the LSBU Group estate, highlighting the volume of urgent maintenance and service requests handled under the new IFM model. The data and insights provided from these tasks have helped inform LSBU Group's estate management strategy. Specifically, this information enabled the development of a lifecycle replacement budget for its buildings, allowing for more strategic long-term planning and resource allocation based on actual operational data gathered during the inaugural year of the contract.

"From the initial bid process, Mitie demonstrated a deep understanding of LSBU Group's business requirements and provided tailored solutions that perfectly addressed our needs. They were incredibly responsive and communicative throughout the entire mobilisation process and the inaugural year, making it a smooth and efficient experience. We are already seeing significant improvements in compliance, planned maintenance and soft service delivery and we are confident that Mitie will be a valuable partner to LSBU Group into the future."

James Lee
LSBU Group, FM Lead and Group Security Lead

Projects



Transforming estates, workplaces and customer experience

Accelerating the path to Net Zero

Growth drivers

- Grid modernisation: smart grids, renewables, storage and EV charging infrastructure
- Decarbonisation of property portfolios to meet regulatory requirements and Net Zero targets
- Asset lifecycle upgrades to enhance building performance
- Data centre investment driven by cloud services expansion, AI adoption and rising digital infrastructure demand
- Investment in collaborative, commute-worthy workplaces
- Increasing building compliance and safety requirements

What sets us apart

Full asset lifecycle approach

We offer an unrivalled range of projects across all asset classes through the full cycle of consult, design, deliver and maintain. We solve big-picture challenges for our customers, from decarbonisation strategies to workplace programmes and building technology solutions.

Technology and innovation

Our Projects Centre of Excellence drives innovation and improves productivity. It oversees operational standards and manages technologies, including design software, building information modelling, project management tools and building sensor technologies.

Scale

We leverage our national scale and leadership to upsell projects work as we continue to grow our capabilities organically and through infill M&A.

Operational highlights

- Projects Centre of Excellence
- 2,400+ highly skilled project managers
- 150+ consulting professionals
- 6,000+ projects delivered annually
- c.80% of revenue from core Mitie customers
- c.£300k typical project value
- 1-3 months – typical length of project

Our position

Bringing together our capabilities across the Group, we are a leading UK projects business, serving both public and private sector customers

FY26 revenue

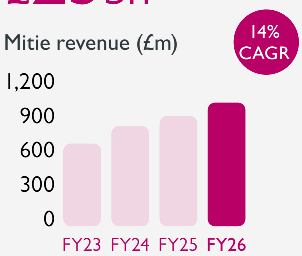
£1.4bn

Buildings infrastructure

Market size (including Data Centres)

£23bn

Mitie revenue (£m)



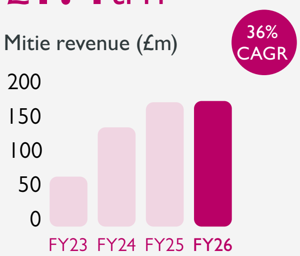
- Mechanical & electrical services
- Heating, ventilation & air conditioning
- Building fabric
- Data centre principal contractor

Decarbonisation technologies

Investment required for UK to achieve Net Zero by 2050

£1.4trn

Mitie revenue (£m)



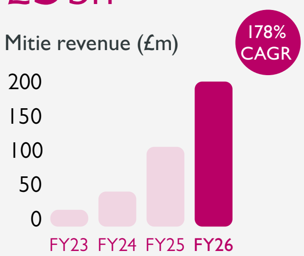
- Power & grid connections
- Solar photovoltaics (PV)
- Battery storage
- Heat decarbonisation solutions
- EV charging infrastructure
- Consulting services

Fire & Security capital projects

Market size

£3bn

Mitie revenue (£m)



- Active fire
- Passive fire
- Security systems
- Data centre fire & security

Market data sources: ONS, OBR, independent research commissioned by Mitie

Snapshot of our FY26 projects delivery

Data centre principal contractor
Mitie completed the engineering design and build of Ark's first data centre at Longcross Park and Kao Data's second data centre in Harlow. A third data centre for Kao Data, doubling capacity for AI workloads, is underway, with completion expected in 2027.

UK transmission infrastructure
Mitie delivered civil and engineering works for National Grid at the Didcot national storage facility and 10 substations, as well as essential earthing solutions for SSE and Scottish Power substations, strengthening the UK's transmission infrastructure.

Urgent treatment centre
Design, build and operational maintenance of a new modular facility at Cumberland Infirmary, together with associated civil engineering works. Delivery was carefully sequenced to ensure continuity of critical patient services throughout.

Advanced manufacturing sites
Mitie delivered works for Rolls-Royce's NEST Life Extension programme in Derby, extending the operational life of a significant test and assembly facility within a critical environment, requiring close collaboration to maintain business continuity.

UK Armed Forces
Mitie has partnered with the UK Armed Forces for over 30 years, delivering infrastructure projects, such as the airfield refurbishment at RAF Mount Pleasant (Falklands) and the installation of a new fuel facility at RAF Akrotiri (Cyprus).

Solar carport
Mitie and Zestec delivered a 1.2MW solar carport at LEGOLAND® Windsor, generating 1.1m kWh of clean power annually and cutting 195 tonnes of carbon. The project provides shaded parking and enhances energy resilience.

Fire & Security and Water & Environmental Services

Complying with increasingly stringent building regulations

Growth drivers

- Increasing regulations relating to fire and building safety, energy and the environment
- More onerous insurance requirements for independent certification
- Rising customer focus on ESG, health & safety and risk management
- Demand for remote sensors, real-time water telemetry and smart fire diagnostics
- Significant investment in UK water infrastructure via Asset Management Period 8 (2025-2030) and 9 (2030-2035)
- Professional training requirements for in-house facilities personnel to stay abreast of rapidly evolving compliance requirements

What sets us apart

Scale and capability

As the UK's leading provider of business-critical compliance services to commercial premises, we specialise in Fire & Security and Water & Environmental services. Our comprehensive offerings are underpinned by unrivalled national scale, a best-in-class operating model and full-service self-delivery capabilities.

Total Fire & Security

Our national footprint enables fully integrated fire and security solutions, bringing together active and passive fire protection, intelligent security systems, perimeter security, ICT networking and remote monitoring under one unified platform. Customers benefit from market-leading technology, specialist expertise, and assured compliance with industry standards and legislation across their entire estate.

Total Managed Water

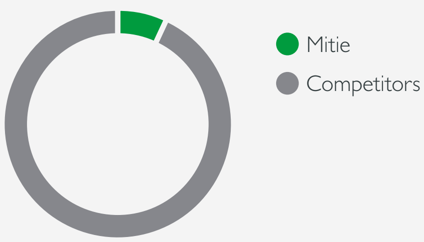
We offer a comprehensive portfolio of water management services, spanning water retail, M&E services, modular water treatment systems, chemical supply, wastewater treatment and reuse, and vegetation and biodiversity services. This helps businesses and local authorities optimise water consumption and protect water infrastructure.

Operational highlights

- 2,700 fee earners covering every UK postcode
- 55-60% recurring revenue
- 85-90% self-delivery
- Contracts typically evergreen (renew annually)

Our position	Market size	Mitie market share	Projected market growth
#1 in UK Total Fire & Security	£7.6bn	c.7%	5% p.a.

Facilities Compliance market



Top customer segments

Critical National Infrastructure
Retail
Finance & Professional Services
Construction
Healthcare

Market data sources: Independent research commissioned by Mitie

Two decades of strategic collaboration with AWE

Mitie's partnership with the Atomic Weapons Establishment (AWE) exemplifies long-term strategic collaboration within one of the UK's most secure defence environments.

Since 2007, the relationship has evolved from a £3m per annum Facilities Management contract delivering Security and ancillary services into a critical, multi-disciplinary infrastructure alliance, with an expected annual contract value of c.£30m over the next 10 years.

This reflects the expansion of our footprint across AWE's Aldermaston, Burghfield and Blacknest sites as well as our ability to upsell complex, high-value Facilities Transformation and, now, Facilities Compliance services.

10+5yr

water network management contract

The creation of a Total Managed Water proposition following the acquisition of Marlowe led to the award of a new water network management contract for AWE in March 2026.

The contract is a comprehensive agreement that combines operations and maintenance with a rolling upgrades programme aligned to AWE's Site Development Plan 2050.

As Principal Contractor, Mitie has end-to-end control of both daily operations and capital delivery. This structure allows us to modernise ageing infrastructure, improve resilience and drive sustainability through proactive lifecycle planning.

Managing 12,000 assets across a high-security complex defence estate

In addition to the delivery of Facilities Management, we are now tasked with the operation and maintenance of a private water utility, managing approximately 12,000 distinct assets across AWE's estate.

These assets include boreholes, treatment plants, pumping stations and a complex network of reservoirs, all operating within a high-security environment.

The scope requires us to maintain 24/7 availability to an N+1 resilience standard, ensuring the uninterrupted supply of potable and fire water while managing the treatment and discharge of foul and trade effluent waste.

Leading NPS and colleague engagement scores

The success of our partnership with AWE is best reflected in the exceptional satisfaction and engagement metrics we have achieved. This year, we recorded a Net Promoter Score of +94, a figure that places us in the top tier of service providers and highlights the deep trust AWE has in our team. Furthermore, our colleague engagement score stands at 78%, with a 91% participation rate, which indicates a highly motivated and diverse team that is fully invested in the success of the partnership.

"FY26 has been another year of progress as we enter the final year of our FY25-FY27 Strategic Plan, with double digit growth in revenue and operating profit before Other items for the third consecutive year and good free cash flow generation.

Looking ahead, we enter FY27 with good momentum, supported by a record order book and bidding pipeline."

Phil Bentley
Chief Executive Officer

Overview

Mitie delivered a good financial performance and made further strategic progress during the second year of our FY25-FY27 Strategic Plan, consolidating our leading positions across our three key pillars of growth: Facilities Management, Facilities Transformation and Facilities Compliance.

Revenue for the 12 months to 31 March 2026 (FY26) grew by 10.5% to £5,619m (FY25: £5,083m), with organic growth of 5.3% – remaining well ahead of UK Facilities Management market growth of c.2-3% p.a. This uplift in revenue, combined with £25m of savings from our ongoing programmes of margin enhancement initiatives, has more than offset material cost headwinds, including from inflation, additional employer National Insurance Contributions (NIC), unsuccessful contract renewals and other one-off costs.

As a result, operating profit before Other items grew by 13% to £264.1m (FY25: £234.1m) and operating profit margin before Other items increased by 10bps to 4.7% (FY25: 4.6%). Basic earnings per share (EPS) before Other items grew by 7% to 13.6p (FY25: 12.7p), despite an £11.5m increase in net finance costs to £27.7m (FY25: £16.2m) primarily reflecting debt funding for the Marlowe acquisition, which completed in August 2025, alongside wider capital deployments.

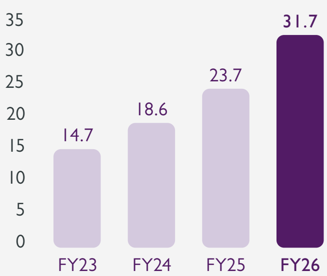
Free cash flow generation grew by 13% to £162m (FY25: £143m) and was well ahead of our guidance for 'at least £120m'. Growth reflected the increase in operating profit before Other items alongside effective working capital management, which in turn supported increased capital deployments.

We secured £6.3bn total contract value (TCV) of contract wins/renewals/extensions, against a strong prior year comparative (FY25: £7.5bn). We are entering FY27 with a record order book of £16.3bn (FY25: £15.4bn) and pipeline of upcoming bidding opportunities of £31.7bn (FY25: £23.7bn), both of which include Marlowe for the first time.

Based on the equivalent IFRS measures, operating profit reduced by 7% to £151m (FY25: £162m) and basic EPS reduced by 20% to 6.6p (FY25: 8.2p). These reductions reflect a £40m increase in non-recurring 'Other items' to £113m (FY25: £73m), primarily due to the one-off transaction costs, integration costs, and non-cash amortisation related to the Marlowe acquisition. Further details are set out in the Finance review.

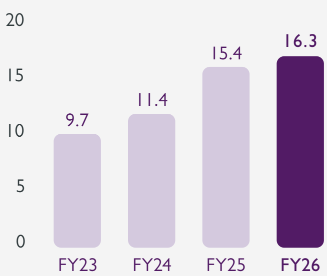
Record pipeline (TCV £bn)

+29% CAGR



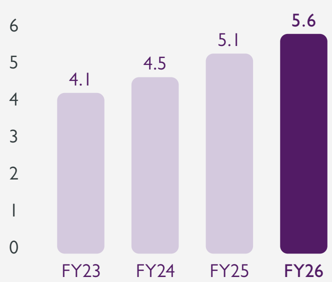
Record order book (TCV £bn)

+19% CAGR



Sustained revenue growth (£bn)

+11% CAGR



FY25-FY27 Strategic Plan

Our Strategic Plan set out to extend Mitie's Facilities Management market leadership into Facilities Transformation projects and, following the Marlowe acquisition, into business-critical Facilities Compliance. Together, these three pillars of growth create a compelling, end-to-end customer proposition that shifts our sales mix towards higher-margin adjacencies while meeting our customers' evolving needs.

We are differentiated by our scale, exceptional colleagues and sustained investment in technology and AI, enabling us to aggregate workflow and workforce data, improve efficiency, and deliver high-value insights to public and private sector customers on the performance of their built environment. Demand is underpinned by significant macro trends: tightening regulation of the built environment; increased investment in building modernisation; renewable energy; data centre investment; power & grid connections; and now, water services.

At our Capital Markets Event in October 2023, where we launched our Strategic Plan, we set ambitious financial targets, inclusive of M&A, to accelerate growth and deliver superior returns to shareholders:

- High single-digit compound annual revenue growth
- Operating margin of at least 5% by FY27
- Basic EPS growth above that of revenue growth, despite higher corporation tax rates
- Annual free cash flow of £150m by FY27

Our ambitious targets are underpinned by a proactive capital deployment policy, leverage of 0.75-1.5x (average daily net debt/EBITDA, including leases) and a return on invested capital above 20%.

Delivering our key pillars of growth through our divisions

We deliver Facilities Management, Facilities Transformation and Facilities Compliance through two business divisions – Business Services and Technical Services – each with specialist capabilities and specific sector focus. FY26 performance across both divisions is set out in the Operating review.

Business Services is the UK's largest provider of Security and Hygiene services, and generated revenue of £2,985m in FY26, up 18% compared to FY25 (£2,538m). Within this, Facilities Management represented 75% of divisional revenue, with Facilities Transformation (projects) contributing 11% and Facilities Compliance 14%. The latter includes both Marlowe and Mitie's capabilities in Fire & Security (excluding capital projects) and Water & Environmental services.

Technical Services is the UK's largest provider of Engineering Maintenance and engineering projects, including across Defence and Healthcare, Local Government & Education. The division generated revenue of £2,634m in FY26, up 3% compared to FY25 (£2,545m), with Facilities Management and Facilities Transformation (projects) contributing 59% and 41% of divisional revenue, respectively.

Accelerating growth

Our Strategic Plan is delivering accelerated growth across all three key pillars:

1. Facilities Management – key account growth and scope increases;
2. Facilities Transformation – projects upsell and infill acquisitions; and
3. Facilities Compliance – growth in Fire & Security and Water & Environmental services, following the acquisition of Marlowe (combined with Mitie's existing capabilities)

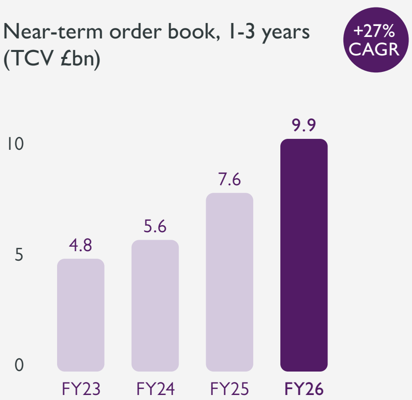
In FY26, organic growth through key accounts and scope increases alongside projects upsell contributed 5.3% to revenue growth, inclusive of contract pricing of 3%. Acquisitions completed since 1 April 2024 contributed a further 5.2% of inorganic growth, resulting in total revenue growth of 10.5% to £5,619m.

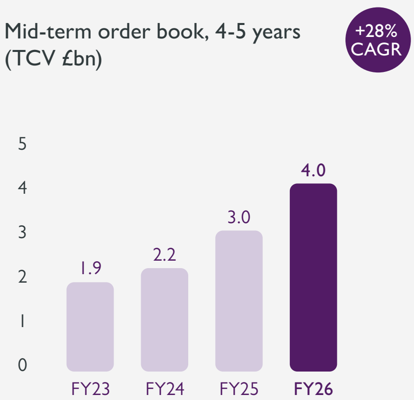
Across our three key pillars, Facilities Management revenue grew by 4% to £3,797m (FY25: £3,649m), Facilities Transformation revenue grew by 13% to £1,401m (FY25: £1,238m) and Facilities Compliance revenue grew by 115% to £421m (FY25: £196m).

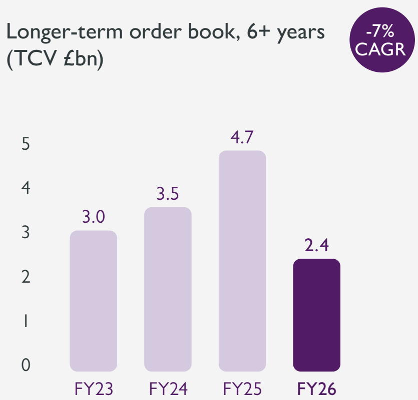
Pillar 1: Facilities Management
– sustained good level of contract awards

Facilities Management revenue increased by 4% to £3,797m (FY25: £3,649m) across our two divisions. Over the medium-term, we see significant opportunities to increase 'share of wallet' in Facilities Management by c.£1.5bn, through the addition of service lines to our existing strategic client accounts. We currently deliver Integrated Facilities Management (IFM) to only c.40% of our largest contracts.

During FY26, we secured £6.3bn TCV of contract wins and extensions/renewals, the majority of which relates to FM, reflecting recent investments in our sales and marketing teams. This compares to a record prior year comparative (FY25: £7.5bn TCV), which had included the £1bn Department for Work and Pensions award for Security services, the £0.4bn HMP Millsike prison contract and the renewal of our largest private sector contract.







New wins of £3.4bn TCV (FY25: £5.0bn) included Hygiene services for Transport for London; Security services for Asda; bundled and IFM services for Aviva, Imperial College London and Staffordshire Police; Immigration & Justice services for Scottish Prison Services and the Home Office; and Landscaping for Landsec. We also extended our UK relationships with Primark and an international e-commerce business to provide Hygiene services in Spain.

Renewals/extensions of £2.9bn TCV (FY25: £2.5bn) included Security services for Associated British Ports, Cooperative Group, Real Estate Management Ltd and one of the UK's largest supermarket chains; IFM for GSK; Landscaping for JLL; and Immigration & Justice services for the Home Office.

Mitie's renewal rate rebounded to 84% (FY25: 59%), closer to our longer-term average of c.90% and reflecting the good commercial momentum in the business.

Pillar 2: Facilities Transformation (projects) – Strong growth underpinned by favourable macro trends

Facilities Transformation revenue increased by 13% to £1,401m (FY25: £1,238m) across our two divisions. We continue to see strong demand for projects across our customers' estates, driven by the need to upgrade the built environment, with c.80% of work delivered to existing Facilities Management customers.

Project complexity has increased significantly over the past two years, with the average order value having doubled to c.£300k. Although each project is bespoke (running for 1-3 months), many form part of a larger upgrade programme aligned to the long term investment priorities of our customers. Over the medium term, we see the potential to 'turbo-charge' projects growth and build a c.£2bn business.

Ageing estates, the need to modernise buildings, the introduction of digital technologies (Building Management/Energy Management Systems) and investment in data centres remain key drivers of growth. Customers are increasingly seeking integrated solutions that create intelligent, efficient and compliant buildings. This includes lifecycle upgrades, systems integration, and the deployment of smart technologies that enhance asset performance and reduce operating costs.

Regulatory changes also continue to underpin demand, for example in Fire & Security capital projects (and compliance services), where new responsibilities on building owners and managers are driving investment, and in energy efficiency, where minimum standards are expected to require all let commercial buildings to reach EPC B by 2030. The British Property Federation estimates that over 80% of UK commercial stock currently falls below this threshold.

Decarbonisation is a further catalyst, with customers investing in low carbon renewable technologies such as air and ground source heat pumps, solar photovoltaic panels, electric vehicle charging infrastructure and battery storage, alongside upgrades to power & grid connections, to meet Net Zero commitments and reduce the impact of rising energy costs.

The UK continues to be one of Europe's largest and fastest-growing data centre markets, fuelled by hyperscaler and colocation demand as the use of AI expands rapidly. We have built leading capabilities in the design, delivery and maintenance of mechanical & electrical, cooling, and fire & security systems across these critical environments. Beyond the UK, we are also supporting customers such as Google, Microsoft and Equinix in high-growth European locations, including the Nordics, where we strengthened our regional capability through two infill Fire & Security acquisitions at the end of March.

Across our Defence contracts, we continue to deliver a broad range of project work aligned to the UK Government's commitment to modernise and decarbonise the defence estate. Lifecycle projects also remain a key growth driver across Healthcare, Local Government & Education, where public sector organisations are investing to improve estate resilience, energy performance and compliance.

In our telecoms infrastructure business, the management actions taken over the past two years have delivered a meaningful turnaround, with the business returning to break even in FY26, compared with an £11m loss in FY25. Revenue reduced by 35% to £37m (FY25: £57m) as we continued to exit unprofitable frameworks. Looking ahead, we expect to see a return to modest growth and profitability in the business.

Pillar 3: Facilities Compliance – Marlowe initial revenue and cost synergies delivered

On 4 August 2025, we completed the acquisition of Testing, Inspection and Certification specialist, Marlowe, for c.£350m, comprising 290p in cash (£228m) and 1.1 Mitie shares (86.6m new shares) per Marlowe share. The acquisition contributed £208m of revenue in the first eight months of ownership – the primary driver of 115% growth in Facilities Compliance revenue to £421m (FY25: £196m) within Business Services.

Marlowe has outstanding and highly complementary Fire & Security and Water & Environmental capabilities in the fast growing £7.6bn UK 'Facilities Compliance' market, which reflects the increasing requirements for business-critical assurance arising from more stringent regulations for fire and building safety, water usage and discharge. The combination of Mitie and Marlowe's compliance businesses, with c.£0.5bn of annualised revenue, makes us the leader in this highly fragmented market, with the potential to become a c.£1.5bn business in the medium term.

The Marlowe integration programme continues to progress well, and as a result, we delivered initial cost synergies of £7m in FY26 (included within our expectation for at least £30m by FY28). These synergies have come from the consolidation of Marlowe's Alarm Receiving Centre (ARC) operations into Mitie's ARC in Northern Ireland; the exit from 15 Marlowe properties; and the streamlining of certain back-office operations, including payroll and procurement, as we move onto Mitie's systems and ways of working.

These initial synergies give us good momentum into FY27, with ongoing workstreams including the optimisation of field force deployments onto a single platform; consolidation of further roles and responsibilities; continued property rationalisations; and the migration of Marlowe onto Mitie's cyber-secure and AI-enabled core systems.

We have established specialist sales capabilities and are making good progress cross selling Marlowe's regulatory-driven services to Mitie customers. Awards in Total Managed Water included a £128m, 10-year contract to provide AWE with water network management services and projects work. We see further project opportunities through our heat pump/extraction capabilities, as demonstrated by the recent award of a combined water and air source heat pump project at our University College London Hospital customer. In Total Fire & Security, wins at our existing clients, including JLL, Rolls Royce and Vodafone, were achieved. Additionally, Mitie compliance works contracted to third parties continue to be transitioned to Marlowe.

Record total order book and bidding pipeline

Our total order book increased by 6% to a record £16.3bn (end FY25: £15.4bn), net of £5.6bn of revenue that was delivered in the year, and our bidding pipeline increased by 34% to a record £31.7bn (end FY25: £23.7bn). Both the order book and pipeline now include Marlowe within Facilities Compliance and are split across our three key pillars, as below:

£bn	Total order book			Bidding pipeline		
Key pillar:	FY26	FY25	Change	FY26	FY25	Change
Facilities Management	**13.0**	12.4	5%	**24.1**	18.3	32%
Facilities Transformation	**2.8**	2.8	–	**6.8**	4.8	42%
Facilities Compliance	**0.5**	0.2	150%	**0.8**	0.6	33%
Total	**16.3**	15.4	6%	**31.7**	23.7	34%

We have high near-term revenue visibility, with over 60% of the total order book due to be recognised in the next 1-3 years. Our typical Facilities Management contract length is 3-5 years in the private sector and up to 5-10 years in the public sector, while Facilities Transformation project work tends to be shorter-term in nature. Facilities Compliance contracts via Marlowe are typically 'evergreen' (i.e. automatically renew). Although we experienced some modest revenue dis-synergies, as expected, in the first few months of ownership as competitors moved work away, we have seen good growth momentum through the early cross-sell of services to Mitie's large blue-chip customer base, such as the recent 10-year AWE award.

Across the bidding pipeline, significant sectors include Immigration & Justice, Defence and Healthcare, Local Government & Education in the public sector, alongside Retail, Critical National Infrastructure (including data centres), Manufacturing, Transport & Aviation and Financial Services in the private sector. Over 70% of the pipeline is due to be awarded in the next 18 months.

Operating margin progression

Progression in the operating profit margin before Other items continues to be driven by the increasing contribution from higher growth, higher margin Facilities Transformation and Facilities Compliance work (including Marlowe cost synergies), alongside our ongoing programme of margin enhancement initiatives – many of which are being accelerated through the deployment of AI – together with operational leverage. These tailwinds are expected to more than offset inflationary pressures and contract pricing dynamics in a competitive market.

In FY26, the operating profit margin before Other items increased by 10bps to 4.7% (FY25: 4.6%), demonstrating the resilience of the business in the face of material headwinds. The most significant of these was a c.£50m increase in employer NICs, which we mitigated through a combination of contractual and commercial recoveries from customers and margin enhancement initiatives.

In total, we delivered £25m of cost savings through our margin enhancement initiative programmes. Key workstreams included the application of technology and AI to streamline workflows and optimise resource deployment (see 'technology' section below); our 'Mitie First' initiative to increase self delivery and reduce reliance on third party contractors; partnering with strategic client accounts to define and implement best practice service delivery models; the continued delivery of efficiencies across back office functions; and the consolidation of core systems and processes across the Group. We also completed the rollout of Coupa, our procurement digital supplier platform.

Early investments in the Strategic Plan across sales & marketing, contract re bids and training and incentives for our 'in contract' teams continue to deliver clear benefits, including high quality wins and renewals, and a record pipeline of bidding opportunities to support strong revenue growth over the medium-term. We also continue to invest in technology, including the development of our Intelligent360 solutions and the enablement of AI across our core systems, which will further enhance productivity and service quality over time.

Sustainable free cash flow generation

We are targeting sustainable free cash flow generation of c.£150m per annum in FY27. This, combined with our strong balance sheet and low leverage, underpins our proactive approach to deploying capital and delivering shareholder returns.

In FY26, the Group generated £290m of cash from operations (FY25: £249m), leading to a free cash inflow of £162m (FY25: £143m), well ahead of our guidance for 'at least £120m'. The increase in free cash flow year-on-year reflects the increase in profitability and ongoing working capital process improvements, offsetting the increased working capital required to support our growing projects business, longer payment terms on certain contracts (particularly in the retail sector) and a one-off negative impact to working capital of £8m arising from the Procurement Act 2023. This came into effect in February 2025 and requires mandatory 30-day payment terms for all subcontractors and suppliers on government framework contracts.

Proactive and growing capital deployments

Our capital deployment policy is focused on the best use of capital to deliver superior returns to shareholders and drive long-term growth in the business, while maintaining a strong balance sheet, with leverage of between 0.75-1.5x (average daily net debt/EBITDA).

In FY26, we completed the acquisition of Marlowe for c.£350m, comprising 290p in cash (£228m) and 1.1 Mitie shares (86.6m new Mitie shares issued) per Marlowe share. As part of this acquisition, we incurred transaction costs of £7m. We also spent £15m on four infill acquisitions to add capability alongside £13m on performance-linked earnouts relating to infill acquisitions in prior years. We will continue to pursue strategic infill M&A, although this is likely to be modest in scale over the remainder of the Strategic Plan as we focus on delivering the benefits of the Marlowe acquisition to build our Facilities Compliance platform.

We prioritise a progressive dividend at a payout ratio of between 30-40%, and paid dividends of £55m during the year relating to the FY25 final dividend and FY26 interim dividend. The Board is recommending an FY26 final dividend of 3.1p per share, which, when added to the 1.4p interim dividend paid, takes the total dividend for FY26 to 4.5p per share. This is a 5% increase on the prior year (FY25: 4.3p) and represents a payout ratio of 33% (FY25: 34%). The final dividend will be paid on 27 August 2026, following approval at the 2026 AGM.

We have committed to purchase all shares required to fulfil colleague incentive schemes to prevent shareholder dilution and acquired 21m shares into our Employee Benefit Trust and Share Incentive Plan at a cost of £29m.

We will continue to return surplus funds to shareholders via share buybacks to maintain leverage within our target range. In October 2025, we launched a new £100m share buyback programme to be completed over c.12 months. During FY26, we purchased 38m shares (£63m) at an average price of c.166p. This includes 2m shares (£3m) purchased under a previous programme, which was paused to accommodate the Marlowe acquisition. We retained 5m shares in treasury to fulfil our 2022 Save As You Earn scheme (which vested in February 2026), and cancelled all shares purchased in excess of this.

Our intention is to commence a new £60m share buyback programme on completion of the remaining c.£40m 'tranche' of the current £100m programme, which will end no later than 30 September 2026. As such, we expect to spend £100m on share buybacks in total during FY27 (c.£40m current programme plus £60m new programme).

Strong balance sheet and low leverage

Closing net debt at 31 March 2026 increased by £251m to £450m (FY25: £199m), inclusive of £196m of lease obligations (FY25: £198m). The increase reflects proactive capital deployments of £414m, primarily relating to Marlowe (£228m), share buybacks (£63m) and dividends to shareholders (£55m), partially offset by good free cashflow generation, alongside a £2m decrease in lease obligations.

Average daily net debt in FY26 was £440m (FY25: £264m) and our average daily net debt/EBITDA leverage was 1.2x (FY25: 0.8x), within our 0.75-1.5x target leverage range. Excluding lease obligations, our leverage based on average daily net debt was 0.8x (FY25: 0.3x). Our covenant leverage (excluding leases and based on closing net debt) was also 0.8x.

The Group's main defined benefit pension scheme funding position continued to improve through a combination of deficit repair contributions and better investment returns. The latest quarterly funding update at 31 March 2026 from the scheme actuary showed an actuarial surplus of c.£12m, a material improvement compared to the £19m deficit reported in the last triennial valuation in 2023 (which had reduced from £73m in 2020). As a result, during the year we agreed with the scheme trustee to cease deficit repair contributions ahead of schedule, saving £4.8m. We are now working with the trustee to purchase a 'buy-in' policy with an insurer to cover scheme liabilities, a common approach adopted by well-funded schemes to de-risk the balance sheet of the company.

Advancing our technology leadership

Our technology leadership combines deep operational expertise with advanced data, digital and AI capabilities to deliver intelligent, outcome-focused solutions. By re-imagining and optimising core operational and customer processes, we are improving productivity, resilience and insight across increasingly complex customer estates, while enhancing our scalable digital platforms that support long-term growth.

Our Intelligent Solutions are integrated through Mozaic360, our unified data and AI insight platform for real-time visibility into service, asset and environmental performance. Mozaic360 was launched in FY26 and already supports more than 140 strategic customers, with the roll-out continuing in FY27.

Intelligent Engineering Maintenance provides condition-based monitoring and predictive maintenance across more than 700 connected sites, improving asset availability and reducing unplanned downtime. Intelligent Security uses advanced analytics to enable risk-based deployment across more than 8,200 customer sites, primarily in retail, while Intelligent Hygiene uses building data and sensors to deliver demand-led, sustainable services across more than 400 sites. Our Intelligent Energy Products support over 400 customers in managing 17TWh of energy, representing c.3-4% of the UK's non-domestic energy market.

Customer engagement and service delivery are increasingly supported by our digital command and engagement layer at our Technical Services Operations Centre and Intelligence Security Operations Centre. Aria, our customer mobile app, automates c.40% of service requests with its embedded AI assistant, ESME.

Internally, AI-driven automation is a gaining momentum. Through the SkanAI task mining platform, deployed across over 5,000 machines, 3.5m hours of operational tasks and process insights were generated in assisting Intelligent Process Automation (IPA). We are deploying AI agents and software robots across operational and back-office processes, supporting service desk operations, workflow automation and decision support. 155 'bots' are currently live or in development, reducing manual workflows and enabling faster response times and the creation of digital twins for key processes.

Our core enterprise platforms continue to evolve. We upgraded our Defence, Government and Commercial IBM Maximo systems to MAS 9.1, enabling AI-driven asset insights and integrated workflows across our FM service lines. We also completed the rollout of Coupa across the Group, embedding greater transparency and AI-enabled insights across procurement and spend management.

We operate a robust AI governance framework and continue to invest in digital/AI capability across our workforce. We have equipped thousands of colleagues with Microsoft Copilot tools, supported by structured learning programmes and have established 172 AI apprenticeships delivered in partnership with Corndel, Imperial College London and Microsoft.

Process reimagination and optimisation – positioning Mitie as a 'frontier' firm

The significant investments we have made in technology and data over almost a decade provide a strong platform for an enterprise-wide programme, developed with best-in-class partners across AI, engineering and transformation, to re-imagine and optimise both our internal workflows and our customer-facing solutions through agentic AI.

The programme builds on the foundations established through our IPA workstream, and will create an agile, AI-enabled ecosystem that will redefine traditional ways of working and position Mitie as a 'frontier' firm in the sector. This will in turn ensure that we are at the forefront of operational, product and market opportunities and support further margin expansion.

Over the next two years we will prioritise high-impact, end-to-end 'domains' (i.e. process groupings), covering more than 75% of Mitie's cost base, with a particular focus on Engineering Field Force; Hire-to-Retire; Hygiene Delivery; and Security Monitoring and Delivery. Each domain is supported by a central Transformation Office, AI Centre of Excellence and our integrated technology platform.

The programme is designed to create value across every aspect of our business. For Mitie, this is expected to drive material improvements in both efficiency and effectiveness – creating a cost to serve advantage, enhancing decision-making through automation and real-time data, and enabling repeatable, scalable deployment at contract level via 'clean room' architecture. For our customers, it will support a more consistent, proactive and insight-led experience as Mitie evolves further into higher-value segments and advisory services which leverage our proprietary operational insight and improve retention and contract quality.

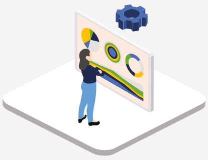
We expect higher upfront one-off programme costs (c.£20-25m in FY27), which will be reported within Other items, with the benefits building progressively as domains are deployed and scaled, supporting continued investments to grow the business. We will provide further updates on the phasing of delivery as we progress into FY27 and beyond.

ESG and social value leadership

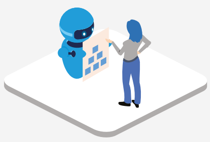
Mitie is recognised as an environmental, social and governance (ESG) and social value leader among global industry peers, with these principles embedded in how we operate. Our strong credentials – including CDP Climate and Supply Chain A List status and an MSCI ESG AA rating – also enable us to support customers in achieving their own sustainability and Net Zero goals.

At the end of 2025, we completed Phase 1 of our Plan Zero strategy, delivering material reductions in Scope 1 and 2 greenhouse gas emissions while significantly scaling the business from c.£2bn to £5.6bn. When adjusting for growth over the five-year period of Plan Zero, emissions reduced by c.90% on a market-based reporting basis, demonstrating a clear decoupling of emissions from growth and the achievement of effective Net Zero.

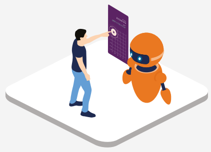
Mitie of the future will be delivered through eight re-imagined domains



Engineering Field Force
Scalable **intelligent Engineering platform** enabled by **agentic operations centre**.



Hire-to-retire
Re-imagined colleague lifecycle enabled by agentic recruitment and seamless workforce systems.

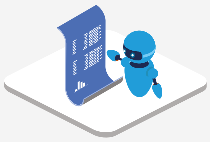


Hygiene Delivery
At-scale **demand-led Hygiene and cobots** driving productivity and service quality.

Agentic Security and Delivery
Intelligence-led **Security** model enabled by **agentic monitoring** and **dynamic deployment**.

Sales
AI-powered sales engine accelerating origination, bidding and proposal development.

Projects Workflows and Controls
AI-enabled **Projects** with **intelligent origination, scoping and delivery control**.



Administrative Automation
Unified **agentic administrative platform** simplifying manual work across reporting and compliance.

Materials and Equipment
Agentic Purchase Order lifecycle driving supplier management and cost controls.

We continue to work towards the stricter science-based definition of Net Zero and have established a new baseline for Plan Zero 2.0, targeting Net Zero across all emissions by 2035.

In July 2025 we launched Plan Thrive, our social value framework aligned to our purpose: Better Places; Thriving Communities. Plan Thrive embeds social value across our operations, with commitments to uplift one million lives and enable 1,000 places to prosper. Mitie continues to deliver meaningful impact through the Mitie Foundation, apprenticeships, inclusive recruitment, learning and development, and responsible supply chain practices.

We remain focused on attracting and developing talent, offering strong career pathways and industry leading benefits. During the year, c.1,800 colleagues participated in more than 120 technical, professional and leadership programmes.

Outlook

FY26 has been another year of progress as we enter the final year of our FY25-FY27 Strategic Plan, with double digit growth in revenue and operating profit before Other items for the third consecutive year and good free cash flow generation. We also further developed our leadership into business-critical Facilities Compliance through the acquisition of Marlowe, and the integration is progressing well.

Looking ahead, we enter FY27 with good momentum, supported by a record order book and bidding pipeline. Notwithstanding the potential for some incremental cost inflation as a result of the conflict in the Middle East, our ongoing margin enhancement initiatives, combined with the increasing mix of higher-margin Facilities Transformation and Facilities Compliance work and continued investment in data and AI, are expected to support margin progression, while we continue to reinvest for growth. We are confident of delivering our FY25-FY27 Strategic Plan.

Mitie's long-term value creation potential and foundations for the next phase of our strategy continue to be strengthened: capturing client 'share of wallet' in Facilities Management through deeper relationships and investments in sales & marketing; 'turbo-charging' Facilities Transformation through a growing pipeline of capital projects; and accelerating growth in Facilities Compliance with our existing clients, as we add Water & Environmental services and target larger opportunities in Fire & Security. Building on our leadership in technology, an enterprise-wide programme has been launched to re-imagine and optimise both our internal workflows and customer-facing solutions through agentic AI, positioning Mitie as a 'frontier' firm in the industry. Together, these strategic imperatives are expected to sustain above-market growth, expand margins and deliver attractive shareholder returns well beyond FY27.

After almost a decade as CEO, it remains my intention to retire from Mitie at the end of the FY25-FY27 Strategic Plan, once a successor is in place – a process that is well underway. I am proud of the progress we have made in transforming Mitie into a world-class industry leader, positioned to deliver the 'Future of High-Performing Places' for our customers. I thank every one of our 84,000 Mitie colleagues for their dedication, professionalism and hard work, without which none of this could have been achieved. We are building a larger, more profitable and more cash generative business with a greater capacity to invest in growth and deliver attractive returns to shareholders.

Mitie has been awarded a Royal Warrant by appointment to His Majesty King Charles for services to the Royal Household

How we measure success

Financial

Revenue (£m)

FY26	£5,619m
FY25	£5,083m
FY24	£4,445m
FY23	£3,945m
FY22	£3,903m

10.5%
increase from previous year

Description
Revenue is the total value of services delivered to customers during the year, recognised in line with contract terms as performance obligations are satisfied. It captures income across our service lines, including the impact of pricing and acquisitions. Our target is to achieve high single-digit revenue growth annually over the Strategic Plan.

Our achievement
Revenue increased by 10.5% to £5,619m, including 5.3% organic growth, primarily driven by new contract wins and scope increases, pricing and projects upsell, alongside a 5.2% contribution from acquisitions. Revenue including share of JVs and associates is no longer reported as a KPI, as it is not materially different following the consolidation of Landmarc in FY24.

Find out more on page 46

Operating profit (£m) and margin (%) before Other items

from continuing operations

FY26	£264.1m	4.7%
FY25	£234.1m	4.6%
FY24	£210.2m	4.7%
FY23	£162.1m	4.0%
FY22	£166.9m	4.2%

0.1ppt
increase from previous year

APM

Description
Operating profit and operating margin before Other items measure the profit generated after deducting cost of sales and operating expenses. Our target is to deliver an operating margin of at least 5% by FY27.

Our achievement
Operating profit before Other items increased by 13% to £264.1m and the operating margin increased by 0.1ppt to 4.7%, primarily reflecting the good trading performance and margin enhancement initiatives, partially offset by cost headwinds from higher employer National Insurance Contributions, contract losses and other one-off costs.

Find out more on page 47

Basic EPS before Other items (p)

from continuing operations

FY26	13.6p
FY25	12.7p
FY24	12.3p
FY23	9.5p
FY22	9.2p

7%
increase from previous year

APM

Description
Basic earnings per share (EPS) before Other items represents profit after tax, before Other items, attributable to owners of the parent, divided by the weighted average number of shares in issue for the year. This measure supports our focus on long-term value creation for shareholders.

Our achievement
Basic EPS before Other items increased by 7% to 13.6p, with the benefits of higher operating profit being offset by higher net finance charges and an increase in the effective tax rate. The impact of the dilution related to the shares issued for the Marlowe acquisition was fully offset by the reduction in the weighted average share count from share buybacks.

Find out more on page 48

Dividend per share (p) and payout ratio (%)

from continuing operations

FY26	4.5p	33%
FY25	4.3p	34%
FY24	4.0p	33%
FY23	2.9p	30%
FY22	1.8p	20%

5%
increase from previous year

Description
Dividend per share (DPS) represents the portion of profit after tax, before Other items, paid to shareholders, divided by the weighted average number of shares in issue for the year. The payout ratio reflects the percentage of Basic EPS before Other items distributed as dividends. We target a progressive dividend with a payout ratio of 30%–40%.

Our achievement
DPS increased by 5% to 4.5p, reflecting growth in our profitability and a payout ratio of 33%. The dividend payment is consistent with our wider capital deployment policy and reinforces our confidence in delivering our Strategic Plan, including the ability to generate sustainable free cash flow.

Find out more on page 50

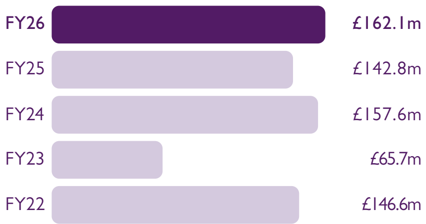
Linked to our strategic priorities

Accelerating growth · Operating margin progression · Cash generation · ESG leadership · Linked to remuneration

APM A reconciliation to the equivalent statutory measure is set out in the Appendix – Alternative Performance Measures (APMs) on pages 223 to 225.

Financial

Free cash flow (£m)



£19.3m increase from previous year

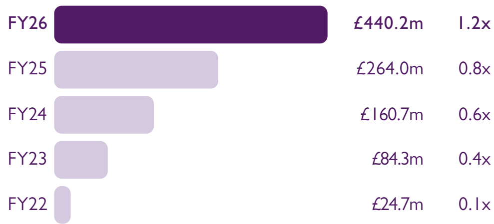
APM

Description
Free cash flow represents the cash generated from operating activities, after working capital movements, capital expenditure (capex) and lease payments. Our target is to deliver annual free cash flow of c.£150m by FY27.

Our achievement
The Group generated free cash inflow of £162.1m, with the increase in operating profit before Other items partially offset by cash outflows from working capital movements, together with capex, lease payments, interest and tax payments.

Find out more on pages 49 to 50

Average daily net debt (£m) and leverage ratio (x)



£176m increase from previous year

APM

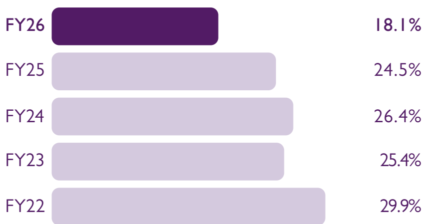
Description
Average daily net debt reflects the Group's average indebtedness to debt providers during the year, with leverage calculated as average daily net debt divided by EBITDA. Both measures include lease liabilities. Our target is to maintain leverage within a range of 0.75-1.5x over the Strategic Plan.

Our achievement
Average daily net debt of £440.2m increased by £176.2m, primarily driven by the strategic acquisition of Marlowe and infill M&A as well as returns to shareholders, including dividends, share buybacks and share purchases for incentive schemes, partially offset by good free cash flow generation. Leverage of 1.2x is within our target range.

Find out more on page 50

Return on invested capital (%)

from continuing operations



6.4ppt decrease from previous year

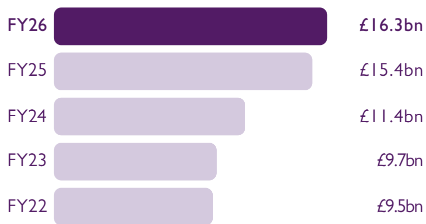
APM

Description
Return on invested capital (ROIC) is calculated as operating profit before Other items, after tax, divided by invested capital. It measures how efficiently the Group generates returns from its capital base. We target a ROIC of >20% over the Strategic Plan. The ROIC calculation and a reconciliation of net assets to invested capital are set out in the APMs.

Our achievement
ROIC reduced by 6.4ppt to 18.1%, primarily driven by the temporary impact of the Marlowe and infill acquisitions completed in FY26. ROIC is adversely impacted by in-year acquisitions, because invested capital is increased by the full balance sheet value, whereas operating profit only benefits from a part-year contribution.

Find out more on page 48

Total order book (bn)



6% increase from previous year

Description
The total order book comprises secured fixed-term contracts and estimates for project and variable work, and reflects our success in winning, retaining and extending customer relationships. See Note 3 to the consolidated financial statements for analysis of the secured order book, which excludes unsecured projects and variable work.

Our achievement
The total order book increased by 6% to a record £16.3bn, driven by new contract wins, scope increases, pricing and extensions/renewals. It reflects the investments we have made in technology and our sales & marketing teams, and includes Marlowe's order book for the first time.

Find out more on page 05

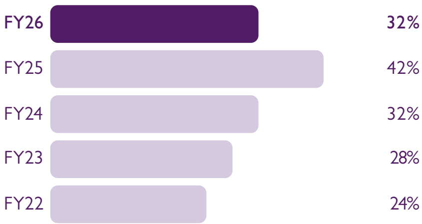
Linked to our strategic priorities

Accelerating growth · Operating margin progression · Cash generation · ESG leadership · Linked to remuneration

APM A reconciliation to the equivalent statutory measure is set out in the Appendix – Alternative Performance Measures (APMs) on pages 223 to 225.

Non-financial

Females in senior leadership team (%)



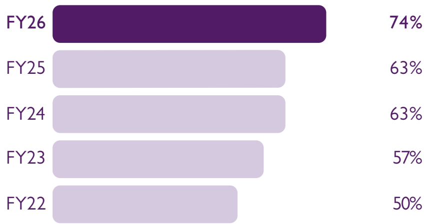
10ppt
decrease from previous year

Description
Females in senior leadership team (SLT) is calculated as female SLT headcount as a percentage of the total SLT. The SLT includes the Executive Committee and the Management Leadership Team. Monitoring this against our target of 40% supports effective governance and succession planning, as well as reinforcing the Group's commitment to equality and inclusion.

Our achievement
Females in senior leadership reduced by 10ppt to 32%, reflecting the continued simplification of our organisational structure and voluntary attrition. We are focused on strengthening the pipeline of female talent through targeted development programmes, introducing diversity targets for middle management roles and enhancing succession planning.

Find out more on page 55

Colleague engagement (%)



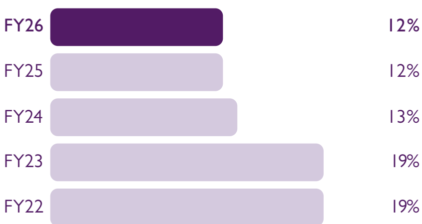
11ppt

Description
Colleague engagement is informed by Mitie's annual MyVoice survey, which captures colleague sentiment and areas for improvement. Insight from the survey is complemented by regular engagement between colleagues, the Board and the SLT. A highly engaged workforce supports Mitie's performance.

Our achievement
Mitie's FY26 MyVoice survey showed a significant increase in engagement, with 74% of colleagues 'fully engaged'. This reflects a continued focus on strong leadership, colleague voice and creating an inclusive and supportive working environment. Actions arising from the survey are overseen by the Board to ensure insights are translated into meaningful improvements.

Find out more on page 76

Colleague turnover (%)



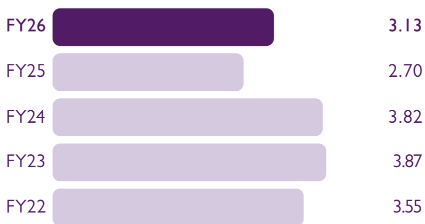
0ppt
No change

Description
Colleague turnover measures the proportion of colleagues who choose to leave the Group during the year as a percentage of average headcount. Monitoring voluntary attrition provides insight into workforce stability, engagement and retention, and helps the Board assess the effectiveness of Mitie's leadership, culture and reward framework.

Our achievement
Colleague turnover remained stable at 12%. This is a material reduction compared to four years ago, when turnover was 19%, reflecting sustained progress in colleague engagement, retention and the effectiveness of our people and culture initiatives, including to provide career progression opportunities and industry-leading rewards packages.

Find out more on pages 75 to 81

Lost Time Injury Frequency Rate (per million hours worked)



0.43
increase from previous year

Description
Lost Time Injury Frequency Rate (LTIFR) measures the number of work-related injuries resulting in lost time per million hours worked. It enables the Board to assess the effectiveness of Mitie's safety culture, controls and behaviours, while supporting colleague wellbeing, operational resilience and consistent service delivery.

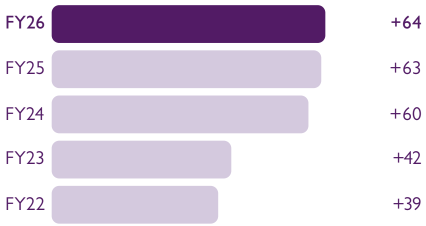
Our achievement
LTIFR increased by 0.43 to 3.13 in FY26, due to a modest rise in violence and aggression incidents directed towards frontline workers by members of the public, although it remains below the five-year average. We provide extensive support to our colleagues and continue to invest in technology, equipment and training to reduce the risk of injury.

Find out more on page 81

Linked to our strategic priorities
Accelerating growth | Operating margin progression | Cash generation | ESG leadership | Linked to remuneration

Non-financial

Net Promoter Score (index)



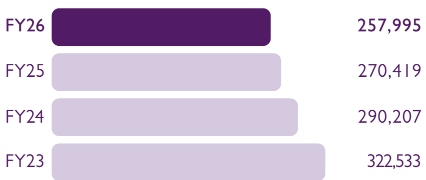
1pt
increase from previous year

Description
Net Promoter Score (NPS) measures the likelihood of customers recommending Mitie's services to others. It is an important indicator of overall customer satisfaction, service quality and relationship strength, and helps the Board assess how effectively the Group is meeting customer expectations and delivering consistently high-quality outcomes.

Our achievement
NPS increased by 1pt to a record +64, demonstrating our commitment to meeting the changing needs of our customers and exceptional service delivery. By measuring this, we continuously refine our understanding of where we excel and identify opportunities for enhancement. The FY26 survey captured feedback from over 1,100 customers.

Find out more on page 37

Carbon emissions (Scope 1, 2 and 3) (tonnes CO_2e)



5%
decrease from previous year

Description
Mitie set ambitious targets through its Plan Zero programme to reach Net Zero operational carbon emissions by the end of 2025, with non-operational emissions targeted by 2035. Mitie first reported Scope 3 global emissions data in FY23. Global emissions data has been externally verified for the first time in FY26 (previously only UK emissions data).

Our achievement
Mitie's Scope 1, 2 and 3 global emissions (location-based) reduced by 5% to 257,995 tonnes CO_2e (including 6,778 carbon credits). Within this, Scope 1 and 2 emissions reduced by 6% to 18,992 tonnes CO_2e, reflecting the continued removal of fossil fuel heating systems and fleet transition to EVs. Progress against our targets is reported in the Sustainability statement.

Find out more on pages 70 to 74

Linked to our strategic priorities

Accelerating growth | Operating margin progression | Cash generation | ESG leadership | Linked to remuneration

Creating value for stakeholders

Our business is focused on creating smarter, safer, cleaner, more secure and more sustainable places for our customers and their people. We go above and beyond to get the job done because we care about every interaction, and we are passionate about the work we do and the impact we make.

Our resources and capabilities

Our people

We know that our people give their best when we show them we care. Our success is underpinned by the way Mitie inspires, motivates and engages with its people, who in turn take personal pride in their work and deliver exceptional service to our customers.

See pages 75 to 82

Our technology

We invest in technology and AI to enhance our unique Mitie Digital Platform and deliver transformative solutions. We achieve operational excellence through efficiencies and automation, as well as creating value and improving the customer experience. Our Platform differentiates us in the market and drives adoption, loyalty and retention.

See page 28

Our expertise

We are a trusted partner through our market-leading services and sector knowledge, and because we place the evolving needs of our customers at the heart of our business. We use our expertise to improve efficiency, deliver innovative, technology-led solutions and make a valuable, measurable difference.

See pages 16 to 23

Our scale and reach

We are the UK market leader in our industry and in each of our core service lines. We operate across a broad range of sectors, including in central government, defence, retail, manufacturing, transport and logistics. The scale of our operations enables the self-delivery of services to large blue-chip customers with a national footprint.

See page 16 to 23

Our strategy

Our FY25-FY27 Strategic Plan is based on satisfying our customers' evolving needs; delivering our three key pillars of growth (Facilities Management, Transformation and Compliance); and meeting our ambitious financial targets.

See pages 15 and 24 to 26

Our commitment to society

Our vision is to make a lasting positive impact on society by delivering long-term benefits for the environment, developing a skilled workforce to support a brighter future for all and leaving a legacy for the communities in which we operate.

See pages 52 to 55

Our financial position

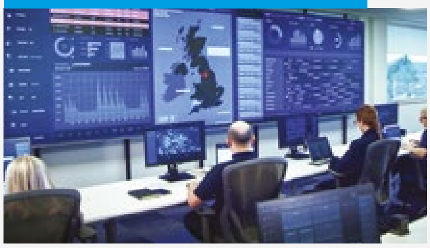
We have a strong balance sheet, low leverage and an investment-grade credit rating. We are focused on generating sustainable free cash flow, which enables us to drive long-term growth in the business and deliver superior shareholder returns.

See pages 46 to 51

Our key pillars of growth

We deliver technology-led integrated FM, bundled and single line services to enhance the customer experience and drive efficiencies across service lines and sectors. We also transform our customers' estates and ensure they meet with increasingly stringent regulatory requirements.

FACILITIES MANAGEMENT



Engineering Maintenance
Security
Hygiene

See page 16 to 19

FACILITIES TRANSFORMATION

Projects

See page 20 to 21

FACILITIES COMPLIANCE

Fire & Security and Water & Environmental Services

See page 22 to 23

How we do it

Recognising that every customer is different, our approach is tailored to each customer's unique needs and is designed to deliver continual improvements throughout the life of the contract.

Diligence, innovation and design

We start by engaging with new and existing customers to understand their needs or any changes to their requirements. Using our strategic frameworks to help link operational objectives to the bigger picture, we design an innovative solution, leveraging our expertise, knowledge, technology and people.

Mobilisation, transition and transformation

We mobilise our contracts in the most efficient way. Once in operation, we are continually seeking opportunities to reduce costs, drive efficiencies, expand our offering and become a trusted strategic partner.

Insights to drive value and continuous improvement

Using our technologies, we collect and analyse workforce and workflow data across our customers' estates to drive greater value and continuous improvement.

The value we create

Customers

We are a trusted partner to our customers, helping them create high-performing places.

See page 37

Customer NPS
+64

Colleagues

We create a 'Great Place to Work' by showing our colleagues that we care. We inspire, motivate and engage with our people, providing industry-leading benefits alongside training and development to support their career development.

See page 38

Employee engagement
74%

Suppliers

We are committed to ensuring a responsible supply chain by requiring our suppliers to comply with our Procurement Policy and Supplier Social Value Policy. In return, our suppliers gain access to our extensive network of blue-chip customers.

See page 39

Supplier NPS
+62

Communities and environment

Mitie's vision is to generate social value through everyday operations, leaving a legacy for the communities in which we work to support a brighter future for all.

See page 40

MSCI rating
AA

Equity shareholders and debt holders

Creating value through growth and margin progression, while generating sustainable free cash flow, will deliver higher returns.

See page 36

ROIC
18.1%

Government

Mitie is a significant contributor of tax to the UK Exchequer, including UK corporation tax and employer National Insurance Contributions.

See page 40

Taxes paid
£1.3bn

Playing a crucial part in our strategy

Equity shareholders and debt holders

Mitie's shareholder base comprises a broad mix of global institutional investors and retail shareholders, including our frontline colleagues, who receive free shares. We are also supported by a diversified base of international debt holders.

Why we engage
Access to equity and debt capital from supportive, long-term investors is essential to fund growth, invest in our capabilities and maintain a strong and resilient balance sheet. We engage proactively to build relationships and ensure that Mitie's strategy, performance and culture are understood and supported.

How the Group engages
- Annual Report and Accounts
- Stock Exchange announcements and press releases
- AGM (hybrid to maximise shareholder participation)
- Corporate website, including Investors section
- Results presentations and post-results roadshows
- Capital market events and site visits
- Ad hoc analyst and investor interactions

How the Board engages and is kept informed
- Annual Chair's roadshow
- Ad hoc investor engagement with the Chair and Non-Executive Directors (NEDs)
- Board consideration of, and responses to, investor feedback and queries
- Investor Relations Board Report is a standing agenda item

Key issues
- Financial performance, including growth in revenue and profitability
- Free cash flow generation and balance sheet strength
- Proactive capital deployment policy
- Remuneration policy and executive remuneration
- ESG matters

Actions taken in FY26
- Over 200 investor and bank sales team meetings with executive management
- Eight bank conferences attended by executive management, including two in the USA
- 12 roadshow meetings between the Chair and shareholders
- Two formal results presentations with Q&A
- Investor and analyst site visits to our ISOC in Northampton
- Ongoing engagement with revolving credit facility (RCF) providers, US private placement (USPP) noteholders and credit rating agency
- Engagement with two RCF providers to fund Marlowe acquisition via £240m bridge facility
- Engagement with USPP investors to refinance bridge facility with £180m of USPP notes through existing 'shelf' facility
- Ongoing engagement with trustees of Mitie's defined benefit pension schemes

Measurement (link to KPI)
- Revenue
- Operating profit and margin
- EPS
- Dividend
- ROIC
- Total order book
- Free cash flow
- Average daily net debt and leverage
- Carbon emissions

Engagement in action

ISOC site visit
In October 2025, we hosted over 20 buy-side investors, sell-side analysts and advisors at our Intelligence Security Operations Centre (ISOC) in Northampton. Our ISOCs are at the forefront of our technology-led approach and play a vital role in protecting millions of people nationwide, every day. From these locations we run security operations for some of the UK's leading brands and most high-profile locations. Our extensive Mitie footprint across the UK allows our highly skilled team of analysts to review large-scale data sets to monitor crime and incident trends, enabling our customers to make informed decisions and implement appropriate security measures.

The site visit comprised a presentation by Jason Towse, MD, Business Services, and his team, followed by a tour of the Intelligence Hub and one of our customer SOCs, alongside a video presentation showcasing our ISOC in Craigavon, Northern Ireland.

Customers

We support over 3,000 large public and private sector customers across a broad range of industries. Our diverse customer base reflects the scale, complexity and criticality of the environments in which Mitie operates.

Why we engage

Strong customer relationships underpin sustainable outcomes and long-term value. We focus on insight-led partnerships that enable us to anticipate customer priorities, respond to change and support evolving organisational priorities. Our NPS of +64 reflects the effectiveness and maturity of this approach.

How the Group engages

- Structured SLT engagement through forums and briefings, with customer insights informing priorities and decision-making
- Coordinated customer, user and end-user surveys providing feedback across key touchpoints
- Application of ISO 44001 principles to support collaborative and effective partnerships
- Quarterly Business Reviews (QBR), account reviews and KPI-led contract performance management
- Active participation in industry forums and customer events
- Ongoing, multichannel communications, including via press activity, digital platforms and thought leadership

How the Board engages and is kept informed

- Regular reports on customer experience, satisfaction and emerging themes
- Visibility of customer sentiment, relationship health and material issues
- Oversight of account performance and relationship risks through structured governance and review processes

Key issues

- Customer cost pressures, affordability and requirements for demonstrable value for money
- Managing operational resilience amid resources constraints and labour availability
- Macroeconomic uncertainty, including inflation and supply chain disruption
- Energy security and critical infrastructure resilience in a volatile geopolitical environment
- Increasing regulatory, governance and compliance requirements
- Delivering sustainability ambitions while maintaining service continuity and affordability
- Adapting to rapid technological change and digital transformation
- Managing safety-critical risk and assurance in complex operating environments

Actions taken in FY26

- Continued delivery of the annual customer experience programme, measuring NPS across key customer relationships
- Embedded NPS insights into contract-level action plans to improve service delivery
- Expanded customised user experience surveys, including across capital projects
- Ongoing customer engagement through events, briefings and executive forums to share insights and best practice
- Market research and insight to track evolving customer needs and sector trends
- Continued application of ISO 44001 principles across customer relationships
- Delivered multichannel digital engagement programmes and campaigns
- Delivered events and visits to Mitie's customer experience hubs, focusing on themes such as safety, sustainability and decarbonisation

Measurement (link to KPI)

- Customer satisfaction (NPS)
- User, helpdesk and end user experience survey results
- Cabinet Office supplier 360 degree feedback
- Contract-level performance satisfaction ratings
- Customer engagement and event satisfaction measurement
- Effectiveness of QBRs and account review processes
- ISO 44001 certification, applied across customers and the Group

Engagement in action

Supporting UK Armed Forces overseas

The Overseas Prime Contract Germany and Wider Europe (OPC GWE) began in June 2024, supporting UK Armed Forces communities in Germany and Italy. Delivered by Mitie for the Defence Infrastructure Organisation (DIO), the seven-year, £24m p.a. contract ensures buildings, homes and facilities are safe, efficient and well maintained for military personnel and their families. Services are tailored to each location while maintaining high standards and value for money.

Strong partnership working has been central to the successful mobilisation and delivery of OPC GWE. Mitie and the DIO established a shared operating model, supported by joint workshops, the creation of a Collaboration Steering Committee and the adoption of the ISO 44001 standard. Transition workshops in Naples and Paderborn led to the OPC GWE Partnering Charter, and in August 2025 the contract achieved external ISO 44001 certification, recognising the joint commitment to continuous improvement and high-quality service for UK Armed Forces communities overseas.

Colleagues

Mitie's exceptional and diverse colleagues work around the clock, caring about and supporting each other, our customers and the communities we serve.

Why we engage

Mitie is a destination employer within our industry. We are committed to providing our colleagues with a place of work where they can thrive and be their best every day, and creating a diverse and inclusive workplace where everyone can reach their full potential.

How the Group engages

- Regular colleague engagement surveys, with action taken on feedback
- A mix of online and offline communications, campaigns and channels
- MyMitie – our Employee Value Proposition campaign
- Recognising exceptional and long-service colleagues through Mitie Stars
- Town Hall company updates, CEO updates, podcasts and videos
- Annual performance reviews, and learning and development training
- Career development through MyCareer
- Confidential whistleblowing service
- SLT outreach events (Team Talk Local)

How the Board engages and is kept informed

- Colleague listening sessions, led by Jennifer Duvalier (designated NED for workforce engagement) and attended by up to two other Board members per session
- Direct CEO access via the 'Grill Phil' interactive feedback channel

Key issues

- Culture and values
- Reward and recognition
- Tools to do the job: systems, processes and technology
- Health, safety and wellbeing
- Equality, diversity and inclusion
- Learning and development
- Rising cost of living
- People manager engagement
- Ability to attract, recruit and retain talent

Actions taken in FY26

- Awarded over 31,000 Mitie Stars and invested c.£83,500 in colleague reward schemes, as showcased at our Mitie Recognition event
- Awarded free shares to all colleagues for the sixth consecutive year, including a double award in FY26
- Delivered 20 diversity network events, with six flagship events attended by c.250 colleagues
- Held 14 Board listening sessions and facilitated 324 events through Team Talk Local
- Offered over 120 technical, professional and managerial apprenticeship courses, including five AI programmes and four data programmes

Measurement (link to KPI)

- Females in senior leadership
- Racial diversity in senior leadership
- Employee turnover
- Lost Time Injury Frequency Rate
- Number of apprentices
- Employee engagement

Engagement in action

Mitie Digital Academy

Mitie's Digital Academy is a single, accessible learning ecosystem designed to build the digital, data and AI capabilities our colleagues need now and in the future. Created with input from our people, it brings together partnership-led, collaborative and community-driven learning to support high performance across the organisation.

The Academy combines self-directed learning, facilitated programmes, peer communities and recognised qualifications, all aligned to Mitie's Digital Standards. Underpinned by our Learn, Apply, Grow methodology, it helps colleagues build skills, apply them in real time and embed capability through collaboration.

We have invested over £3.5m of our apprenticeship levy in digital and AI qualifications, and strengthened internal capability through more than 170 Copilot Champions and Microsoft 365 and Copilot communities with over 2,200 members.

Launching in May 2026, the Mitie Digital Standard Programme will set a consistent baseline of digital capability for all colleagues. This is supported by our Digital Essentials pilot, delivered with the Digital Poverty Alliance, to help colleagues who are less confident with technology. The Academy is inclusive and accessible across all roles, ensuring everyone can thrive in an increasingly tech-enabled organisation.

THE DIGITAL ACADEMY
Step into the future with Mitie

Suppliers

Mitie spends over £2bn per annum across its supply chain and actively promotes small and medium-sized enterprises (SMEs), voluntary, community and social enterprises (VCSEs) and diversely owned businesses.

Why we engage

Over 8,000 suppliers make a vital contribution to Mitie's performance, of which 900 are on Mitie's Preferred Supplier List (PSL) and account for 70% of addressable spend. We encourage our suppliers to work collaboratively and responsibly, to ensure continual improvement in our operations. We are committed to ensuring a responsible supply chain.

How the Group engages

- Supplier NPS survey of Mitie's PSL +62 in FY26
- Supplier Management Programme, onto which the PSL are inducted
- Communications through various channels, including MitieSuppliers.com and Coupa (our digital supplier platform)

How the Board engages and is kept informed

- Chief Procurement Officer updates provided at Board meetings
- Reports issued, highlighting key developments affecting the business, including the impact of inflation, latest deals with suppliers and progress against targets
- Monthly business reviews conducted with each business division and internal stakeholder group

Key issues

- Economic outlook, including inflation, cost of living and geopolitical uncertainty
- Integration and standardisation of processes within acquired businesses
- High standards of product quality and service delivery
- Continuous operational improvement and cost control
- Responsibility and integrity, including ESG matters, trust and ethics
  - Overall Winner at the SFMI Awards 2025
  - CDP 'A' rating for third consecutive year

Actions taken in FY26

- Completed Coupa deployment and integration into Maximo and SAP
- Launched two-year programme to reshape and resize PSL, addressing over 60% of total spending in FY26 and resulting in:
  - 15% reduction in total supplier transactions
  - 50% increase in number of suppliers on PSL
  - 7% increase in spend generated with PSL
- Defined a new Social Value Charter that will underpin our ESG initiatives from FY27
- Ongoing membership of Minority Supplier Development UK
- Supported Social Enterprise UK, encouraging local enterprises to join Mitie's supply chain
- Supported ISO 27001 external audit, showcasing our contractor management

Engagement in action

Award-winning Digital Supplier Platform

Mitie launched its award-winning Digital Supplier Platform (DSP) in 2021 to transform procurement across the Group, rolling out a Coupa-based source-to-pay solution to all divisions, including acquisitions. The transformation completed in FY26, with Technical Services adopting the new processes alongside Maximo work order management tools.

The DSP now manages over £2bn of annual spend across more than 8,000 suppliers, enabling efficient procurement through accredited and preferred supplier agreements while strengthening risk management, commercial oversight and compliance. It also prioritises purchasing through Mitie-owned services to deliver greater value for customers.

The platform has supported the creation of Mitie Finance Shared Services, streamlining payment terms, invoicing and supplier payments. Over 650,000 invoices are processed digitally each year (more than 95% of all invoices), with Mitie recognised by Coupa as a top-quartile performer.

The next phase will focus on optimising buying catalogues, improving consistency and efficiency, and leveraging the category-based PSL.

Communities

Our communities comprise those who live and work locally to our operations and those who represent the needs of the communities in which we operate, including charities, independent bodies and local government.

Why we engage

Building positive relationships with local communities is important for our performance and helps us to recruit and retain talented colleagues. We support our communities through a wide range of volunteer and fundraising initiatives.

How the Group engages

- The Mitie Foundation programmes
- Plan Thrive social value programme
- Career events hosted in the local communities where we work
- Local charity fundraising events
- Local community events
- Giving Back colleague volunteering days
- Meeting local politicians
- Seeking insights on community needs through our Foundation and Social Value partners

How the Board engages and is kept informed

- Oversight via Mitie's ESG Committee (chaired by a NED)
- Committee oversight of new initiatives and progress, including on volunteering, inclusion and hiring within underrepresented groups
- Progress against targets monitored via Mitie's Social Value dashboard
- Committee Chair reports regularly to the Board on progress and emerging issues

Key issues

- Inclusive jobs, skills and progression
- Community voice, engagement and investment
- Local and place-based operational, social and environmental impact
- Supply chain sustainability and impact
- Climate resilience in communities
- ESG performance

Actions taken in FY26

- 35,706 volunteering hours delivered
- Volunteering events undertaken with Poppy Appeal, Macmillan Coffee Mornings, NHS Blood Donation and through our Gift of Time campaign
- Became Ambassadors for the Social Recruitment Advocacy Group
- Contributed £90,000 to good causes
- Advanced fleet decarbonisation
- Renewable energy initiatives

Measurement (link to KPI)

- Carbon emissions
- Volunteer hours
- Health and wellbeing
- Ex-Armed Forces colleague recruitment

Government

We engage with the UK Government both in its capacity for setting policies and the regulatory agenda, and as a customer. The services we provide on behalf of the UK Government affect the lives of thousands of people every day. Public sector work accounts for 50% of our revenue.

Why we engage

Our continued engagement with the UK Government enables us to support it in shaping new policies and regulations that impact our business, colleagues and customers, as well as the communities we serve.

How the Group engages

- Responses to government consultations
- Participation in industry forums
- Conferences and speaking opportunities
- Attendance at events with parliamentary stakeholders
- Communications with policymakers and civil servants to share relevant updates
- Engagement with relevant All-Party Parliamentary Groups and other committees

How the Board engages and is kept informed

- Regular updates in Board papers
- Material issues discussed at Board meetings
- Weekly updates sent to Board

Key issues

- Mitie's financial performance
- Major business updates
- Mitie's climate and Social Value performance
- Mitie's governance processes and transparency
- Mitie's cyber security credentials
- How existing or anticipated legislation is impacting or may impact our business
- Mitie's experience of public sector procurement processes

Actions taken in FY26

- Meetings with the Cabinet Office (CO) Executive team members
- Attended four roundtables hosted by CO Executive team members
- Annual, quarterly and monthly Partnership Executive Meetings with the CO and government department representatives
- Submitted annual strategic review for Mitie to the CO for its assessment (SME and VCSE spend)
- Meetings/events, engaging with parliamentary stakeholders
- Submitted responses to seven government policy consultations
- Labour Party Conference panel session hosted on 'the role of public-private partnerships in delivering the Government's safer streets mission'
- Ongoing development of senior stakeholder relationships and lobbying across the public sector and the political spectrum, working with our external public affairs consultants

Measurement (link to KPI)

- Customer satisfaction (customer NPS)
- Satisfaction ratings for individual contract performance
- Meetings with policymakers
- Evidence submissions and engagements related to policy

OPERATING REVIEW

Delivering our key pillars of growth through our divisions

We deliver Facilities Management, Facilities Transformation and Facilities Compliance through two business divisions – Business Services and Technical Services – each with specialist capabilities and specific sector focus.

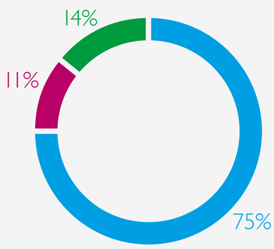
We continue to simplify our organisational structure to reduce management overheads. The changes implemented from the start of FY26 primarily consist of splitting our Communities division into Business Services for Care & Custody (renamed Immigration & Justice) and into Technical Services for Healthcare, Local Government & Education. In Business Services, Landscapes has been combined with Hygiene (formerly reported separately within the division).

Having acquired Marlowe during the year, a new Facilities Compliance sub-division has been created within Business Services, comprising both Mitie and Marlowe's compliance activities in Fire & Security and Water & Environmental Services (including Waste, which was formerly reported separately within the division).

The above changes are reflected in the restated FY25 comparatives in the tables for Business Services and Technical Services below. Divisional operating profit before Other items is reported after absorbing direct overheads, as well as a share of Group services (IT, Finance and HR).

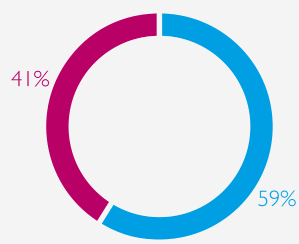
Business Services

£3.0bn
revenue



Technical Services

£2.6bn
revenue



Facilities Management | Facilities Transformation | Facilities Compliance

Business Services

Business Services is the UK's leading provider of technology-led Security and Hygiene services across c.2,500 public and private sector contracts, including expertise in Central Government and Immigration & Justice. Following the acquisition of Marlowe, it is also the leading provider of Facilities Compliance services. Mitie's Spanish business, which largely comprises Hygiene and Security services, is reported within the division

18% Revenue growth

4% Operating profit growth

£7.5bn Total order book

Performance highlights

Business Services, £m	FY26	FY25 (restated)	Change
Revenue	**2,985**	2,538	18%
Security	**1,077**	990	9%
Hygiene & Landscapes	**564**	510	11%
Facilities Compliance (incl. Marlowe)	**421**	196	115%
Central Government	**377**	384	(2)%
Immigration & Justice	**319**	291	10%
Spain	**227**	167	36%
Operating profit before Other items	**187.1**	180.4	4%
Operating profit margin before Other items	**6.3%**	7.1%	(0.8)ppt
Total order book	**£7.5bn**	£6.2bn	21%

Revenue split by growth pillar, £m	FY26	FY25	Change
Facilities Management[1]	**2,248**	2,056	9%
Facilities Transformation[2]	**316**	286	10%
Facilities Compliance[3]	**421**	196	115%
Total divisional revenue	**2,985**	2,538	18%

1. Facilities Management is delivered across Security; Hygiene & Landscapes; Central Government; Immigration & Justice; and Spain
2. Facilities Transformation projects are delivered across Security and Central Government
3. Facilities Compliance comprises both Mitie and Marlowe's compliance activities (including Mitie's Waste business)

Performance highlights

- Revenue grew 18% to £3.0bn, reflecting net wins, pricing, projects and acquisitions, more than offsetting the one-off benefit from 'surge response' security work in the prior year and scope reductions in Escorting Services
- Operating profit before Other items grew 4% to £187.1m reflecting revenue growth, margin enhancement initiatives and acquisitions, more than offsetting headwinds from inflation/NIC and the loss of one high-margin public sector contract, as well as one-off prior year benefits from 'surge response' security work and a legal settlement
- £4.1bn TCV of wins and extensions/renewals resulted in a 21% increase in the total order book to £7.5bn (FY25: £6.2bn), net of £3.0bn of revenue produced in the year
- Facilities Compliance grew significantly through the acquisition of Marlowe, complementing existing Fire & Security capabilities and adding new Water & Environmental capabilities

Operational performance

Business Services delivered good growth in FY26, with the division benefiting from net wins in the current and prior year, projects and pricing, alongside contributions from the acquisition of Marlowe in the current year (which added £208m of revenue), and Argus Fire and Grupo Visegurity in the prior year. This more than offset the one-off benefit in the prior year from the provision of 'surge response' security work (which had added £59m of revenue) as well as a reduction in scope on the Escorting Services contract in Immigration & Justice. The Security, Hygiene & Landscapes and Immigration & Justice subdivisions all performed well.

Across our three key growth pillars, Facilities Management and Facilities Transformation showed good momentum, in particular from fire & security capital projects via GBE Converge, RHI and Argus Fire (reported within the Security subdivision) and smaller works on FM contracts. The significant growth in Facilities Compliance largely reflects the Marlowe acquisition.

The 0.8ppt reduction in the operating profit margin before Other items reflects the one-off benefits in the prior year from 'surge response' security work, which was higher-margin, and a favourable legal settlement, as well as the loss of a higher margin Central Government contract in September 2025. This was replaced by a similarly sized 7+3-year Security contract for the same organisation, albeit at a much lower margin in its first year, and with lower volumes of (higher-margin) projects. The impact of inflation and higher employer NICs were recovered or mitigated through margin enhancement initiatives.

More efficient workforce deployment and improving frontline productivity was underpinned by technology. Procurement savings have been achieved through the consolidation of spend across our preferred supplier list and robust materials cost control, while AI-enabled solutions have unlocked savings across both back-office and frontline operations, including supply chain management. Together, these programmes have mitigated cost pressures, strengthened operational key performance indicators and reinforced service quality.

Business Services secured £4.1bn TCV of wins and extensions/renewals across key sectors, including retail, transport & aviation, financial services and in the public sector. The largest wins included a five-year contract to provide Hygiene services for Transport for London, Landsec's Liverpool ONE complex and Walgreens Boots Alliance; Security services across Asda's national estate of 1,100 stores (having provided Security across their Logistics Estate since 2019); prisoner escorting for Scottish Prison Services; IFM for Aviva; and water network management compliance services for AWE. Notable extensions/renewals included the provision of Security services to one of the UK's largest supermarket chains and Co-operative Group, as well as contracts for the Home Office, GSK and JLL.

Within the subdivisions, Security delivered good growth against a strong prior year comparative, which had benefited from 'surge response' security work. In addition to net wins, pricing and the acquisition of Argus Fire in the prior year, fire & security capital projects growth was also strong. GBE Converge was the largest contributor, primarily delivering data centre projects to global customers in the UK and fast-growing European locations such as the Nordics, where we added further capability through two infill acquisitions (El-Team Vest and ABC Elektro) in March.

Data centre works included the delivery of a range of fire & security solutions in data centres for Iron Mountain in Slough, Ark in Middlesex (as part of a new relationship with Microsoft as an approved security integrator), and Google in Norway. Work also commenced to install the information communications technology (ICT) cabling and infrastructure package at a new NTT data centre in Amsterdam, where Microsoft is the customer, and end-to-end security and ICT solutions across five further phases of Digital Realty's Digital Park in Frankfurt.

Additionally, Argus Fire completed the mechanical fire protection installation at the Print & Ink Buildings in London for Landsec while RHI delivered civil works for National Grid at the Didcot national storage facility and civil, structural and engineering works on 10 substations across the National Grid Electricity Transmission estate, as well as essential earthing solutions for SSE and Scottish Power substations.

Hygiene and Landscapes benefited from prior and current year wins, with notable contracts including Community Health Partnerships, Pladis Global and Walgreens Boots Alliance, while in Central Government the loss of a major contract in the prior year resulted in a modest reduction in growth. In Immigration & Justice, HMP Millsike, the UK's first all-electric prison, became operational in April 2025. Following a period of mobilisation, it is expected to reach full capacity to house and rehabilitate c.1,500 Category C inmates in H1 FY27. The sub-division delivered double-digit growth, despite a reduction in scope on the Escorting Services contract.

In August 2025, Mitie further developed its leadership into the fast-growing Facilities Compliance market through the acquisition of Testing, Inspection and Certification specialist, Marlowe. Combined with Mitie's existing fire & security capabilities, the acquisition has created unique 'Total Fire & Security', offering both active and passive fire solutions while enhancing our security systems offering.

In addition, Marlowe's Water & Environmental services, combined with Mitie's Waste business, and water retail license (one of only 19 in the UK) has created a 'Total Managed Water' proposition in a fast-growing market. Demand for water services is underpinned by the step change in UK water infrastructure investment under Asset Management Period (AMP) 8 (2025-2030; £104bn), with further sector investment expected in AMP 9 (2030-2035), alongside tightening regulations and customer sustainability and resilience targets for large water users such as in manufacturing, transport, healthcare and data centres.

Since acquisition in August 2025, the Marlowe integration programme has started well, with early cost synergies of £7m (and at least £30m by FY28, consistent with previous guidance) resulting in operating profit before Other items for Marlowe of £16.5m in the period.

The strong performance in Mitie Spain reflected new contract wins (including AENA in the Canary Islands and Autonomous University of Madrid), scope increases and the contribution from Grupo Visegurity (acquired in the prior year). Mitie Spain leveraged existing Group relationships with Primark and an e-commerce business in the UK to provide Hygiene services in Spain. It also expanded its security offering through the acquisition of the customer portfolio of SPM for up to £4.3m (of which £2.6m was paid in the year), doubling Security revenue in Spain to c.£40m.

Technical Services

Technical Services is the UK's leading provider of engineering Facilities Management services for buildings and critical assets across c.300 contracts, including for the Ministry of Defence (MoD) and in Healthcare, Local Government & Education. The division also delivers Facilities Transformation projects in high-growth areas including buildings infrastructure, decarbonisation technologies, data centres and power & grid connections.

3% Revenue growth

25% Operating profit growth

£8.7bn Total order book

Performance highlights

Technical Services, £m	FY26	FY25 (restated)	Change
Revenue	**2,634**	2,545	3%
Engineering	**1,414**	1,395	1%
Defence	**606**	556	9%
Healthcare, Local Government & Education[1]	**614**	594	3%
Operating profit before Other items	**135.9**	109.1	25%
Operating profit margin before Other items	**5.2%**	4.3%	0.9ppt
Total order book	**£8.7bn**	£9.2bn	(5)%

Revenue split by growth pillar, £m	FY26	FY25	Change
Facilities Management[1]	**1,549**	1,593	(3)%
Facilities Transformation[1]	**1,085**	952	14%
Total divisional revenue	**2,634**	2,545	3%

1. Facilities Management and Facilities Transformation are delivered across Engineering, Defence and Healthcare, Local Government & Education

Performance highlights

- Revenue grew 3% to £2.6bn, reflecting new wins, projects and lifecycle works, partially offset by one notable public sector contract that was lost in the prior year
- Operating profit before Other items grew by 25% to £135.9m, reflecting revenue growth, margin enhancement initiatives and the turnaround of the telecoms infrastructure business, partially offset by additional losses on one loss-making contract which we have now handed back
- Contract wins and extensions/renewals of £2.2bn TCV did not offset £2.6bn of revenue produced in the year, resulting in a 5.4% reduction in the total order book to £8.7bn (FY25: £9.2bn)
- Acquisition of Forest Group added capability in commercial refrigeration engineering maintenance
- New divisional Managing Director appointed, bringing significant industry experience and a clear agenda for technology-led growth, aligned to Mitie's Strategic Plan

Operational performance

Technical Services revenue growth was modest, with project wins in the current and prior year, acquisitions (ESM Power and Forest Group) and lifecycle works being partially offset by a weaker Facilities Management performance due to the loss of one notable public sector contract that was not successfully renewed at the end of FY25. Defence was the fastest growing subdivision in Technical Services, with growth coming largely from an increase in projects work across several large contracts.

Across our key growth pillars, Facilities Transformation performance was driven by data centre capital projects delivered by JCA Engineering and good momentum in Defence and Healthcare, Local Government & Education. The reduction in Facilities Management revenue reflected the contract loss noted above, and lower volumes on the Landmarc contract in Defence.

However, the 25% increase in operating profit before Other items to £135.9m, and 90bps improvement in the operating profit margin before Other items to 5.2% (FY25: 4.3%), largely reflected margin enhancement initiatives and management actions to address challenges in our telecoms infrastructure business, which more than offset the impact of inflation and employer NICs, alongside additional losses of £4.7m for one loss-making maintenance contract which ended in May 2026. The telecoms infrastructure business returned to break even in FY26 (compared to a loss of c.£11m in FY25). Telecoms revenue reduced by 35% to £37m (FY25: £57m), reflecting the planned exit from unprofitable frameworks.

Divisional margin enhancement initiatives focused on streamlining account structures, increasing self-delivery, introducing service ‘bots’ and reducing divisional overheads. Several further AI service ‘bots’ are also being implemented to simplify and standardise processes and unlock further efficiency gains.

The division secured £2.2bn TCV of wins and extensions/renewals. Notable new contract awards during the period included IFM for Aviva, engineering maintenance plus energy consulting for Staffordshire Police and Transport for London, and project work for Willmott Dixon. Notable extensions and renewals included GSK, JLL, Manchester Airport Group, the Home Office and Defence Infrastructure Organisation (RAF Mildenhall).

Within the sub-divisions, growth in Engineering was primarily driven by projects, in particular in data centres. The division completed the mechanical & electrical design and construction of the first of two new data centres for Ark at Longcross Park in Surrey and the second of four planned data centres at the Kao Data campus in Harlow. The third data centre for Kao Data is now under construction and is expected to complete in early 2027. It will deliver twice the capacity of its predecessors, with its design adapted to meet the rapidly evolving demands of AI workloads.

More widely, within power & grid projects, G2 Energy started construction on a £72m contract to design and build the 360MW Staythorpe battery energy storage system, one of the largest in Europe. Connection to the National Grid is expected in 2027 and, once complete, the system will store enough energy to power 95,000 homes for a day, strengthening UK energy resilience and supporting the transition to Net Zero. It was also awarded a contract for a 200MW system for Revera UK Operation at Windyhill in Glasgow.

Mitie has been a trusted partner to the UK Armed Forces for over 30 years, with Defence contracts accounting for c.11% (£606m) of Group revenue. To support a new era of modern, sustainable infrastructure, both domestically and in overseas military locations, we continue to deliver a range of projects work. This included refurbishment works on a critical airfield at RAF Mount Pleasant in the Falkland Islands, the installation and commissioning of a new bulk fuel facility at RAF Akrotiri in Cyprus, and new traditional and modular accommodation alongside kitchen refurbishment works at multiple locations. The good momentum in projects more than offset the reduction in volumes on the Landmarc contract.

In Healthcare, Local Government & Education, the one historically challenging PFI contract acquired with Interserve in 2020 delivered a small profit for the first time (FY25: £0.6m loss), following a series of management actions to improve productivity and reset pricing. Projects and lifecycle work included a new £10m urgent treatment centre at the Cumberland Infirmary in Carlisle; a new emergency department resuscitation building for Dudley Hospital; solar photovoltaic installations at Alder Hey Hospital; and design work for the full refurbishment of a mental health facility at Parkside Lodge (Leeds and York Partnership NHS Foundation Trust), which commenced shortly after the year end.

In November 2025, Mitie acquired Forest Group, a specialist engineering business delivering commercial refrigeration maintenance services, for up to £7m (comprising an initial payment of £4.2m and deferred payments of up to £2.5m over three years, linked to performance). This enables Mitie to self-deliver commercial refrigeration services, including to national high street and food retailers, where Mitie already has a leading presence in Security and Hygiene.

Finally, Sam White joined Mitie as Managing Director, Technical Services, in December 2025. Sam has brought significant industry experience and a clear agenda to accelerate technology-enabled service delivery, standardise processes and drive best-in-class operational performance through sector-led growth across the division. A number of changes to the Technical Services leadership team have also been made, including to appoint a new Sales Director and new Managing Directors of Healthcare and Critical Environments.

"We have had a positive year in FY26, with good momentum heading into the final year of our three year plan. We have delivered double-digit revenue growth, and improved margins despite the investments we have made and headwinds from inflation and the additional NICs. Another year of strong free cash flow generation has underpinned our capital deployment actions, including the strategic acquisition of Marlowe and the share buyback programme."

Simon Kirkpatrick
Chief Financial Officer

Alternative Performance Measures

In addition to presenting statutory measures, the Group presents its results before Other items. Management believes this is useful for users of the financial statements, providing both a balanced view of the financial statements, and relevant information on the Group's financial performance. Accordingly, the Group separately reports the cost of restructuring programmes, acquisition and disposal-related costs (including the amortisation of acquisition-related intangible assets), gains or losses on business disposals, and other exceptional items as 'Other items'.

Financial performance

The reported income statement is set out below:

£m unless otherwise specified	FY26	FY25
Revenue	**5,618.6**	5,082.6
Operating profit before Other items	**264.1**	234.1
Other items	**(112.7)**	(72.5)
Operating profit	**151.4**	161.6
Net finance costs	**(27.7)**	(16.2)
Profit before tax	**123.7**	145.4
Tax	**(33.4)**	(37.0)
Profit after tax	**90.3**	108.4
Less: Profit attributable to non-controlling interest	**(7.7)**	(7.0)
Profit attributable to owners of the parent	**82.6**	101.4
Basic earnings per share before Other items	**13.6p**	12.7p
Basic earnings per share	**6.6p**	8.2p

Revenue

Revenue for FY26 of £5,619m (FY25: £5,083m) has grown by 10.5% (£536m). Of this growth, 5.3% (£271m) was organic, driven by growth in Core FM (+1.0ppts), Projects (+2.5ppts), and pricing (+3.0ppts), offset by the completion of 'surge response' security work in the prior year (-1.2ppts). The remaining 5.2% (£265m) of growth was inorganic.

Organic Core FM growth (of £54m) includes revenue from new accounts such as the Department for Work & Pensions (DWP) (security), HMP Millsike, Metropolitan Police and Community Health Partnerships. This revenue growth is partially offset by the loss of two public sector contracts – one relatively low-margin contract in Technical Services (engineering), and one large, higher-margin contract in Business Services (central government) – as well as a reduction in scope on the Escorting Services contract in immigration & justice, and lower volumes on the Landmarc contract in defence.

Organic Projects growth of £125m in the year was driven by good momentum in the defence sector, and in healthcare, local government & education. Engineering projects in the fast-growing data centre market have also been a significant driver of growth, alongside decarbonisation work, such as the battery energy storage system at Staythorpe, which is one of the largest in Europe, and fire & security projects for customers in a range of sectors including, in particular, data centres. This growth was partially offset by planned exits from unprofitable frameworks as part of the turnaround of our telecoms infrastructure business.

The impact of pricing on revenue in FY26 was £151m (FY25: £121m), which related to both cost inflation (£114m) and the impact of the government's increase to employer National Insurance Contributions (NICs) (£37m). The gross increase in costs from these two inflationary drivers was £121m and £49m respectively, meaning that the recovery rates were 94% and 76%.

The £265m of inorganic growth is primarily driven by the strategic acquisition of Marlowe (£208m in FY26), alongside other smaller infill acquisitions completed during the year (Forest Group and SPM), and the full year contribution of prior year acquisitions (ESM Power, Argus Fire and Grupo Visegurity).

Operating profit

Operating profit before Other items was £264.1m (FY25: £234.1m), an increase of £30.0m compared to FY25 (+12.8%). This improvement was driven by organic Core FM and Projects growth (£12.7m), savings from margin enhancement initiatives (£25.1m), the turnaround of our telecoms infrastructure business (£10.4m), the delivery of early cost synergies from Marlowe (£7.0m), and inorganic growth (£12.2m). These factors were partially offset by the completion of the 'surge response' security work (-£11.7m), investments made to underpin our growth strategy (-£7.1m), and the unrecovered costs associated with inflation and the changes to employer NICs (together -£18.6m) referenced above.

The organic Core FM and Projects profit growth was driven by the revenue growth outlined above, in particular from higher-margin projects works. This growth was partially offset by the completion of the higher-margin public sector (central government) contract referenced above (completed in September 2025). The revenue from this completed contract was replaced by a similarly sized security contract for the same organisation, but at lower margins as a result of mobilisation costs and a smaller element of projects delivery. Core FM and Projects also includes an incremental £4.7m loss on one loss-making maintenance contract, which ended in May 2026 and will not be renewed.

Of the incremental £25.1m of profit from margin enhancement initiatives, the Target Operating Model programme contributed £20.0m through overhead efficiencies, primarily through optimisation of the Group's organisational structure and outsourcing of back office functions, as well as from efficiencies on contracts and operations. Savings on contracts and operations were achieved through focusing on the design and optimisation of our account structures, and increasing the levels of 'self-delivery' to customers by reducing our reliance on third-party contractors. The roll-out of Coupa (our digital supplier platform) was completed during the year, which generated an incremental £5.1m of savings.

The telecoms infrastructure business has been successfully turned around, breaking even in FY26 compared to the loss of £10.7m in FY25, and as we explain above, the Marlowe integration is progressing well, generating £7.0m of cost synergies in FY26.

Marlowe profit (excluding cost synergies) of £9.5m was the key driver of the £12.2m of inorganic profit growth, alongside £2.6m from the infill acquisitions completed during the year (Forest Group and SPM) and in the prior year (ESM Power, Argus Fire and Grupo Visegurity).

The investments of £7.1m have largely focused on enhancing our sales capabilities and investing in technology to help to drive growth in the final year of our strategic plan, and beyond.

Operating profit after Other items was £151.4m (FY25: £161.6m), with the increase in operating profit from the factors outlined above being more than offset by higher Other items costs of £112.7m (FY25: £72.5m), which are explained below.

Corporate overheads

Corporate overheads represent the costs of running the Group and include costs for central functions such as commercial sales and business development, finance, marketing, legal and HR. Corporate overhead costs increased by 6% to £58.9m (FY25: £55.4m), primarily reflecting inflation, higher employer NICs and investments in sales and technology, partially offset by cost savings from margin enhancement initiative programmes.

Other items

£m	FY26	FY25
Target Operating Model	(23.9)	(14.4)
Process Re-Imagination & Optimisation	(1.7)	–
Digital supplier platform	(1.3)	(3.4)
Margin enhancement initiatives cash costs	(26.9)	(17.8)
Target Operating Model non-cash costs	(1.6)	(2.2)
Margin enhancement initiative costs	**(28.5)**	(20.0)
Marlowe acquisition transaction costs	(7.4)	–
Marlowe acquisition integration costs	(14.8)	–
Total Marlowe acquisition cash costs	(22.2)	–
Employment-linked earnout charges	(6.3)	(8.6)
Other acquisition-related costs	(3.8)	(4.9)
Acquisition-related cash costs	(32.3)	(13.5)
Marlowe acquisition integration non-cash costs	(1.1)	–
Amortisation of acquisition-related intangible assets	(41.5)	(29.6)
Acquisition-related costs	**(74.9)**	(43.1)
Pension-related cash costs	(0.1)	(3.0)
Pension-related non-cash costs	(9.2)	(6.4)
Pension-related costs	**(9.3)**	(9.4)
Total Other items	**(112.7)**	(72.5)
of which cash Other items	(59.3)	(34.3)

Cash Other items of £59.3m in FY26 comprised the costs of delivering the Group's margin enhancement initiatives of £26.9m (FY25: £17.8m), acquisition-related costs of £32.3m (FY25: £13.5m), and pension-related costs of £0.1m (FY25: £3.0m). Cash Other items were £25.0m higher than FY25 (£34.3m), due to the Marlowe acquisition, which added £22.2m.

The margin enhancement initiative cash costs of £26.9m (FY25: £17.8m) include the Process Re-Imagination & Optimisation programme, which was launched in FY26 to redefine ways of working, leveraging technology and Artificial Intelligence (AI) to support enhanced customer service and further margin expansion. This will be a major 'step change' for the business, requiring significant investment, including programme costs of c.£20–25m in FY27. The increase in Target Operating Model programme costs in FY26 was driven by £7.0m of costs associated with the Intelligent Process Automation workstream, which has leveraged the Skan AI task mining platform to build process insights and establish the foundation for the Process Re-Imagination & Optimisation programme.

The roll-out of our digital supplier platform (Coupa) was completed in FY26, and therefore no further Other item costs will be incurred. Margin enhancement initiative costs include the implementation teams, related redundancy costs, professional fees and dual running costs incurred to decommission systems.

Acquisition-related cash costs included transaction costs of £7.4m incurred to complete the Marlowe acquisition (FY25: £nil), and integration costs of £14.8m (FY25: £nil) to support the activities required to deliver the identified synergy savings over the next two years. Integration costs include integration team costs, redundancy expenses, and property exit costs. In addition, employment linked earnout charges of £6.3m were incurred in FY26 (FY25: £8.6m), which are cash in nature and will be payable to former owners of acquired businesses if post-acquisition performance targets are achieved and employment conditions are satisfied.

Other acquisition-related cash costs of £3.8m (FY25: £4.9m) primarily comprise transaction costs relating to infill acquisitions of £1.7m (FY25: £3.6m) and integration costs associated with the prior year acquisition of Argus Fire of £0.7m (FY25: £nil).

Non-cash Other items of £53.4m (FY25: £38.2m) primarily relate to £41.5m (FY25: £29.6m) of amortisation of acquisition-related intangible assets, with the increased charge resulting from the acquisition of Marlowe during FY26. The remaining non-cash costs comprise pension-related costs of £9.2m (FY25: £6.4m), which are further explained in Note 4 to the consolidated financial statements, Target Operating Model costs of £1.6m (FY25: £2.2m) related to the impairment of right-of-use assets of £1.3m (FY25: £nil) and to the write-off of software that became redundant of £0.3m (FY25: £2.2m), and Marlowe acquisition integration costs of £1.1m (FY25: £nil) related to the accelerated amortisation of intangible assets and impairment of right-of-use assets relating to certain Marlowe properties.

Net finance costs

Net finance costs increased to £27.7m in FY26 (FY25: £16.2m), primarily driven by debt financing associated with the Marlowe acquisition, which is explained below in the Liquidity and covenants section. The interest charge on leases increased by £1.5m, mainly due to the additional lease liabilities acquired with Marlowe during the year, and higher rates of interest.

Tax

The tax charge for the year was £33.4m (FY25: £37.0m), comprising a tax charge on profit before Other items of £58.0m (FY25: £51.6m) and a tax credit for Other items of £24.6m (FY25: £14.6m).

The effective tax rate (ETR) on profit before Other items of 24.5% (FY25: 23.7%) is slightly lower than the UK statutory rate of 25%, primarily due to the impact of lower tax rates on overseas profits.

After Other items, the tax charge for the period equated to an ETR of 27.0% (FY25: 25.4%), which is higher than the standard corporation tax rate of 25% due to certain Other items costs, primarily related to acquisitions, not being deductible for tax purposes.

Mitie is a significant contributor of revenues to the UK Exchequer, paying £1.3bn of taxes in the year (FY25: £1.1bn). Of this total, £286m (FY25: £201m) relates to taxes borne by Mitie (principally UK corporation tax and employer NICs) and £999m (FY25: £902m) relates to taxes collected by Mitie on behalf of the UK Exchequer (principally VAT, income tax under Pay-As-You-Earn (PAYE) and employee NICs).

The Group paid corporation tax of £18.1m in the year (FY25: £11.0m), of which £12.5m (FY25: £6.4m) was paid in the UK, and £5.6m (FY25: £4.6m) overseas. The corporation tax paid in the UK is lower than the corporation tax charge for the year due to the utilisation of deferred tax assets related to losses.

Earnings per share

Basic earnings per share before Other items increased by 7.1% to 13.6p (FY25: 12.7p). This improvement was a result of the increase in operating profit before Other items in the year (+1.8p), partially offset by an increase in net finance charges (-0.7p) and an increase in the ETR (-0.2p).

The impact of the dilution related to the shares issued associated with the acquisition of Marlowe (-0.6p) has been fully offset by the reduction in the weighted average number of shares from the share buyback programme (+0.6p).

Basic earnings per share reduced to 6.6p (FY25: 8.2p), with the improvement from the factors outlined above being more than offset by the increase in Other items (explained above), mainly relating to the Marlowe acquisition.

Return on invested capital (ROIC)

£m unless otherwise specified	FY26	FY25
Operating profit before Other items	264.1	234.1
Tax[1]	(64.7)	(55.5)
Operating profit before Other items after tax	199.4	178.6
Invested capital	1,100.1	730.2
ROIC %	**18.1%**	24.5%

1. Tax charge has been calculated on operating profit before Other items using the ETR for the year of 24.5% (FY25: 23.7%)

ROIC for FY26 decreased by 6.4ppts to 18.1% (FY25: 24.5%), primarily driven by the temporary impact of the Marlowe acquisition (-9.0ppt), which added £414m of invested capital. The increase to invested capital is higher than the consideration paid/net assets acquired of £351.5m due to the requirement to exclude certain liabilities – including deferred tax related to the acquired intangible assets – from invested capital. ROIC is adversely impacted by in-year acquisitions because invested capital is increased by the full balance sheet value, whereas operating profit only benefits by a part-year contribution. ROIC is expected to improve significantly in FY27, once a full 12 months of profit is included for Marlowe, and as further planned synergy savings are realised.

Balance sheet

£m	FY26	FY25
Goodwill and intangible assets	1,019.0	664.5
Property, plant and equipment	262.7	246.9
Working capital balances	(175.9)	(202.9)
Provisions	(89.9)	(84.1)
Net debt	(450.2)	(199.0)
Net retirement benefit assets	15.4	13.9
Deferred tax liabilities	(51.0)	(17.9)
Other net assets	2.4	6.6
Net assets	**532.5**	428.0

As at 31 March 2026 the Group's reported net assets were £532.5m, an increase of £104.5m since 31 March 2025. This increase is primarily driven by the acquisition of Marlowe, including £223.8m of provisional goodwill and £146.5m of acquired intangible assets, partially offset by the increase in net debt related to the cash consideration for the acquisition of £228.2m. The net £123.3m increase in net assets from the Marlowe acquisition resulted from the shares issued as part of the total consideration (86.6m shares at £1.42).

The other elements of the overall increase in net debt of £251.2m are explained further below (in the Cash flow and net debt section).

Goodwill and intangible assets

As noted above, the increase of £354.5m is primarily driven by £223.8m of provisional goodwill and £146.5m of acquired intangible assets related to the Marlowe acquisition that was completed during the year. The remaining movement is driven by the amortisation of intangible assets (-£51.2m), partially offset by the goodwill and intangible assets arising from other current and prior year acquisitions (£24.8m), software acquired with Marlowe (£2.9m), and the capitalisation of software development costs (£7.7m).

Property, plant and equipment

The increase of £15.8m is primarily due to the increase in owned property, plant and equipment assets, reflecting mobilisation investments on new contracts, plus £8.8m of owned assets arising from in-year acquisitions, primarily related to the Marlowe acquisition. Our property and vehicle fleet lease portfolio has remained broadly unchanged, as increases from additions (£38.1m, primarily related to the continued transition of our leased fleet to electric vehicles) and right-of-use assets acquired during the year (£27.2m, primarily related to the Marlowe acquisition) were largely offset by depreciation (-£67.9m).

Provisions

At 31 March 2026, provisions totalled £89.9m (FY25: £84.1m), which largely comprised contract-specific costs of £26.5m (FY25: £33.0m), insurance reserve of £30.4m (FY25: £27.3m) and dilapidation provisions of £16.3m (FY25: £10.4m). The net increase in provisions during the year of £5.8m included the acquisition of Marlowe, which added £11.2m, primarily related to insurance reserves and dilapidation provisions. The reduction in contract-specific provisions was a result of commercial settlements with customers that led to utilisation of the related provisions. See Note 18 to the consolidated financial statements for further details on provisions.

Retirement benefit schemes

At 31 March 2026, the Group's net retirement benefit assets on an IAS 19 basis were £15.4m (FY25: £13.9m net assets). The net improvement of £1.5m was driven by favourable movements in financial assumptions, which resulted in an increase in the surplus on the main Group scheme to £18.2m (FY25: £14.4m surplus).

The scheme actuary provides quarterly funding updates on the main Group scheme. During FY26, the funding position had materially improved, through a combination of deficit repair contributions and investment returns, to an actuarial surplus (compared to a deficit of £19.4m in the 2023 triennial valuation). As a result, after paying £3.2m of deficit repair contributions in H1 FY26, further deficit repair contributions have ceased and the Group is now working with the trustee to purchase a 'buy-in' policy with an insurer to cover scheme liabilities.

As previously reported, the Group reached a settlement agreement with the trustees of the multi-employer defined benefit Plumbing & Mechanical Services (UK) Industry Pension Scheme relating to certain Section 75 liabilities. The settlement extinguishes any future liabilities relating to this scheme. The total £24.5m liability is being settled over a three-year period in equal monthly payments (which commenced in H2 FY25), of which £11.9m remained at 31 March 2026.

In January 2026, the Group completed the buyout of the Landmarc scheme and received a £1.6m refund relating to the scheme surplus. The scheme is now in the process of being wound up, and there were no associated assets or liabilities on the Group's balance sheet at 31 March 2026.

Deferred tax

The net deferred tax liability was £51.0m at 31 March 2026, which increased by £33.1m compared with the liability at 31 March 2025, primarily as a result of net deferred tax liabilities related to the intangible assets acquired with Marlowe, and the utilisation of tax losses which reduced deferred tax assets.

Cash flow and net debt

£m	FY26	FY25
Operating profit before Other items	**264.1**	234.1
Add back: depreciation, amortisation and impairment	**95.9**	76.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**360.0**	310.9
Other items	**(59.3)**	(34.3)
Other operating movements	**24.0**	9.0
Operating cash flows before movements in working capital	**324.7**	285.6
Working capital movements[1]	**(35.7)**	(37.0)
Capex, capital element of lease payments and other	**(85.6)**	(80.1)
Net interest payments	**(23.2)**	(14.7)
Tax payments	**(18.1)**	(11.0)
Free cash inflow	**162.1**	142.8
Share buybacks[2]	**(58.6)**	(100.0)
Purchase of own shares into trusts	**(29.1)**	(14.6)
Acquisitions[3]	**(264.6)**	(57.3)
Dividends paid	**(61.9)**	(64.6)
Lease liabilities and other	**0.9**	(24.5)
Increase in net debt during the period	**(251.2)**	(118.2)
Closing net (debt)	**(450.2)**	(199.0)
Average daily net (debt)	**(440.2)**	(264.0)
Leverage[4] (average daily net debt/EBITDA)	**1.2x**	0.8x

1. Adjusted to exclude movements in restricted cash and other adjustments which do not form part of net debt (as explained in the Alternative Performance Measures Appendix to the consolidated financial statements)
2. Share buybacks are presented net of the proceeds received from the exercise of Save-As-You-Earn (SAYE) schemes of £4.3m in FY26 (FY25: £4.7m)
3. Acquisitions includes acquisition costs and employment-linked earnout payments, the related charges for which are reported within Other items
4. Leverage uses post-IFRS 16 net debt

Operating cash flows before movements in working capital improved by £39.1m to £324.7m (FY25: £285.6m), driven by the good trading performance reflected in the increased EBITDA. Cash Other items are higher in FY26 due to the Marlowe acquisition, as explained above. Other operating movements were £24.0m for FY26 (FY25: £9.0m), primarily related to the add back of non-cash share-based payment charges of £22.9m (FY25: £15.5m).

The Group generated a free cash inflow of £162.1m for FY26, with the strong trading performance partially offset by cash outflows from working capital movements, together with capex, lease payments, interest and tax payments.

The cash outflow from working capital in FY26 of £35.7m was similar to the prior year (FY25: £37.0m), related to investments required to support our growing projects business, together with longer payment terms on certain contracts (particularly in the retail sector) and the one-off negative impact of £8.0m arising from the Procurement Act 2023 that came into effect in February 2025, requiring faster payments to all subcontractors and suppliers on Government Framework Contracts. These headwinds were partially offset by the ongoing working capital process improvements.

Capex, capital element of lease payments and other increased by £5.5m compared to FY25. Capex increased by £8.4m in FY26, primarily related to the mobilisation of the DWP security contract. Capital lease repayments increased by £11.4m, due to the continued transition of our leased fleet to electric vehicles, as well as the expansion of the fleet through acquisitions (including Marlowe) and new contracts, both in the UK and overseas. This was partly offset by the reclassification of certain Other items cash payments that are not reported within free cash flow, and are instead reported within Acquisitions (below free cash flow), comprising employment-linked earnout payments and acquisition transaction costs. These reclassified payments increased by £14.3m in FY26, primarily related to the Marlowe acquisition.

Net interest payments increased by £8.5m due to the higher levels of net debt associated with the acquisition of Marlowe, and our share buyback programme. Tax payments increased by £7.1m, driven by a combination of higher taxable profit in FY26 and tax refunds in FY25.

Net debt movements associated with acquisitions totalled £264.6m, largely relating to the strategic acquisition of Marlowe, which included net cash consideration of £219.4m (after offsetting net cash acquired of £8.8m) and debt acquired of £35.3m (including lease liabilities). Acquisitions also included employment-linked earnout payments of £13.0m related to prior period acquisitions, payments related to acquisition costs of £8.3m, mainly for Marlowe, and the net consideration of £14.9m for the acquisitions of SPM (£2.6m), Forest Group (£4.2m), El-Team Vest (£7.6m) and ABC Elektro (£0.5m).

During FY26, we purchased 38m shares for £62.9m through our share buyback programme, comprising 36m shares (£60.0m) under our current programme (£100m over 12 months), and 2m shares (£2.9m) under our previous programme, which was paused to accommodate the Marlowe acquisition. Of these shares, we retained 5m shares in treasury to fulfil our 2022 Save-As-You-Earn (SAYE) scheme (which vested in February 2026), and cancelled all shares purchased in excess of this. The £62.9m of purchases are presented net of the proceeds received from the exercise of SAYE schemes of £4.3m in FY26 (FY25: £4.7m). A further 21m shares (£29.1m) were purchased into employee trusts to satisfy share incentive schemes.

Dividend payments of £61.9m in FY26 comprised the FY25 final dividend of £36.6m, the FY26 interim dividend of £18.1m, together with dividends paid to the Landmarc minority shareholder of £7.2m. The recommended final FY26 dividend of 3.1p will result in a 5% increase in the total dividend per share to 4.5p for FY26 (FY25: 4.3p), representing a payout ratio of 33% (FY25: 34%).

The net movement in lease liabilities and other for FY26 was a relatively small decrease of £0.9m (FY25: net increase of £24.5m), with the net impact of new leases of £38.1m (FY25: £78.6m) and lease liabilities acquired in the year (£27.2m), mainly with Marlowe, largely offset by capital lease repayments (£67.5m). Given the significant progress we have made in previous years on the transition of our leased fleet to electric vehicles (including £79.6m of new leases in FY25), the impact has reduced in FY26 now that the core fleet has largely been converted.

Net debt

Average daily net debt of £440.2m for FY26 was £176.2m higher than in FY25 (£264.0m), contributing to a leverage ratio (average daily net debt/ EBITDA) of 1.2x for FY26, within our target range of 0.75x–1.5x (FY25: 0.8x). Closing net debt at 31 March 2026 of £450.2m was £251.2m higher than at 31 March 2025 (£199.0m).

As noted above, the increase in net debt during FY26 was driven by capital deployment actions totalling £414.2m, including the strategic acquisition of Marlowe, partially offset by the free cash inflow generated during the year of £162.1m.

Liquidity and covenants

As at 31 March 2026, the Group had £610m of committed funding arrangements, comprising £360m of US Private Placement (USPP) notes with maturities ranging from 2028 to 2034 at a weighted average interest rate of 4.65%, and a £250m Revolving Credit Facility (RCF) maturing in October 2028.

A short-term bridge facility of £240m was put in place in June 2025, and fully drawn, to facilitate the acquisition of Marlowe in August 2025. On 13 October 2025, £60m of this facility was repaid from Mitie's existing balance sheet capacity, and the balance was refinanced by the issuance of £180m of USPP notes on 12 November 2025. The new USPP notes have maturities of between three and seven years, and a weighted average interest rate fixed at 5.44%.

On 18 July 2025, Morningstar DBRS confirmed that Mitie's BBB investment grade credit rating remains unchanged.

Mitie's two key covenant ratios are leverage (ratio of consolidated total net borrowings to adjusted consolidated EBITDA) and interest cover (ratio of consolidated EBITDA to consolidated net finance costs), with a maximum of 3.0x and minimum of 4.0x respectively. Covenant ratios are measured on a post-IFRS 16 basis with appropriate adjustments for leases, being primarily the exclusion of lease liabilities from net debt and the inclusion of a charge equivalent to lease payments against EBITDA. At 31 March 2026, the Group was operating well within these ratios at 0.82x covenant leverage and 17.8x interest cover. A reconciliation of the calculations is set out in the table below:

£m		FY26	FY25
Operating profit before Other items		**264.1**	234.1
Add: depreciation, amortisation and impairment		**95.9**	76.8
Headline EBITDA		**360.0**	310.9
Add: covenant adjustments[1]		**24.6**	23.8
Leases adjustment[2]		**(78.1)**	(64.1)
Consolidated EBITDA	(a)	**306.5**	270.6
Full-year effect of acquisitions and disposals		**8.0**	3.5
Adjusted consolidated EBITDA	(b)	**314.5**	274.1
Net finance costs		**27.7**	16.2
Less: covenant adjustments		**(0.3)**	(0.5)
Leases adjustment[3]		**(10.2)**	(8.7)
Consolidated net finance costs	(c)	**17.2**	7.0
Interest cover (ratio of (a) to (c))		**17.8x**	38.7x
Net debt		**450.2**	199.0
Covenant adjustment[4]		**–**	5.7
Impact of hedge accounting and upfront fees		**2.1**	2.4
Leases adjustment[5]		**(195.5)**	(197.5)
Consolidated total net debt	(d)	**256.8**	9.6
Covenant leverage (ratio of (d) to (b))		**0.82x**	0.04x

1. Covenant adjustments to EBITDA relate to share-based payments charges, and pension administration expenses and past service costs
2. Leases adjustment for EBITDA relates to depreciation charge for leased assets and interest charge for lease liabilities (i.e. application of a charge equivalent to lease payments)
3. Leases adjustment for net finance costs relates to interest charge for lease liabilities (i.e. removal of interest on lease liabilities)
4. Covenant adjustment for net debt relates to cash held in a bank in Cyprus
5. Leases adjustment for net cash relates to lease liabilities (i.e. removal of lease liabilities)

Better Places; Thriving Communities

Introduction

Our 84,000 colleagues work across the UK to deliver high-impact, technology-enabled services that help transform the estates of a diverse range of public and private sector customers, improving experiences and outcomes for millions of people every day.

Sustainability and social value remain central to how we operate and to the way decisions are taken across the business. They form part of our resilient business model, guiding how we prioritise investment, manage risk and deliver services, while supporting the transition to a low-carbon economy and embedding resource efficiency across our activities.

We hold ourselves, and our supply chain, to high standards of integrity and responsible conduct through our Sustainability and Social Value Supplier Charter, policies and One Code, our code of conduct. These frameworks provide a clear basis for expectations and behaviour and are supported by management oversight and operational monitoring across the Group.

We seek to empower our people through employment, skills development and inclusive opportunities, and to contribute to economic and social progress in the local areas in which we operate. Our approach focuses on enabling consistent outcomes in practice, supported by leadership, capability and delivery across the organisation.

"At Mitie, sustainability and social value are central to how we create Better Places; Thriving Communities. Our approach combines climate leadership, responsible business practice and inclusive growth, ensuring we reduce our environmental impact, strengthen resilience and accelerate progress towards our Net Zero and social value commitments.

Through Plan Zero and Plan Thrive: Better Places; Thriving Communities, Mitie's environmental and social sustainability programmes, we support our colleagues, customers and communities by advancing decarbonisation, enhancing resource efficiency, promoting social mobility and upholding the highest standards of ethics and governance. Enabled by technology, data and our Climate Transition Plan, we empower our customers to deliver their own sustainability ambitions while contributing to wider environmental and societal outcomes.

Together, we are building a more sustainable, inclusive and future-ready business that delivers lasting benefits for our planet, our people and the communities we serve".

Jason Roberts
Group Director, Sustainability

Contents

* European Sustainability Reporting Standards

Our social value framework

In FY25, we launched Mitie's new Company purpose, Plan Thrive: 'Better Places; Thriving Communities', uniting everyone at Mitie, from the Board to frontline colleagues, around a shared commitment to help shape the communities where we live and work. Since launch, our purpose has become embedded across Mitie, connecting our 84,000 colleagues, leaders and partners behind a shared ambition to improve the places where we live, work and serve.

'Better Places: Thriving Communities' also underpins a refreshed Environment, Social and Governance (ESG) strategy that delivers long-term value for people, communities and the planet. Building on our success with Plan Zero, which drives environmental resilience, we launched Plan Thrive in July 2025 to deepen our social impact across equity, wellbeing and community outcomes.

Our strategy encompasses four pillars, supported by pledges and commitments, and is aligned to the United Nations Sustainability Development Goals (UN SDGs):

Environment
Delivered through Plan Zero

Our pledges

Net Zero by 2025 for Scope 1 and 2

50% reduction in Scope 3 emissions by 2030

13 Climate action; 6 Clean water and sanitation; 7 Affordable and clean energy; 15 Life on land

People & Community
Delivered through Plan Thrive

Our pledges

Uplift one million lives: through job creation, skills development, inclusive practices and wellbeing

Enable 1,000 places to prosper: delivering social value in the places we work to strengthen community engagement

11 Sustainable cities and communities; 1 No poverty; 3 Good health and well-being; 8 Decent work and economic growth; 12 Responsible consumption and production; 8 Decent work and economic growth; 11 Sustainable cities and communities; 13 Climate action

Partnerships & Supply Chain

Our pledge

Champion partnerships and invest in our supply chain

8 Decent work and economic growth; 4 Quality education; 5 Gender equality; 10 Reduced inequalities

Innovation & Governance
Measure and report transparently

9 Industry, innovation and infrastructure; 8 Decent work and economic growth; 12 Responsible consumption and production; 13 Climate action

Over the past year, we have advanced delivery against Plan Thrive and Plan Zero through expanded inclusive employment pathways, increased volunteering and community investment, and strengthened responsible sourcing via enhanced supplier ESG assessment and the adoption of more circular and resource-efficient approaches across our operations.

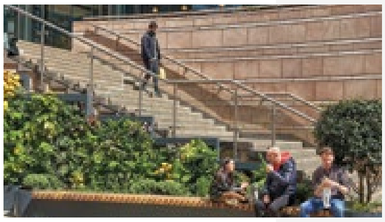
These activities represent inputs and delivery mechanisms. Progress is assessed through a combination of performance data, management review and governance oversight, to test whether intended outcomes are being realised in practice.

Plan Thrive and Plan Zero now operate in parallel, providing a shared strategic framework for environmental action and social impact. They are designed to support consistent decision-making and delivery across the business, rather than to function as stand-alone indicators of success. Together, they underpin our longer-term transition towards a more inclusive, resilient and sustainable business.

Find out more about Mitie and our commitment to ESG in our 2026 ESG report.

Environment

Mitie's environmental strategy is driven by our Plan Zero initiative, which aims to eliminate carbon emissions, reduce waste and enhance biodiversity. Our efforts include fleet electrification, renewable energy procurement and circular economy practices.



People

Our people strategy focuses on creating a Great Place to Work, investing in skills, promoting diversity and inclusion, and supporting wellbeing. Through initiatives like colleague development and inclusive hiring, we uplift lives and foster equitable opportunities.

Community

Through Plan Thrive, Mitie commits to enabling 1,000 places to prosper and uplifting one million lives. Our community engagement includes volunteering, local partnerships and targeted social value delivery across contracts.

Partnerships & Responsible Supply Chain

Mitie's supply chain is trained in social value principles and engaged in creating positive impacts. We focus on ethical sourcing, supplier diversity and automation to enhance transparency and sustainability.

Innovation & Governance – cross-cutting SDG alignment

Innovation and governance are central to Mitie's ESG strategy, supporting climate action, equity, efficiency and ethical leadership. Governance ensures transparency, ethical conduct and ESG integration in decision-making. Senior oversight, strong risk management and inclusive stakeholder engagement underpin our approach, supported by robust environmental systems and public reporting.

Our industry-leading approach

We are leaders in sustainability, with Plan Zero providing the framework for service delivery rather than an end-state in itself. With Scope 1 and Scope 2 emissions reduction targets delivered to 2025, our strategy now focuses on progress toward Net Zero 2035, particularly Scope 3 emissions, where outcomes are dependent on supplier engagement, data maturity and operational change beyond Mitie's direct control.

During FY26, we strengthened carbon and energy data quality and expanded our electric vehicle (EV) transition, operating one of the UK's largest electric fleets. These improvements enhance decision-making and delivery capability, rather than being stand-alone indicators of impact.

For the third consecutive year, we achieved CDP Climate A List status, overall winner and Platinum status in the Sustainable Facilities Management Index, and improved our EcoVadis rating to 80–validating the strength of our disclosures, targets and governance, while recognising these are not substitutes for real-world progress.

The ESG Committee focuses on prioritisation, trade-off management and delivery oversight, using performance data as a management signal to take direct action and intervene where progress is uneven.

Our strategic ESG targets

In this report, we build on five years of social value commitments and performance. We also expand our framework with new long-term strategic targets for FY26-FY31 that reflect our performance to date, following significant growth, and set out bold ambitions for the future.

Our decarbonisation work has continued to accelerate as we transition more of our fleet to EVs. Following the Marlowe acquisition in August 2025, we added 1,900 fossil fuel vehicles to our UK fleet, and we are now re-baselining our environmental metrics to reflect this expanded operational footprint. Despite a significant increase in fleet size, we continue to make strong progress towards our long-term electrification and decarbonisation ambitions under Plan Zero.

We made further progress on inclusion in FY26, with 18% of racially diverse people in leadership, moving closer to our 20% target. Women in leadership of 32% fell short of our 40% target. We are focused on strengthening the pipeline of female talent within Mitie through targeted development programmes, the introduction of diversity targets for middle management roles and enhanced succession planning. Engagement scores for females are consistent with that of male colleagues.

Our new strategic targets

Our new strategic ESG targets for FY26-FY31 reflect our most material impacts, risks and opportunities. These Group-level commitments incorporate the Marlowe acquisition and have been extended to FY31 to enable full reporting against our interim 2030 50% carbon reduction target, the re-baselining and rationale for which are set out in E1-4. They are supported by a broader suite of operational targets and performance indicators, which are disclosed in full within our ESG report to maintain transparency while preserving strategic clarity.

	Target FY26	Actual FY26	Status in FY26	FY27	FY28	FY29	FY30	FY31
Environment								
Scope 1, 2 & 3 – Intensity tCO_2/£m revenue[1]	56.94	54.76		49.23	43.01	35.89	28.30	21.48
% recycling rate	65%	66%		70%	75%	80%	85%	85%
Total waste generated (tonnes)	400	395		370	340	310	280	250
Nature-positive habitats[2]	8%	8%		14%	22%	26%	30%	33%
People								
% of women in leadership[3]	40%	32%		40%	40%	40%	40%	40%
% of racially diverse colleagues in leadership[3]	20%	18%		20%	20%	20%	20%	20%
Investment in apprentices[4]	£5.5m	£7.5m		£5.7m	£6.0m	£6.3m	£6.5m	£6.7m
Community								
Volunteer paid hours	25,000	35,706		28,000	32,000	37,000	42,000	45,000
% supported hires from an underrepresented background[5]	2.0%	1.3%		2.5%	3.0%	3.5%	4.0%	4.5%
Partnerships & Responsible Supply Chain								
Spend with VCSEs	£2.50m	£3.19m		£2.75m	£3.00m	£3.25m	£3.50m	£3.75m
% of spend with SMEs[6]	45%	45%		45%	45%	45%	45%	45%
% of spend on Supplier Management Framework	60%	60%		70%	80%	90%	90%	90%

1. Mitie has adopted an emissions-intensity target calibrated to support delivery of the 2030 absolute reduction milestone while enabling consistent year-on-year performance assessment. Mitie's climate targets are expressed on a gross emissions basis.
2. Increase in nature-positive habitats across Mitie hub sites, measured as a percentage improvement against the FY26 baseline.
3. Targets apply to the senior leadership team, which includes the Executive Committee and Management Leadership Team, consistent with prior reporting definitions.
4. Investment in apprenticeships across Mitie's own workforce, including the use of apprenticeship levy funds and levy gifting to support supply-chain and community partners.
5. Percentage of eligible roles filled through recruitment and in-work support delivered via Mitie Foundation programmes and associated social value initiatives.
6. Commitment to maintain public sector spend with small and medium-sized enterprises (SMEs) at or above 33%, in line with government procurement expectations.

Environment targets – basis and definitions

All environmental targets and metrics are reported on a Group-wide basis, incorporating the Marlowe acquisition and aligned to Mitie's financial control boundary. Greenhouse gas (GHG) emissions are calculated in accordance with the GHG Protocol and reported as Scope 1, Scope 2 and material Scope 3 emissions. (Purchased goods and services; fuel and energy-related activities; upstream transportation and distribution; waste; water; business travel; employee commuting and working from home).

Mitie's primary climate mitigation target is expressed as Scope 1, 2 and 3 emissions intensity (tCO_2e per £m revenue), which normalises emissions performance for changes in business scale, activity levels and acquisitions. Absolute Scope 1, 2 and 3 emissions are disclosed annually in line with ESRS E1-6 and are used to evidence progress against the intensity pathway, but are not set as stand-alone strategic targets for FY26-FY31.

Scope-specific intensity metrics are monitored internally and disclosed in the ESG report as supporting operational measures. Targets are set for FY26-FY31 to enable full reporting against Mitie's interim 2030 ambition to reduce emissions by 50%. Emissions data is prepared using UK Government GHG conversion factors and subject to internal controls and external assurance.

ESRS 2 General Disclosures

Basis for preparation

BP-1: General basis for preparation of Mitie's sustainability statement

This sustainability statement has been prepared as part of Mitie Group plc's ('Mitie') Annual Report and Accounts and applies to the same reporting entity and consolidated group as Mitie Group plc's financial statements for the year ended 31 March 2026, unless otherwise stated. It provides an overview of how Mitie manages its most material environmental, social and governance (ESG) impacts, risks and opportunities, and of progress made against the Group's sustainability strategy and targets.

The sustainability statement has been prepared on a voluntary basis, aligned to the structure and principles of the European Sustainability Reporting Standards (ESRS). While Mitie is not currently required to report under the Corporate Sustainability Reporting Directive (CSRD), the Group has chosen to align to the ESRS architecture to enhance transparency, consistency and comparability of its sustainability disclosures and to support future regulatory readiness.

Mitie undertook a double materiality assessment (DMA), initially completed in FY24 and reviewed during FY26 to reflect organisational growth, the acquisition of Marlowe and evolving regulatory expectations. This assessment identified ESRS E1 (Climate Change), ESRS S1 (Own Workforce) and ESRS G1 (Business Conduct) as Mitie's most material sustainability matters for the reporting period. Accordingly, disclosures within this sustainability statement focus on these topics. Other ESRS topical standards were assessed and determined not to be material for FY26 and have therefore not been disclosed.

In interpreting this sustainability statement, it is important to note that disclosures relating to policies, frameworks, targets or governance structures should be considered as indicators of intent, direction and management approach, rather than as stand-alone evidence of performance or outcomes. The effectiveness of sustainability actions is dependent on implementation, leadership, operational capability and sustained delivery over time, and should be read in that context.

Where relevant, sustainability-related risks and opportunities described in this sustainability statement are considered alongside Mitie's financial planning and risk management processes. Potential financial effects may manifest through operating costs (including energy, fleet and procurement), capital expenditure associated with transition actions, contract pricing and asset management decisions. Quantitative impacts are not separately disclosed where they cannot yet be reliably measured; however, such effects are considered within the Group's broader financial and risk management processes.

The sustainability statement has been prepared using data and assumptions that are consistent, where appropriate, with those used in the Group's financial statements and apply the same financial control boundary. GHGs and other environmental metrics are calculated in accordance with the GHG Protocol and relevant UK Government conversion factors.

For FY26, external assurance has been obtained over selected environmental metrics, including Scope 1 and Scope 2 greenhouse gas emissions (reasonable assurance) and Scope 3 greenhouse gas emissions (limited assurance). The GHG report has been prepared in accordance with ISO14064-1 and has been verified in accordance with ISO16064-3. The sustainability statement as a whole has not been subject to assurance. Mitie continues to strengthen its governance, internal controls and documentation over sustainability reporting in preparation for future statement-level assurance requirements.

EU Taxonomy disclosures under Article 8 of the EU Taxonomy Regulation (including Taxonomy-eligible or Taxonomy-aligned turnover, capital expenditure and operating expenditure) have not been included within this sustainability statement. These disclosures are not mandatory for Mitie at this stage and have therefore been treated as out of scope for FY26. Mitie will continue to monitor regulatory developments and reporting expectations in relation to the EU Taxonomy as part of its broader sustainability reporting roadmap.

Digital tagging in accordance with the ESRS XBRL taxonomy has not been applied for FY26, as it is not required for voluntary ESRS-aligned reporting. Mitie will implement digital tagging alongside future mandatory sustainability reporting requirements as applicable.

In developing this sustainability statement, Mitie has considered industry-based sustainability metrics commonly applied to the facilities management and support services sector. Where relevant, metrics aligned to Mitie's business model are incorporated within existing disclosures; other industry metrics were assessed and determined not to be decision-useful or proportionate for FY26.

Climate-related disclosure for TCFD

Compliance statement

Under the Financial Conduct Authority's Listing Rules, our reporting is compliant with the four Task Force on Climate-related Financial Disclosures (TCFD) recommendations and 11 recommended disclosures, as set out in Figure 4 of Section C of the TCFD report 'Recommendations of the Task Force on Climate-related Financial Disclosures'. Mitie has maintained alignment with the TCFD requirements during the transition to global baseline reporting. Where appropriate, our disclosures incorporate elements of the International Sustainability Standards Board (ISSB) IFRS S1 and S2, in line with the harmonisation permitted under the ESRS Omnibus revisions. All information presented within our sustainability statement has been assessed as material through our DMA and reflects the latest available data, governance processes and assurance boundaries.

Compliance summary

TCFD recommendation	Recommended disclosures	Compliance position FY24	Compliance position FY25	Compliance position FY26	Page reference
Governance Disclose the organisation's governance around climate-related risks and opportunities.	A. Describe the Board's oversight of climate-related risks and opportunities.	●	●	●	58 to 60
	B. Describe management's role in assessing and managing climate-related risks and opportunities.	●	●	●	58 to 60
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	A. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	●	●	●	65 to 66
	B. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	●	●	●	62 to 63
	C. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	●	●	●	64 to 66
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	A. Describe the organisation's processes for identifying and assessing climate-related risks.	●	●	●	63
	B. Describe the organisation's processes for managing climate-related risks.	●	●	●	64
	C. Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	●	●	●	64 to 66
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	A. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	●	●	●	67
	B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and related risks.	●	●	●	70 to 74
	C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	●	●	●	68

- Disclosure consistent with the recommended disclosure.
- Disclosure consistent with the recommended disclosure, further improvement opportunities planned.
- Disclosure not consistent with the recommended disclosure.

Continual improvement – FY26 progress

In last year's report, we identified further opportunities to strengthen our climate-related disclosures and risk management. The table below outlines the actions undertaken during FY26 to support continual improvement.

Action required:	Update:
Deepen assessment of climate-related transitional risks	In FY26, we engaged with our insurance broker and risk advisor, Marsh, to undertake a transitional risk review, providing insight into how evolving regulation, carbon pricing and market dynamics could affect the Group's strategy, operations and supply chain. Outputs will inform enhanced scenario analysis and climate risk indicators for FY27.
Strengthen integration of climate risk within the Enterprise Risk Management (ERM) framework	Insights from the Marsh review were incorporated into the FY26 risk maturity assessment. This will guide the refinement of climate-related key risk indicators (KRIs) and mitigation actions within the FY27 ERM cycle.
Enhance climate-related reporting readiness ahead of CSRD/ ISSB alignment	The transitional risk work has helped prioritise improvements to climate-related data quality, narrative transparency and forward-looking scenario coverage for FY27 disclosures.
Improve supplier-level emissions visibility to support Scope 3 maturity	Priority suppliers were engaged to strengthen data inputs for Scope 3 estimation and to encourage adoption of science-based targets, supporting development of a more accurate value chain emissions profile.

Our climate-related journey to date

Summary of Phase One of Mitie's Plan Zero initiative

Phase One of our Plan Zero initiative represents a major milestone in Mitie's decarbonisation journey, demonstrating tangible progress in delivering our ambition to operate at Net Zero for Scope 1 and 2 direct operational emissions by the end of 2025. Since launching the programme in 2020, we have focused on large-scale, real-world emission reductions, most notably the rapid transition of our extensive fleet to electric vehicles (EVs) and the removal of fossil fuel use across our estate.

At 31 March 2026, 76% of our fleet had transitioned to EVs, with 6,406 vehicles deployed, even as the fleet expanded significantly, from 4,700 in 2020 to more than 8,400 vehicles, due to strong organic growth and acquisitions. As such, we delivered over 2,400 more EVs than originally anticipated, in parallel with procuring 100% renewable electricity for our estate and EV charging, meeting our RE100 and EV100 commitments.

Collectively, these actions enabled Mitie to achieve an effective Net Zero position across Scope 1 and 2 on a market-based reported basis, underpinned by significant operational emissions reductions and supported by renewable electricity procurement and targeted carbon credits.

On a growth-adjusted basis, this reflects a substantial reduction in emissions relative to the scale of the business, demonstrating that decarbonisation has been delivered alongside, rather than instead of, operational growth.

While this position does not yet meet the stricter technical definition of Net Zero under the Science Based Targets initiative (SBTi), it represents a material milestone in Mitie's transition, with Phase One establishing a proven and scalable decarbonisation model. See page 64.

At the same time, this phase concludes with full recognition that our business has materially changed: the Marlowe acquisition and the significant scaling of our operational carbon footprint now require a comprehensive re-baselining of our emissions to maintain the integrity of our science-aligned targets. This recalibration ensures that as we enter the next phase, Plan Zero 2.0, we do so from a credible, fully updated baseline that reflects the organisation Mitie is today and provides a robust platform for deeper, long-term decarbonisation across Scopes 1, 2 and 3.

BP-2: Disclosures in relation to specific circumstances

Mitie is dedicated to delivering Plan Zero as outlined in our Climate Transition Plan. However, we recognise that external factors could affect our goal of aligning as closely as possible with the Paris Agreement's 1.5°C target. Therefore, we continuously monitor risks and opportunities to adapt to the changing environment and minimise potential business impacts.

We have identified and monitored risks and opportunities with a potential 'material' impact, meaning that they are of significant interest to investors and stakeholders. To assess the impact of climate-related risks and opportunities on our strategy and aid financial planning, we enhanced our climate-related financial modelling framework. This framework builds on our five-year cash flow forecast model, aligned with our strategic, budgeting and business planning cycles, and relevant to the duration of our existing contracts.

Time horizons

Time horizons and risk impact can be found in E1-SBM-3 on page 64.

Value chain estimation

The methodology for estimated metrics, including indirect sources, is detailed in the metric descriptions. Relevant information sources, such as conversion factors, are listed in the document. Assumptions, estimations or approximations are described in the metric disclosure information. Plans to enhance data accuracy and verifiability, such as through a carbon accounting system, are noted in the metric or general information on the topical standard.

Governance

GOV-1: The role of the administrative, management and supervisory bodies

Mitie has a formal governance structure in place to manage climate-related risks and opportunities. Overall responsibility resides with the Board, which sets strategic direction and priorities, approves targets and considers climate-related matters as part of broader decisions on capital allocation, risk appetite and business growth.

The Board and its Committees receive regular climate-related information, including progress against transition plans and targets. This information is used to inform challenge, decision-making and escalation where performance or risk exposure requires intervention, drawing on management expertise across sustainability, operations, finance and risk.

Climate-related information is generated through operational and risk management processes, including account-level risk registers, performance data and outputs from the Enterprise Risk Management framework. This information is reviewed by management through established governance forums, including the ESG Risk Group, Mitie Executive Team and relevant working groups, where risks and opportunities are assessed and actions are defined. Where required, matters are escalated to the ESG Committee, Audit & Risk Committee or Board for oversight and decision-making. Decisions and priorities are then communicated back into the business through operational planning, contract governance structures and delivery teams, with progress monitored through regular performance reporting and risk management processes.

The table on page 59 details committee roles and responsibilities, together with examples of climate-related matters considered and decisions taken during the year. A breakdown of the Board's gender diversity can be found on page 103.

Governance

GOV-2: Information provided to, and sustainability matters addressed by, the undertaking's administrative, management and supervisory bodies

Mitie governance body and Chair	Frequency	Climate-related roles and responsibilities	Actions taken in FY26	Focus areas FY27
Mitie Board Chair	• Bi-monthly (at least six meetings a year) • ESG is a standing agenda item. Information is disseminated to the Board via the ESG Committee, including climate-related updates	• Sets the strategic direction and maintains oversight of climate-related risks and opportunities • Sets ESG targets, including climate-related targets • Monitors progress against climate-related goals and targets	• Review, approve and monitor new ESG targets for FY26 to FY31	• Advance delivery of Mitie's Scope 3 decarbonisation roadmap towards the 2035 Net Zero target
ESG Committee Non-Executive Director	• Bi-monthly (six meetings a year) to align with input into Board meetings • Climate-related matters are fed into the ESG Committee via several channels, including the Plan Zero Steering Group, which reports directly to the Committee	• Drives the ESG agenda on behalf of the Group • Ensures that the Group conducts its business in a commercially sensitive way to achieve maximum positive impact on the communities and people with which it works and the environment which it works within • Formal reporting of climate-related risks and opportunities • Oversight of capital expenditure relating to ESG • Engages stakeholders to understand expectations and concerns regarding climate change and communicates the Group's efforts to address them	• Embedding Mitie's DMA results into strategies across the business and developing new ESG targets for Board approval • Supporting the employment and social mobility of underrepresented groups • Launching Mitie's new comprehensive social value strategy, to be delivered across a wide range of customer accounts	• Implement the revised ESG strategy incorporating the social value framework of Plan Zero and Plan Thrive • Monitor delivery and track progress on ESG targets, carbon emissions, fleet transition, diversity and workforce development • Strengthen reporting and governance of ESG disclosures, data assurance and controls, regulatory readiness and ethical, sustainable supply-chain practices
Mitie Executive Team Chief Executive Officer	• Weekly • Climate-related matters are discussed as required – depending on the subject matter, updates will be for information only or involve robust discussion	• Implementation and delivery of ESG strategy and targets • Ongoing review of Plan Zero • Ongoing review of growth strategy to ensure continual alignment with decarbonisation agenda	• Ongoing review of growth strategy and the market, with focus on decarbonisation opportunities	• Leveraging decarbonisation and environmental opportunities to align with the targeted M&A strategy in this sector
Audit & Risk Committee Non-Executive Director	• Climate-related matters are discussed twice yearly as part of the principal risk and uncertainties process (annual and half-yearly review). Information is disseminated to the Audit & Risk Committee via the Group Risk Committee	• Reviews Annual Report and Accounts (ARA), including TCFD, and advises Board on whether it is fair, balanced and understandable and provides the necessary information to shareholders to assess the Group's position and performance, business model and strategy • Monitors impact of climate change on the Group's strategy, operations and financial performance, and engages with management to address any material risks and opportunities	• Ongoing evaluation of climate-related transition as part of internal controls framework	• Strengthening of risk assurance against the climate change and social value principal risk and climate-related risks aligned with upcoming changes in regulatory standards such as CSRD

Mitie governance body and Chair	Frequency	Climate-related roles and responsibilities	Actions taken in FY26	Focus areas FY27
Group Risk Committee Chief Legal Officer	• Quarterly • Climate-related matters are fed into the Group Risk Committee via several channels, including the Group Head of ERM and Group Sustainability and Social Value Director	• Responsible for overseeing the Group's approach to risk management, including ongoing review of principal and emerging risks • Ensures Group is adequately prepared to manage risks associated with climate change	• Ongoing development of key risk indicators for principal risks, including climate change and social impact • Management of outputs from FY26 risk maturity assessment, including climate-related responses	• Enhance climate-risk governance by advancing scenario analysis, risk indicators and CSRD-aligned reporting controls
Nomination Committee Chair	• Two planned meetings as standard	• To evaluate and make recommendations regarding the composition, diversity, experience, knowledge, skills and independence of the Board and its Committees	• Reviewed Board composition, succession planning and evaluation outcomes to ensure an appropriate balance of skills, experience and independence	• Continue strengthening Board composition and succession planning, with ongoing review of inclusion policy and non-executive commitments
Remuneration Committee Non-Executive Director	• Three planned meetings as standard	• Agrees climate-related KPIs that apply to executive remuneration incentive plans	• Ongoing review of targets for FY26 awards	• Strengthen ESG-linked remuneration, refining KPIs to ensure alignment with the new FY26-FY31 ESG targets and CSRD-aligned disclosures
ESG Risk Group Group Director for Sustainability *Part of Group Risk Committee*	• Quarterly • Climate-related risks and opportunities are standing agenda items • Corporate Sustainability Reporting Directive (CSRD) is incorporated into the responsibilities of this group	• Responsibility for preparing and responding to our climate-related disclosure • Reviews and mitigates identified climate-related risks and realises climate-related opportunities • Initial review and approval of climate change risk assessment document ahead of submission to ESG Committee • Oversees and directs the ESG Working Groups	• Undertake continual improvement of CSRD disclosures • Ongoing review of the Climate Transition Plan and incorporation of carbon reduction initiatives • Ongoing review of regulatory requirements • Further development of scenario analysis	• Formalising audit and evidence structures for new regulatory changes • Integrating Marlowe into the Mitie ESG processes • Establish greater climate-related risk assessments for our estate • Further development of transitional scenario analysis
ESG Working Groups Senior Sustainability Manager *(Environment, labour and human rights, business ethics and sustainable procurement)*	• Quarterly • Reports into the Plan Zero Steering Group	• Delivers against Plan Zero, our Climate Transition Plan, the internal solutions and external opportunities for Mitie's customers	• Establish a supplier engagement platform to measure, report and influence supply chain behaviour • Improve sustainable commuting engagement and reporting • Development of biodiversity strategy	• Incorporate a continuous improvement plan into each pillar of the working group • Highlight circular economy and biodiversity initiatives and understanding throughout the business

GOV-3: Integration of sustainability-related performance in incentive schemes

Following detailed engagement with shareholders, the 2024 Long Term Incentive Plan (LTIP) award, covering a performance period ending 31 March 2027, will be assessed against EPS, ROIC and revenue growth metrics. In addition, the Remuneration Committee will have reference to leverage and ESG underpins such that if either leverage and/or progress against the Company's ESG strategy is poor, there is specific discretion to allow the award to be reduced accordingly, including to nil.

Climate-related performance is considered as part of this ESG underpin; however, no separate or fixed percentage weighting is currently applied specifically to climate metrics within incentive outcomes.

ESG formed part of the performance scorecard for the 2023 LTIP cycle, which concluded on 31 March 2026. The specific performance conditions for the LTIP grant are set out in the Directors' Remuneration Report on page 133.

GOV-4: Statement on sustainability due diligence

Mitie operates a rigorous sustainability due-diligence framework designed to promote ethical conduct and responsible practices throughout both our business and our supply chain. This includes the identification, prevention, mitigation and remediation of environmental and social risks, including issues associated with modern slavery, human rights harms and environmental impacts.

Core elements of due diligence	Paragraphs in the sustainability statement
(a) Embedding due diligence in governance, strategy and business model	GOV-5 and SBM-1
(b) Engaging with affected stakeholders	SBM-2 and under E1-IRO-1, S1-2
(c) Identifying and assessing negative impacts on people and the environment	SBM-3 and IRO-1
(d) Taking action to address negative impacts on people and the environment	Environment: E1-3 Governance: G1-3
(e) Tracking the effectiveness of those efforts and communicating them	Environment: E1-4 to E1-6 Social: S1-6 to S1-17 Governance: G1-3

GOV-5: Risk management and internal controls over sustainability reporting

The Board, through the Audit & Risk Committee, provides oversight of Mitie's internal control environment, risk management processes and compliance systems. This includes challenge and assurance over the design and effectiveness of controls supporting sustainability-related reporting and decision-making.

Management is responsible for operating these controls, supported by the Internal Audit function, which encompasses Internal Audit, Internal Controls and Investigations teams. Externally validated testing of internal controls has strengthened insight into control effectiveness and surfaced areas requiring management action, particularly in relation to ESG-related data, systems and emerging regulatory requirements.

Mitie's control framework is based on the COSO model, covering financial, operational and compliance controls. The Integrated Management System (IMS) acts as a key mechanism for ensuring policies and procedures are consistently followed.

In line with the latest UK Corporate Governance Code requirements, Mitie has introduced externally validated testing of internal controls, moving beyond a predominantly self-assessment approach. The Audit & Risk Committee reviews and authorises this methodology, which has surfaced areas for enhancement and informed practical improvement plans. A particular focus has been placed on IT General Controls (ITGC) and ESG-related controls to ensure the resilience of our technology platforms and the robustness of our responsible business practices.

Further detail on entity-level risks is provided in sections SBM-3 and IRO-1. Additional information on risk management and internal controls can be found on pages 127 to 128.

Strategy

SBM-1: Market position, strategy, business model(s) and value chain

Mitie maintains a strong position in ESG performance, supported by validated science-based targets and three consecutive appearances on CDP's Climate A List. We are also recognised as a UK Top Employer for the eighth year running. These external benchmarks provide confidence in the robustness of our targets, disclosures and governance arrangements, but are not relied upon in isolation as evidence of real-world impact.

As a service-focused organisation, the majority of our operational emissions arise from the movement of colleagues between customer sites. Approximately 93% of our Scope 1 and 2 emissions come from our fleet, with our relatively compact estate of around 120 locations contributing just 7%. This concentration shapes our decarbonisation priorities and informs where management attention and capital deployment are most effective.

Our continued shift to electric vehicles has delivered a reduction of more than 37% in petrol and diesel emissions over the past four years (excluding Marlowe Limited and all of its subsidiaries) and remains a core delivery mechanism within Plan Zero. Progress is assessed in the context of operational growth, fleet expansion and external constraints, rather than viewed solely against headline targets. This approach underpins our longer-term transition to Net Zero operational emissions and our ambition to achieve Net Zero non-operational emissions by 2035, alongside continued engagement with suppliers across our value chain.

Our purpose reflects the belief that high-quality places support resilient and inclusive communities. Our strategy therefore focuses on aligning growth, including targeted M&A, with the acquisition of specialist capabilities that enable both Mitie and its customers to decarbonise estates and develop credible Net Zero pathways. This ensures sustainability capability is embedded within the business model, rather than treated as an adjunct to it.

SBM-2: Interests and views of stakeholders

Mitie places strong importance on understanding the priorities and expectations of key stakeholders, including colleagues, customers, suppliers, communities, government and shareholders. Engagement is delivered through structured programmes designed to surface relevant perspectives and emerging issues, rather than to seek consensus or reassurance.

Stakeholder inputs are assessed alongside operational, commercial and risk considerations to inform management judgement. Feedback is treated as an input to decision-making rather than a proxy for impact or delivery.

The Board and executive leadership team receive summaries of stakeholder engagement outcomes where relevant to strategy, risk or delivery. These insights inform challenge, prioritisation and escalation, but do not override the need for management judgement where stakeholder views diverge or where delivery constraints apply. Further disclosures on stakeholder engagement can be found on pages 36 to 40.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model(s)

Double materiality assessment (DMA): long-term sustainability and resilience

Mitie carried out a double materiality assessment (DMA) during FY24 to establish a comprehensive view of the sustainability topics that are most significant to our stakeholders. The exercise evaluated our impacts, risks and opportunities (IROs), ensuring that both our strategy and disclosures remain targeted, efficient and aligned to stakeholder expectations.

The DMA followed a recognised methodology consistent with the latest global sustainability reporting standards, including the GRI Universal Standards (2021), IFRS S1 (2023) and ESRS 2 (2023). As part of the process, we gathered insight through structured stakeholder engagement, including interviews and an online StakeholderTALK survey.

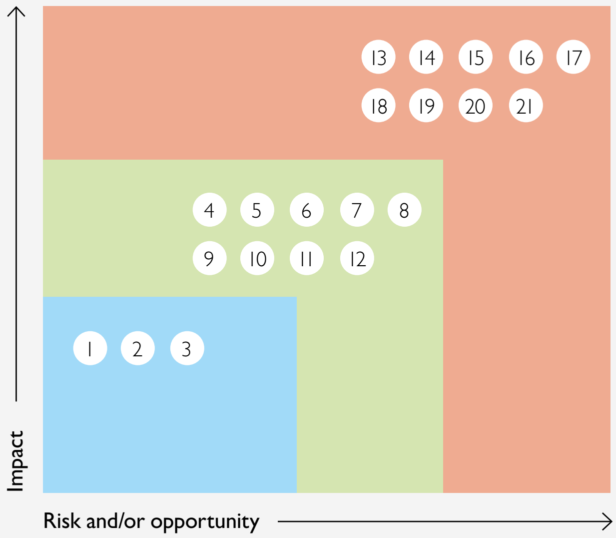
The assessment examined both:

- Mitie's actual and potential effects on people and the environment
- Financially relevant sustainability issues for investors

This dual lens, covering 'impact' and 'financial effects', reflects the principle of double materiality. Our approach draws on the Five Part Materiality Test (AccountAbility 2002–2018), aligns with the SASB Five-Factor Test (2015), and incorporates guidance from the EFRAG Materiality Guide (2024).

In determining relative priorities, the assessment also considered the Sustainability Context Principle and the Precautionary Principle when evaluating actual or potential IROs. The process included detailed research using both internal and external sources, such as policy reviews, reporting analysis and published articles. Scoring criteria were mapped to the relevant requirements of IFRS S1 and ESRS 2.

Validation was performed by a group of senior managers, and the ESG Committee formally approved the assessment. The outputs were then reviewed to determine the material topics, as well as those issues that sit below the materiality threshold. These results are presented in the graphic shown below.



1 Water stress, water use, wastewater treatment
2 Climate change policy: customer/investor/ response/education
3 Air quality and pollution (local)
4 Operational resources: materials/circular economy, waste and recycling
5 Biodiversity loss (local and regional soils, forest/ woodland, aquatic)
6 Anti-discrimination in employee lifecycle (ED&I)
7 Responsible procurement and supplier risk
8 Human rights across the value chain
9 Public policy advocacy
10 Adaptation to natural weather viability/ climate change
11 Energy transition: positive and negative environmental risk
12 Energy transition: social risk, positive and negative
13 Occupational health and safety (personal and process)
14 Colleague: fair employment
15 Colleague learning and development, future skills and apprenticeships
16 Corporate governance, transparency and integrity
17 Operational energy management: energy efficiency, energy security
18 GHG emissions: decarbonisation of operations, credible carbon management
19 Colleague wellbeing (mental and physical health)
20 Local community impact
21 Products and services: enabling environmental improvements (energy efficiency, pollution, water use, waste)

Mitie's climate scenario analysis considers a range of transition pathways and physical risk outcomes using publicly available scenarios, including those aligned to 1.5°C and higher-warming outcomes. Analysis focuses on medium- to long-term horizons relevant to asset lifecycles and contract durations. Key assumptions include policy development, energy transition pace and customer behaviour, and outcomes are used to inform strategic planning rather than to produce precise financial forecasts.

These scenarios have been selected to reflect Mitie's specific risk profile as an asset-light, service-based organisation, where exposure to climate risk is driven primarily by workforce mobility, supply chain resilience and fleet-related operations, as well as transition-related cost pressures linked to decarbonisation of transport, energy and procurement.

Outcome

The double materiality assessment identified the most significant sustainability-related impacts, risks and opportunities. Based on this assessment, ESRS E1 (Climate Change), ESRS S1 (Own Workforce) and ESRS G1 (Business Conduct) have been identified as material and are therefore disclosed in this sustainability statement.

ESRS topical standards relating to pollution, water and marine resources, biodiversity, resource use and circular economy (E2–E5), and value-chain workers, affected communities and consumers (S2–S4) were assessed and determined not to be material. Accordingly, these disclosures have been omitted in line with ESRS requirements.

Seven material topics were identified through our DMA, which map across the three material areas of focus.

ESRS category mapping	ESG material topics identified by the DMA	Link to UN SDGs
E1 Climate Change	**E** Operational energy management, efficiency, GHG emissions and decarbonisation	7 12 13
	E Products and services: enabling environmental improvements	7 8 10 11 13 16 17
S1 Own Workforce	**S** Occupational health and safety (personal and process)	2 3 6 8
	S Colleagues: fair employment	5 8 10
	S Colleague learning and development, future skills and apprenticeships	4 5 8 9 10
	S Colleague wellbeing (mental and physical health)	3 4 5 8 10
G1 Business Conduct	**G** Corporate governance, transparency and integrity	16 17

SDGs are referenced to aid stakeholder interpretation and do not determine materiality.

Impact, risk and opportunity management

IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

Mitie identifies and evaluates material impacts, risks and opportunities (IROs) in line with CSRD requirements. To build a complete view of relevant sustainability topics, we draw on multiple sources, including the ESRS, and incorporate sector-specific considerations. This ensures we capture the full spectrum of issues across our value chain, from suppliers through to customers, giving a comprehensive understanding of both our impacts and financially relevant risks.

Our ESG Risk Group reviews whether sustainability matters could give rise to significant financial consequences for the Group. This includes assessing the likelihood and potential scale of these impacts over short-, medium- and long-term time horizons.

To support consistent decision-making, we use a traffic-light methodology to evaluate the financial implications of material physical risks over different timeframes. We then apply defined thresholds to determine which IROs are material and therefore require disclosure. High scores indicate matters that meet the criteria for materiality, while lower scores reflect topics considered immaterial for reporting purposes.

Environment	Social	Governance
Material impacts		
E1 Climate Change: Mitie's environmental impacts are closely linked to our ambition to minimise our own footprint while supporting customers on their decarbonisation journeys. This includes reducing emissions from our large operational fleet and strengthening our capability to provide credible sustainability consultancy. Our specialist energy and carbon teams manage consumption and deliver low-carbon projects such as solar PV installations, heat pumps, battery systems and EV charging infrastructure, enabling both Mitie and our customers to progress towards Net Zero.	**S1 Own Workforce:** With a workforce of around 84,000 colleagues, the DMA highlighted the critical importance of fair and responsible employment practices, along with protecting the health, safety and wellbeing of our people. Mitie remains committed to a zero-harm culture, building an inclusive and equitable workplace, and developing skills that enhance social mobility and strengthen the communities we serve.	**G1 Business Conduct:** Mitie's approach to responsible business conduct is central to the impacts and risks identified through our assessment. We place strong emphasis on robust governance, transparency and ethical behaviour across all aspects of our operations. This includes upholding high standards of corporate integrity, ensuring full regulatory compliance and embedding a culture of accountability. By maintaining strong business conduct practices, we aim to reinforce stakeholder confidence and support long-term, sustainable performance.
Material risks and opportunities		
E1 Climate Change: Key climate-related risks include the physical impacts of increasingly severe weather on our operations, customers and supply chain, as well as transition risks arising from evolving regulation or reputational consequences if sustainability commitments are not met. Opportunities stem from the expansion of decarbonisation services, the adoption of emerging technologies, deeper market differentiation and strengthening compliance with regulatory expectations. Mitie's Climate Transition Plan and wider sustainability programmes set out our pathway to Net Zero and underpin our approach to responsible business performance.	**S1 Own Workforce:** Key risks relate to colleague retention, shortages in essential skills, wellbeing challenges and the potential for modern slavery within the supply chain. Opportunities arise from investing in capability-building, advancing diversity and inclusion, strengthening leadership development and improving social mobility. Mitie responds to these risks and opportunities through wide-ranging training programmes, enhanced working conditions, mental health and wellbeing support, and colleague networks such as Mitie Women Can and the Proud to Be LGBTQ+ network.	**G1 Business Conduct:** Key risks include exposure to regulatory breaches, fraud or corruption, reputational harm and potential disruption to operations. Opportunities arise from strengthening trust and reputation, enhancing compliance, improving operational controls and enabling sustainable value creation. Mitie mitigates risks and supports these opportunities through its comprehensive Code of Conduct, established risk-management systems and ongoing monitoring of ethical and compliance-related practices.

E1 Climate Change

Strategy

E1-1: Transition plan for climate change mitigation

Climate Transition Plan: Plan Zero

Mitie recognises the climate emergency as a material priority and launched Plan Zero in 2020 to align operations with a Net Zero pathway for Scope 1 and 2 (subject to residual emissions). Phase One (2020–2025) delivered large-scale emissions reductions through rapid fleet electrification and removal of fossil fuels across the estate, embedding the transition plan into strategy, capital allocation and financial planning under Board oversight; it remains an active, evolving framework. Our focus is on three areas: eliminating emissions from power and transport, eradicating non-sustainable waste and enhancing buildings to the highest environmental standards.

The Climate Transition Plan is supported by qualitative scenario analysis and continues to evolve as data, modelling and regulation develop. It is Board-approved and embedded in strategy and financial planning, with delivery overseen through established governance and progress informing investment, procurement and operational decisions.

Capital deployment primarily supports fleet electrification, energy efficiency and digital optimisation, integrated within existing capital planning processes rather than tracked separately.

Phase One of Plan Zero concluded on 31 December 2025, delivering significant progress through fleet electrification, renewable energy adoption and estate efficiency measures: 76% of the fleet transitioned to EVs (6,406 vehicles), during expansion from c.4,700 to over 8,400 vehicles driven by strong organic growth, meaning that Mitie (excluding Marlowe and its subsidiaries), included c.2,400 additional EVs beyond plan; this represents c.85% of vehicles suitable for electrification, reflecting operational constraints.

Mitie also procured 100% renewable electricity for its estate and EV charging (aligned to RE100 and EV100) and advanced estate decarbonisation through technologies including heat pumps, LED lighting, solar PV, battery storage and expanded EV charging, supported by specialist energy and carbon teams.

During Phase One of Plan Zero (2020-2025), Mitie delivered a material improvement in carbon performance while significantly scaling the business. Revenue over the period increased from c.£2bn to over £5bn, alongside expansion in fleet and operational footprint.

We present emissions performance through three lenses:

1. A growth-adjusted benchmark – what emissions would have been if they scaled with the business
2. Gross emissions – actual emissions before contractual instruments
3. Market-based reported emissions – reflecting renewable electricity procurement and the mitigation of residual Scope 1 emissions

On a growth-adjusted basis, Scope 1 and 2 emissions would have been c.78,000 tCO_2e in FY26. Instead, FY26 gross emissions were c.18,000 tCO_2e, with a market-based reported residual position of c.8,400 tCO_2e. This equates to an improvement of c.75%–80% on a gross basis and c.85%–90% on a market-based reported basis, demonstrating clear decoupling of emissions from business growth.

Looking at the actual operational reduction delivered (gross emissions versus the FY19 baseline that represents the starting point of Plan Zero for the original business), Scope 1 and 2 emissions reduced by c.35%–40% through direct decarbonisation actions, primarily fleet electrification and estate transformation.

Taken together, this places Mitie in an effectively Net Zero position for Scope 1 and 2 emissions in practical and market-based reported terms, achieved through a combination of real operational reduction, renewable electricity procurement and targeted mitigation of residual emissions. However, this does not yet meet the stricter Science Based Targets initiative (SBTi) definition of Net Zero, which requires residual emissions to be reduced to ≤10% of the baseline, and further reduction is therefore required.

References to this position do not alter Mitie's underlying emissions baseline, gross emissions performance or intensity-based metrics, which are disclosed separately to ensure a transparent and consistent view of operational decarbonisation progress.

Our progress has also been acknowledged externally, securing a place on the CDP Climate A List for the third consecutive year in recognition of the quality of our carbon disclosures and emissions-reduction approach. We also achieved a Gold EcoVadis rating of 80, reflecting our strong performance across its sustainability criteria.

Alongside our environmental achievements, we continue to deliver meaningful social impact across the communities we support. In FY26, we provided development opportunities for more than 1,800 apprentices, helping to build green skills, promote STEM learning and create pathways into employment, and our colleagues dedicated 35,706 volunteering hours to local initiatives.

Future commitments FY26 to FY31

EV transition

Following the acquisition of Marlowe and the additional fossil fuel fleet of vehicles, we intend to transition the remaining fleet to 86% EVs by the end of 2031, contingent upon advancements in EV technology such as vehicle availability, range and charging infrastructure.

Renewable energy and carbon offsets

Mitie procures 100% renewable energy for the buildings we control, as part of our RE100 commitment. We also procure RE100 compliant Renewable Energy Guarantees of Origin (REGOs) for all our EV charging requirements and will report all Scope 2 emissions as zero under market-based conditions. Our remaining Scope 1 emissions will be fully offset with verified carbon credits through a balanced portfolio of energy, social and environmental projects.

Re-baselining

Given the Marlowe acquisition and the material scaling of our operational carbon footprint, we have re-baselined our emissions to preserve the integrity of our science-aligned targets. This recalibration establishes a credible, up-to-date baseline for Plan Zero 2.0, reflecting the organisation Mitie is today. More information can be found on page 70.

Carbon reporting

While continuing to report absolute carbon data, we have transitioned to an intensity target to reflect the continued growth of the business. We will reapply to the SBTi to obtain a new target trajectory validated to 1.5°C above pre-industrial levels.

E1–SBM-3: Description of the processes to identify and assess material climate-related impacts, risks and opportunities (IROs)

Mitie's assessment of climate-related risks and opportunities indicates that the most material potential financial effects relate to operating cost profiles (including fuel, energy and carbon-related costs), capital investment in fleet and buildings, and the competitiveness of service offerings in procurement processes. At present, these effects are not separately quantified due to ongoing modelling limitations and external uncertainties; however, Mitie continues to enhance its analytical capability to support improved quantification over time.

Climate-related IROs are overseen through our Enterprise Risk Management system. Climate change is recognised as a key Group risk, reviewed quarterly and subject to a full assessment each year.

Our climate change risk evaluation, recorded within the Group's Risk Safe platform, underpins this principal risk and incorporates a range of climate-related IROs. At 31 March 2026, we had identified 13 such IROs. The prior year risk relating to changes in customer behaviour resulting in lost opportunities has been removed following reassessment of the Group's risk profile, reflecting Mitie's strengthened environmental performance and increasing alignment with customer demand for decarbonisation and sustainability-led services. Those with the potential to have a 'material' impact are outlined on in the table below. In addition, climate-related risks at account level are captured and monitored with customers through account-specific risk registers, all of which are maintained in Risk Safe.

All risk information is analysed for its potential impact and likelihood, with the residual score generating one of four ratings, ranging from manageable to severe. This structure ensures a consistent approach to risk management across Mitie.

Each climate-related risk or opportunity is assigned an owner who is accountable for applying the appropriate mitigation or management actions, supported by both the risk and sustainability teams. The table below presents an integrated overview of all climate-related risks and opportunities. Further details on the responsibilities and oversight provided by our Committees can be found on pages 59 to 60.

Risk/opportunity description	Risk type	Time horizon
1. Extreme weather events	Physical	Short to medium term
2. Increasing summer temperatures	Physical	Medium to long term
3. Decarbonising supply chain	Transition	Short to medium term
4. Switching from fossil fuels to low-carbon alternatives for fleet operations	Opportunity	Medium to long term
5. Increases in operating costs relating to policy decisions to reduce GHG emissions	Transition	Medium to long term
6. Access to new markets	Opportunity	Medium to long term
7. Investor confidence in climate change management	Transition	Medium to long term
8. Minimise resource use through a circular economy embedded into our business supply chain and operations	Opportunity	Medium to long term
9. Encourage agile and flexible working through business processes	Opportunity	Short to medium term
10. Development/expansion of low-emission services	Opportunity	Medium to long term
11. Procurement of verified and high-quality carbon credits	Transition	Short to medium term
12. Low-emission and energy efficiency strategy from Mitie estate	Opportunity	Short to medium term
13. Potential for litigation if Mitie does not adequately consider or respond to the impacts of climate change	Liability	Medium to long term

Further information on our Enterprise Risk Management framework can be found on pages 84 to 85.

In FY25, ESG considerations were fully embedded within our internal controls independent testing programme. This integration is essential, as applying ESG principles helps Mitie reduce operational, financial and reputational risks while supporting long-term resilience, value creation and improved ESG performance.

Scenario analysis: strengthening our understanding of climate-related risks

Mitie recognises that failure to respond effectively to climate-related risks represents a material threat. During FY26, scenario analysis was expanded to highlight increasing exposure to extreme weather, with events such as flooding and severe storms posing risks to operations through disruption to workforce mobility and supply chain availability, making ongoing monitoring critical to resilience.

Mitie applies a three-point scenario range within financial modelling (best case, most likely case and worst case), aligned to recognised climate pathways (RCP 2.6 and RCP 8.5), with the central case representing a management estimate within this range. This enables assessment of financial impacts across a realistic range of outcomes while remaining anchored to externally recognised scenarios.

In FY23, Mitie partnered with Marsh to assess physical climate risks across two pathways, reviewing 500 sites and identifying flooding as the most significant hazard, with a deeper review of 95 high-value locations highlighting sea-level rise and flood risk as key concerns.

Building on this, sustainability and risk teams worked with Marsh to develop the climate risk quantification framework, incorporating principal and macro-level risks and opportunities, assessed across three scenarios and validated through internal stakeholder engagement, with resulting impacts overlaid onto long-term financial forecasts.

Mitie remains committed to delivering Plan Zero, as set out in our Climate Transition Plan. However, we recognise that external factors could influence progress towards the Paris-aligned ambition of remaining as close as possible to a 1.5°C trajectory. We therefore continue to proactively review climate-related risks and opportunities to adapt to changing external conditions and reduce possible impacts on the business.

To support this, climate-related financial modelling was strengthened in FY25, building on the Group's core five-year cash flow model and aligned to strategic, budgeting and business planning cycles, reflecting the nature and duration of contracted operations.

The climate modelling framework covers three time horizons:

- Short (1–3 years)
- Medium (3–10 years)
- Long (10–15 years)

These time horizons are aligned to Mitie's financial planning framework, with the short-term period reflecting the Group's core five-year cash flow forecast and business planning cycle, and the medium- and long-term horizons extending beyond this to capture the full lifecycle of key assets, contracts and strategic decisions. This approach ensures that climate-related risks and opportunities are assessed consistently with financial planning, while also incorporating longer-term considerations where impacts may crystallise beyond the core planning horizon.

This approach ensures alignment with our Enterprise Risk Management strategy. Details of the completed financial assessments have been incorporated into the TCFD and underpinned by assumptions. The key for the financial assessment is as follows:

- 🟢 Low impact: minimal material impact on EBIT (<5%)
- 🟡 Medium impact: significant material impact on EBIT (5–10%)
- 🔴 High impact: critical material impact on EBIT (>10%)

Macro-level climate-related risks and opportunities

As an asset-light services business, Mitie's exposure to physical and transition climate risk primarily relates to fleet assets, operational facilities and contract-specific service delivery. While precise asset-level quantification is not yet available, exposure is currently assessed qualitatively as moderate, with no single asset class representing a material concentration of unmanaged climate risk.

The financial assessment and assumptions presented in the table below represent the core modelling inputs applied consistently across all scenarios. Scenario variation (best case, most likely case and worst case) is applied through the scaling of these inputs, including factors such as frequency, severity and cost assumptions, rather than through entirely separate assumption sets with the most likely case representing the central estimate within the range. This approach ensures consistency in the underlying methodology while enabling assessment of a range of potential outcomes.

The table below outlines four priority climate-related risks and opportunities, setting out the actions currently in place to manage them, the potential financial implications, and Mitie's latest working assumptions. This approach, developed jointly with our insurance broker and risk advisor, Marsh, establishes a long-term framework for quantifying both core business risks and climate-specific risks. In FY25, the scope was expanded to cover factors beyond physical climate impacts. Through this work, we have evaluated the potential effect of each risk, identified the recommended strategic response, and defined the expected time horizon and financial implications based on a consistent set of assumptions.

Risk/opportunity description	Impact	Strategic response	Financial assessment and assumptions	Time horizon	Worst case	Most likely case	Best case
1. Extreme weather events Physical risk Short to medium term	Increased costs linked to climate-related weather events disrupting workforce attendance and productivity. Impacts felt universally – Mitie (UK and overseas), customers and subcontracting and strategic partners affected.	• Enhanced health, safety and environment (HSE) standards and processes • ISO 22301 certified • Planned preventative maintenance schedules aligned with seasonal changes • Estates strategy in place and continually reviewed • Insurance coverage • Ongoing scenario testing	The modelling assumes that around two extreme weather events occur annually that affect our operations. It also incorporates the NATHAN approach, which is a global assessment of natural hazard risks and impacts, in order to help calculate the financial repercussions of severe weather incidents on Mitie's asset portfolio.	Short	🟢	🟢	🟢
				Medium	🟢	🟢	🟢
				Long	🟢	🟢	🟢
2. Increasing summer temperatures Physical risk Medium to long term	Increased costs resulting from absenteeism and reduced productivity. Impacts felt universally – Mitie (UK and overseas), customers and subcontracting and strategic partners affected.	• Occupational health strategy embedded • Ongoing sickness monitoring • Health surveillance and monitoring framework • Seasonal alerts reminding colleagues of risks and associated controls to be followed • Planned preventative maintenance schedules aligned with seasonal changes	The modelling is based on costs related to heat-related sickness experienced by frontline colleagues and the productivity costs incurred by both back-office and frontline colleagues at Mitie due to absences.	Short	🔴	🟢	🟢
				Medium	🔴	🟢	🟢
				Long	🔴	🟢	🟢
3. Decarbonising supply chain Transition risk Short to medium term	Increased costs arising from the purchase of carbon offsets in order to meet emissions targets.	• Procurement leads identified • Ongoing engagement with supply chain	The modelling assumes that the purchase of carbon credits will be required to achieve Mitie's Scope 3 net emissions objective, resulting in an increase in Group expenditure.	Short	🟢	🟢	🟢
				Medium	🟡	🟡	🟢
				Long	🔴	🟢	🟢
4. Switching from fossil fuels to low-carbon alternatives for fleet operations Opportunity Medium to long term	Opportunities felt predominately in Mitie operations (Technical Services and Business Services) (UK and overseas). Impacts felt universally across the Group.	• Plan Zero commitment – 85% EV fleet (completed) at the end of 2025 • Ongoing review of EV transition • Deployment of charging points at Mitie and customer sites, as well as colleagues' homes	The modelling assumes that by FY35 the Group's fleet will consist entirely of EVs. The associated leasing expenses are expected to rise by 6% per year, with fuel costs determined by average annual mileage and cost per mile. As the Group shifts entirely to EVs, charging expenses are estimated based on average annual mileage.	Short	🟢	🟢	🟢
				Medium	🟢	🟢	🟢
				Long	🟢	🟢	🟢

We have set clear metrics and targets that shape how we run our operations and deliver services to customers. These include a range of ESG commitments designed to strengthen Mitie's environmental and social performance.

Our climate-related indicators are summarised in the table below. Additional detail on our emissions metrics and targets can be found in our FY26 greenhouse gas (GHG) reporting methodology statement on page 70.

Category	Subcategory	Unit measurement	Description of metric	FY26 risks and opportunities references
GHG emissions	Emission level	tCO_2e	Total emissions	1,2,3,4
	Intensity	tCO_2e per £m revenue	Emissions intensity	1,2,3,4
Carbon credits	Plan Zero	£	Amount invested to support obtainment of Plan Zero targets	3,4
Energy/fuel	Energy usage	kWh	Total energy consumption	1,2,3,4
	Transition to greener fleet	%	Total percentage of EV fleet	1,3,4
Waste	Recycled	Tonnes	Total waste recycled	3,5
Risk adaptation and mitigation	R&D	£	Amount invested in developing low-carbon products and services	3,4
	Capex	£	Amount invested in deployment of low-carbon technology, energy and resiliency capabilities	3,4
SBTi	Acquisitions	%	Total percentage of acquisitions with agreed targets in place	1,2,3,4
	Supply chain	%	Total percentage of supply chain with agreed targets in place	3
ISO management system	14001	%	Total percentage of business certified	1,3,4
	50001	%	Total percentage of business certified	2,3,4

Impact, risk and opportunity management

E1-2: Policies related to climate change mitigation and adaptation

Policies

Our policies address the management of our material impacts for climate change mitigation, adaptation and energy efficiency, as well as associated IROs. They apply to all UK and overseas Mitie colleagues in all operating countries.

Sustainability and Social Value Policy

Mitie's Sustainability and Social Value Policy commits to stretching Net Zero carbon targets, promoting a circular economy and protecting biodiversity. It emphasises fair employment practices, social mobility and community engagement. The policy outlines our objectives to reduce environmental impact, enhance energy efficiency and ensure compliance with legal and contractual obligations.

Environmental Policy Statement

Mitie's Environmental Policy Statement commits us to reducing our environmental impact and strengthening climate resilience. Through Plan Zero and our ISO 14001/ISO 50001 systems, we deliver climate mitigation by decarbonising our estate and fleet, improving energy efficiency and reducing waste. We support climate adaptation by assessing environmental and climate-related risks at our sites and implementing measures that enhance resilience across our operations.

E1-3: Actions and resources in relation to climate change policies

Mitigation

Shifting our car and commercial vehicle fleet to electric vehicles (EVs) remains a core part of our climate-mitigation approach. In FY26, the EV fleet continued to grow to 6,406 vehicles (FY25: 6,255), although at a more measured rate than in previous years. This reflects deliberate fleet optimisation decisions, including the exit of over 500 vehicles following contract changes and the extension of existing leases, enabling a more cost-effective and operationally resilient transition pathway.

Throughout FY26 we continued to expand our EV charging network and now have more than 4,000 chargers installed at colleagues' homes, at Mitie locations and across customer sites, supporting both our fleet transition and access to low-carbon transport. Over a five-year lease period, operating an EV car or van is approximately 3% and 5% more expensive respectively than the equivalent petrol or diesel vehicle, based on annual mileage of 18,000. However, factoring in the environmental benefits and our wider climate commitments, the Board has endorsed the continued shift to a fully electric fleet.

Adaptation

We recognise that climate change is driving more frequent and intense extreme weather events. To address this, we have strengthened our safety communications and put in place additional preventative measures to reduce risks during such events. Our priority is to maintain clear communication and effective decision-making so we can protect colleagues, customers, assets and the public when severe weather occurs.

We model the potential cost implications of extreme weather, including insurance premiums and fleet repair expenses, to prepare for short-, medium- and long-term scenarios. With weather-related events becoming more common, insurance costs are likely to face continued upward pressure.

We actively support colleagues through extreme weather events by ensuring statutory requirements are met, regularly testing business continuity plans (BCPs), and sharing learning from previous incidents. We also make use of weather-intelligence tools and real-time alerts to help keep operations stable and efficient during the most challenging winter periods.

Energy efficiency

We continue to make our estate more energy efficient by reducing overall consumption, replacing gas boilers with low-carbon heat pumps, and promoting initiatives that embed circular-economy thinking and support biodiversity. We now operate 28 fully decarbonised buildings, maintain certification to the ISO 50001 Energy Management Standard, and benefit from an in-house team of energy managers dedicated to ensuring our buildings operate at optimum efficiency.

Metrics and targets
E1-4: Targets related to climate change mitigation and adaptation

Mitie climate-related targets

Mitie has established a single primary emissions-intensity target covering Scope 1, Scope 2 and Scope 3 emissions for the period FY26-FY31. This target reflects the expected growth of the enlarged Group, including the Marlowe acquisition, and provides a normalised measure of decarbonisation performance per £m of revenue. It enables meaningful comparison over time while supporting climate-related transition planning and business resilience.

Alongside this primary intensity target, Mitie has set clear short-, medium- and long-term climate targets, expressed in both absolute and operational terms, to guide delivery of its Climate Transition Plan.

Short-term targets (2025 – achieved or closed)
These targets relate to milestones that concluded during FY26 and are retained to evidence delivery of the Climate Transition Plan.

- Delivered a near-Net Zero outcome for Scope 1 and Scope 2 direct operational emissions, consistent with Mitie's Climate Transition Plan
- Achieved zero waste to landfill
- Achieved an 85% transition of the fleet to electric vehicles, where operationally viable

Medium-term targets (2030)
- Achieve a 50% reduction in Scope 3 greenhouse gas emissions, expressed in absolute terms
- Ensure 60% of suppliers by category spend have science-based targets in place
- Transition 95% of the fleet to electric vehicles, where operationally viable

Long-term targets (2035)
- Achieve Net Zero Scope 3 indirect emissions
- Transition 100% of the fleet to electric vehicles, where operationally viable

Re-baselining of the 2030 Scope 3 emissions reduction target

The 2030 Scope 3 reduction target has been updated from the previously reported 80% reduction ambition set out in Phase One of Plan Zero in 2020. Since that time, Mitie has experienced significant organic growth and material merger and acquisition activity, including the acquisition of Marlowe, fundamentally increasing the scale and composition of the Group. As a result, the original target is no longer representative of the current business profile. The revised 50% reduction by 2030 reflects a re-baselined, growth-adjusted pathway that maintains decarbonisation ambition while ensuring targets remain credible, measurable and aligned to the enlarged Group's operational footprint.

Emissions-intensity target (FY26-FY31)

To track progress towards these ambitions in the context of business growth and acquisitions, Mitie has adopted an emissions-intensity target calibrated to support delivery of the 2030 absolute reduction milestone while enabling consistent year-on-year performance assessment. Mitie's climate targets are expressed on a gross emissions basis.

Intensity target tCO_2/£m revenue	FY26	FY27	FY28	FY29	FY30	FY31
Scope 1, 2 & 3	56.94	49.23	43.01	35.89	28.30	21.48

Mitie applies carbon credits only to address residual Scope 1 emissions and does not apply carbon credits to Scope 2 or Scope 3 emissions. Carbon credits are not factored into the gross emissions baseline or emissions-intensity targets disclosed in this sustainability statement and are used as a supplementary mitigation measure alongside operational decarbonisation.

Performance against Mitie's emissions intensity target is assessed using annual disclosures of absolute Scope 1, Scope 2 and Scope 3 greenhouse gas emissions, as set out in E1-6.

E1-5: Energy consumption and mix

Mitie environmental data

The below table provides further details on our UK environmental performance.

	FY24	FY25	FY26	Change	Change %
Electricity consumed across occupied buildings (kWh)	4,790,022	5,949,994	**5,729,794**	(220,200)	(4)
Gas consumed across occupied buildings (kWh)	817,131	2,465,703	**2,706,867**	241,164	10
Fuel used by vehicles for business travel (kWh)	76,605,383	61,178,653	**51,879,568**	(9,299,085)	(15)
Electricity used by EV vehicles for business travel (kWh)	8,684,230	11,624,522	**16,850,948**	5,226,426	45
Total organisational energy consumption (kWh)	90,896,766	81,218,872	**77,167,177**	(4,051,695)	(5)
Water consumed across occupied buildings (m^3)	27,941	32,145	**18,893**	(13,252)	(41)
Total waste generated across occupied buildings (tonnes)	398	313	**395**	82	26
Hazardous waste (tonnes)	0	0	**0**	0	0
Non-hazardous waste (tonnes)	398	313	**395**	82	26
Total waste to landfill (tonnes)	0	0	**0**	0	0
Energy from waste (tonnes)	188	127	**136**	9	7
Total waste recycled (tonnes)	210	186	**259**	73	39
Recycling rate	53%	59%	**66%**	7	12

Marlowe environmental data

The below table provides further details on our UK environmental performance.

	FY26
Electricity consumed across occupied buildings (kWh)	**1,298,544**
Gas consumed across occupied buildings (kWh)	**820,053**
Fuel used by vehicles for business travel (kWh)	**44,899,959**
Electricity used by EV vehicles for business travel (kWh)	**0**
Total organisational energy consumption (kWh)	**47,018,556**
Water consumed across occupied buildings (m^3)	**838**
Total waste generated across occupied buildings (tonnes)	**11**
Hazardous waste (tonnes)	**0**
Non-hazardous waste (tonnes)	**11**
Total waste to landfill (tonnes)	**0**
Energy from waste (tonnes)	**5**
Total waste recycled (tonnes)	**6**
Recycling rate	**55%**

E1-6: Gross Scopes 1, 2, 3 and total GHG emissions

GHG reporting methodology statement for FY26

Absolute greenhouse gas emissions (performance metrics)
The absolute greenhouse gas emissions disclosed in this section provide the basis for tracking performance against Mitie's emissions-intensity target, as described in E1-4.

The figures below represent Mitie's re-baselined gross greenhouse gas emissions, disclosed as performance metrics in accordance with ESRS E1-6. These metrics provide transparency on the Group's absolute carbon footprint and support assessment of progress against the emissions-intensity target.

Following significant organic growth and recent M&A activity, including the Marlowe acquisition in FY26, we have refreshed our carbon baseline and reporting trajectory through to FY31. This ensures emissions disclosures reflect the enlarged Group structure and provide a robust basis for tracking progress towards our 2030 milestone of a 50% reduction in carbon emissions, expressed in absolute terms. Where material acquisitions occur during the reporting period, emissions are annualised in line with GHG Protocol guidance to establish a representative baseline for target-setting and, where relevant, disclosed separately to support comparability with historic emissions data.

In line with this re-baselining, we will review and recalibrate our validated science-based targets to ensure they continue to reflect the enlarged Group footprint and updated emissions trajectory. As part of this process, Mitie will submit a revised pathway to the Science Based Targets initiative (SBTi) aligned to the FY26 baseline and consistent with our decarbonisation pathway through to FY31, maintaining alignment with a 1.5°C pathway.

Mitie carbon metrics (tCO_2e)	FY26 New baseline	FY27	FY28	FY29	FY30	FY31
Scope 1 and 2	29,300	27,830	25,780	23,000	19,300	14,650
Scope 3	296,000	281,149	260,440	232,355	194,976	148,000
Total	**325,300**	**308,979**	**286,220**	**255,355**	**214,276**	**162,650**

Historic science-based targets

Mitie has previously adopted validated near-term, long-term and Net Zero targets under the Science Based Targets initiative (SBTi), aligned to a 1.5°C pathway. The table below presents these historic validated targets, based on the FY22 baseline, for reference and comparability.

Validated science-based targets (FY22 baseline) (tCO_2e)	FY22 baseline	FY23	FY24	FY25	FY26
SBTi Scope 1 and 2	20,596	19,558	18,520	17,482	16,444
SBTi Scope 3	332,035	317,085	302,135	287,185	272,235
SBTi total	**352,631**	**336,643**	**320,655**	**304,667**	**288,679**

Note: Carbon credits are purchased to address residual Scope 1 emissions that cannot currently be eliminated through operational decarbonisation. Purchased verified emissions reduction (VER) credits are disclosed separately and are not applied to Scope 2 or 3 emissions. Carbon credits are not incorporated into Mitie's emissions-intensity targets, which are assessed on gross Scope 1, Scope 2 and Scope 3 emissions, consistent with ESRS E1-6 and Science Based Targets initiative (SBTi) guidance. For Scope 2 electricity emissions, Mitie uses Renewable Energy Guarantees of Origin (REGOs) to support renewable electricity claims. REGOs are reflected within Scope 2 market-based emissions reporting only and do not affect gross emissions baselines, location-based emissions or climate targets.

Reporting period
Mitie reports emissions using the UK Government's 2025 GHG conversion factors for the period 1 April 2025 to 31 March 2026, applying a financial control boundary. All greenhouse gas emissions are expressed in tonnes of carbon dioxide equivalent (tCO_2e), covering all six Kyoto Protocol gases. A revised baseline was introduced in FY22 in accordance with Mitie's Energy Review Methodology for historic comparability; following significant growth and acquisitions, FY26 now represents the Group's refreshed operational baseline for current reporting and forward-looking targets.

Intensity ratio
To track emissions performance over time, Mitie uses an intensity metric of tCO_2e per £m of revenue, enabling normalisation for changes in business scale and activity levels.

Exclusions
Mitie does not include fugitive emissions (refrigerant leakage) from refrigeration and air-conditioning systems in leased buildings or fleet vehicles due to data availability constraints and landlord-managed assets. Given the scale of other emission sources, these emissions are considered immaterial.

FY26 – Carbon emissions breakdown

	Annual total (tCO_2e)	%
Electricity	1,079	1
Gas	530	0
Water	4	0
Transport/Travel	24,265	9
Waste	2	0
Commuting/Working from home	53,034	20
Supply chain	185,859	70
Total	**264,773**	**100**
Mitie Scope 1 and 2 (UK and overseas)	18,992	7
Mitie Scope 3 (UK and overseas)	245,781	93
Total	**264,773**	**100**

Note: Values exclude purchased verified emissions reduction carbon credits.

Scope of emissions

Scope 1 – Direct emissions
- On-site fuel combustion; gas for heating or generation across leased property; fuel for company vehicles

Fugitive emissions from air conditioning equipment are excluded (see Exclusions).

Scope 2 – Indirect emissions
- Purchased electricity across leased property and EVs managed by Mitie

Scope 3 – Other indirect emissions
- Purchased goods and services; fuel- and energy-related activities; upstream transportation and distribution; waste; water; business travel; employee commuting and working from home

Scope 1 and 2 have low risk of uncertainty. Scope 3 Purchased Goods and Services and Commuting have a higher risk of uncertainty regarding verification.

Process – Mitie Group – Absolute greenhouse gas emissions (FY24-FY26)
Mitie reports in line with the UK Government's Environmental Reporting Guidance (2019), ensuring disclosures remain transparent and robust. For the majority of significant emission sources, we rely on primary data, including automated meter readings, manual meter reads, utility invoices, service-charge information and colleague expense claims.

Emissions data is compiled centrally by Mitie Energy on a quarterly basis and updated at year end to reflect corrections or to replace estimates with actual data where available. The Sustainability team verifies all emissions figures and is responsible for the accuracy of calculations and underlying methodology. Additional detail on data sources is provided in the ESG report.

Mitie has secured independent verification of FY26 greenhouse gas emissions, obtaining reasonable assurance over Scopes 1 and 2 and limited assurance over Scope 3, in accordance with ISO 14064-3:2018.

The table below presents Mitie-only absolute greenhouse gas emissions for FY24-FY26, prepared on a consistent basis (excluding any of the acquisitions completed in FY26) to support like-for-like comparison with prior disclosures.

Absolute emissions

	Emissions	FY24	FY25	FY26	Change	Change %
UK only	**Total Scope 1 (tCO_2e)**	**18,265**	**14,886**	**12,870**	**(2,016)**	**(14)**
	Emissions from fuel combustion across our fleet	18,229	14,560	12,603	(1,957)	(13)
	Emissions from gas combustion in our occupied buildings	36	326	267	(59)	(18)
Overseas	**Total Scope 1 (tCO_2e)**	**873**	**1,955**	**2,307**	**352**	**18**
	Emissions from fuel combustion across our fleet	873	1,955	2,307	352	18
	Emissions from gas combustion in our occupied buildings	–	–	–	–	–
UK and overseas	**Total Scope 1 (tCO_2e)**	**19,138**	**16,841**	**15,177**	**(1,664)**	**(10)**
UK only	**Total Scope 2 (tCO_2e)**	**2,228**	**3,285**	**3,785**	**500**	**15**
	Emissions from the purchase of electricity across occupied buildings	430	821	700	(121)	(15)
	Emissions from electricity consumption across our EV fleet	1,798	2,464	3,085	621	25
Overseas	**Total Scope 2 (tCO_2e)**	**5**	**4**	**30**	**26**	**650**
	Emissions from the purchase of electricity across occupied buildings	5	2	25	23	1,144
	Emissions from electricity consumption across our EV fleet	–	2	5	3	156
UK and overseas	**Total Scope 2 (tCO_2e)**	**2,233**	**3,289**	**3,815**	**526**	**16**
UK only	**Total Scope 3 (tCO_2e)**	**268,668**	**254,301**	**245,724**	**(8,577)**	**(3)**
	Mitie-generated Scope 3	53,315	52,815	59,865	7,050	13
	Supply chain emissions	215,353	201,486	185,859	(15,627)	(8)
Overseas	**Total Scope 3 (tCO_2e)**	**4,668**	**54**	**57**	**3**	**6**
	Mitie-generated Scope 3	**4,668**	**54**	**57**	**3**	**6**
UK and overseas	**Total Scope 3 (tCO_2e)**	**273,336**	**254,355**	**245,781**	**(8,574)**	**(3)**
UK only	**Total Scope 1 and 2 location-based (tCO_2e)**	**20,493**	**18,171**	**16,655**	**(1,516)**	**(8)**
	Total Scope 1 and 2 market-based (tCO_2e)	**20,063**	**14,886**	**12,870**	**(2,016)**	**(14)**
Overseas	**Total Scope 1 and 2 location-based (tCO_2e)**	**878**	**1,959**	**2,337**	**378**	**19**
	Total Scope 1 and 2 market-based (tCO_2e)	**878**	**1,955**	**2,307**	**352**	**18**
UK and overseas	**Total Scope 1 and 2 location-based (tCO_2e)**	**21,371**	**20,130**	**18,992**	**(1,138)**	**(6)**
	Total Scope 1 and 2 market-based (tCO_2e)	**20,941**	**16,841**	**15,177**	**(1,664)**	**(10)**
	Purchased verified emissions reduction carbon credits (VER)	**(4,500)**	**(4,066)**	**(6,778)**	**(2,712)**	**67**
	Total Scope 1 and 2 (location-based) inc. VER	**16,871**	**16,064**	**12,214**	**(3,850)**	**(24)**
	Total Scope 1 and 2 (market-based) inc. VER	**16,441**	**12,775**	**8,399**	**(4,376)**	**(34)**
UK and overseas	**Total Scope 1, 2 and 3 (tCO_2e)**	**294,707**	**274,485**	**264,773**	**(9,712)**	**(4)**
	Carbon credits against Scope 1 and 2	(4,500)	(4,066)	(6,778)	(2,712)	67
UK and overseas	**Total Scope 1, 2 and 3 (tCO2e) (inc. VER – location-based)**	**290,207**	**270,419**	**257,995**	**(12,424)**	**(5)**
UK and overseas	**Total Scope 1, 2 and 3 (tCO_2e) (inc. VER – market-based)**	**289,777**	**267,130**	**254,180**	**(12,950)**	**(5)**
	Intensity – emissions ratio					
UK only	tCO_2e/£m revenue (Scope 1 and 2)	4.55	3.75	3.29	(0)	(12)
UK and overseas	tCO_2e/£m revenue (Scope 1 and 2)	4.75	3.96	3.51	(0)	(11)
UK and overseas (including VER)	tCO_2e/£m revenue (Scope 1 and 2)	3.75	3.16	2.26	(1)	(28)
UK and overseas	tCO_2e/£m revenue (Scope 1, 2 and 3)	65.35	53.91	48.94	(5)	(9)

The table above highlights that Mitie's absolute emissions, excluding carbon credits, have reduced by 4%.

In line with our expectations, we continue to see a significant decline in carbon emissions from fossil fuels and a steady increase in electricity consumption and carbon emissions for our EVs as we transition our fleet. Overall Mitie's Scope 1 and 2 emissions have reduced by 6% (location-based) and 10% (market-based).

Process – Marlowe – Absolute greenhouse gas emissions (FY26)

Marlowe greenhouse gas emissions reports are prepared in alignment with Mitie's Group reporting methodology, which is based on the UK Government's Environmental Reporting Guidance (2019) and the GHG Protocol. Emissions are calculated using primary data where available, including automated and manual meter readings, utility invoices, service-charge information and intensity metrics based on Mitie data, to ensure methodological consistency with Mitie Group disclosures.

Marlowe emissions data is compiled and consolidated through Mitie's central Energy and Sustainability reporting processes, with quarterly data capture and year-end true-ups applied to reflect corrections or the replacement of estimates with actual data where available. The Sustainability team is responsible for reviewing data quality, methodological alignment and integration within the Group reporting boundary. Further detail on data sources and methodology is provided in the ESG report.

Marlowe was acquired on 4 August 2025. For the purposes of forward-looking climate target-setting and transition planning, Marlowe emissions are presented on a full-year equivalent basis to establish a robust and representative FY26 baseline, consistent with GHG Protocol and science-based target guidance. Mitie assumes operational responsibility for Marlowe emissions from the date of acquisition, with consolidation reflected accordingly in statutory reporting.

Absolute emissions

	Emissions	FY26
UK only	**Total Scope 1 (tCO_2e)**	**10,896**
	Emissions from fuel combustion across our fleet	**10,746**
	Emissions from gas combustion in our occupied buildings	**150**
UK only	**Total Scope 2 (tCO_2e)**	**230**
	Emissions from the purchase of electricity across occupied buildings[1]	**497**
	Emissions from the purchase of electricity across occupied buildings[2]	**230**
	Emissions from electricity consumption across our EV fleet	–
UK only	**Total Scope 3 (tCO_2e)**	**53,214**
	Marlowe-generated Scope 3	**5,815**
	Supply chain emissions	**47,399**
UK only	**Total Scope 1 and 2 location-based (tCO_2e)**	**11,126**
	Total Scope 1 and 2 market-based (tCO_2e)	**11,393**
UK only	**Total Scope 1, 2 and 3 (tCO_2e)**	**64,340**
UK only	**Total Scope 1, 2 and 3 location-based (tCO_2e)**	**64,340**
UK only	**Total Scope 1, 2 and 3 market-based (tCO_2e)**	**64,607**
	Intensity – emissions ratio	
UK only	tCO_2e/£m revenue (Scope 1 and 2) location-based	**53.51**
UK only	tCO_2e/£m revenue (Scope 1 and 2) market-based	**54.80**

1. Market-based included Marlowe only using a residual mix factor.
2. Location-based calculated combining Mitie and Marlowe using Defra emissions factor.

Mitie assumes responsibility for Marlowe's carbon emissions from 4 August 2025, recognising 42,893 tCO_2 (location-based) and 43,071 tCO_2 (market-based), calculated on a pro-rata basis for an eight-month period.

Mitie Group combined emissions (including Marlowe)

In addition to the stand-alone Mitie and Marlowe disclosures above, the table below presents combined Mitie Group greenhouse gas emissions, bringing together Mitie and Marlowe on a full-year equivalent basis. This view is provided solely to support Group-wide target-setting, re-baselining and alignment with Mitie's strategic climate targets disclosed earlier in this sustainability statement. It reflects the enlarged Group structure following the acquisition of Marlowe on 4 August 2025 and is consistent with GHG Protocol guidance for material acquisitions.

This combined presentation is not intended to provide year-on-year performance comparison with prior periods. Like-for-like comparability with previous years is instead provided through the Mitie-only disclosures set out above.

Mitie Group (including Marlowe) – Absolute greenhouse gas emissions

Emissions	FY26 Baseline
Total Scope 1 (tCO_2e)	**26,073**
Total Scope 2 (tCO_2e)	**4,045**
Location-based[1]	**4,045**
Market-based[2]	**497**
Total Scope 1 and 2 location-based (tCO_2e)	**30,118**
Total Scope 1 and 2 market-based (tCO_2e)	**26,570**
Total Scope 3 (tCO_2e)	**298,996**
Total Scope 1, 2 and 3 (tCO_2e) location-based	**329,114**
Total Scope 1,2 and 3 (tCO_2e) market-based	**325,566**

Intensity – emissions ratio tCO_2e/£m revenue	
Total Scope 1 and 2 (location-based, inc. VER)	**4.15**
Total Scope 1 and 2 (market-based, inc. VER)	**3.52**
Total Scope 1,2 and 3 (location-based)	**58.58**
Intensity is calculated on gross emissions and is not adjusted for carbon credits, consistent with ESRS E1 6 and SBTi guidance.	
Total Scope 1,2 and 3 (location-based, inc. VER)	**57.37**
Total Scope 1,2 and 3 (market-based, inc. VER)	**56.74**

Carbon credits are purchased to address residual Scope 1 and Scope 2 emissions that cannot currently be eliminated. They are not applied to Scope 3 emissions and are not incorporated into emissions-intensity targets or performance assessment.

1. Location-based calculated combining Mitie and Marlowe using Defra emissions factor.
2. Market-based included Marlowe only using a residual mix factor.

Mitie Group (including Marlowe) combined emissions

Marlowe was acquired on 4 August 2025. For the purpose of establishing a representative Group-wide baseline for climate target-setting and reporting against Mitie's strategic emissions-intensity targets, Marlowe emissions are presented on a full-year equivalent basis in accordance with GHG Protocol guidance for material acquisitions. Operational responsibility for Marlowe emissions transferred to Mitie from the acquisition date. Prior-year emissions have not been restated.

On this basis, incorporating an eight-month consolidation of Marlowe emissions alongside Mitie's full-year emissions results in a combined Group emissions intensity of 54.76 tCO_2e/£m, meeting the FY26 carbon intensity baseline target on a consistent and representative Group-wide basis.

Basis of preparation

All emissions are calculated in accordance with the greenhouse gas (GHG) Protocol and Mitie's Group reporting methodology, applying a financial control boundary and UK Government GHG conversion factors.

E1-7: GHG removals and GHG mitigation projects financed through carbon credits

As part of Phase One of Plan Zero, Mitie's approach to carbon mitigation prioritises direct emissions reduction across its operations, with carbon credits used only to address residual emissions that cannot yet be eliminated.

Mitie continues to purchase carbon credits to mitigate residual Scope 1 emissions from fossil-fuel use, primarily relating to diesel vehicles and gas-fired boilers. These emissions fall outside the scope of the Group's emissions-intensity target and are not incorporated into the gross emissions baseline or targets disclosed in this sustainability statement.

Electricity used across Mitie's built estate and fleet is supported by Renewable Energy Guarantee of Origin (REGO) certificates, which enable renewable electricity claims and are reflected within Scope 2 market-based emissions reporting. As the transition to an electric fleet accelerates, electricity consumption has increased, and the Scope 2 emissions associated with EV charging were supported by REGOs in FY26. Mitie continues to report Scope 2 emissions using both location-based and market-based methodologies.

During FY26, the acquisition of Marlowe significantly expanded the Group's operational footprint and resulted in a rebasing of emissions to reflect the enlarged Group structure. As a result, while Mitie continues to disclose and apply carbon credits in line with its mitigation hierarchy, the volume and coverage of carbon credits differs from earlier Plan Zero assumptions. This reflects growth- and acquisition-related changes rather than a change in strategic intent, with priority remaining on direct operational decarbonisation and reduction of absolute emissions over time.

E1-8: Internal carbon pricing

Mitie does not currently apply an internal carbon price within its investment appraisal or decision-making processes. This reflects the Group's strategic emphasis on delivering direct, measurable emissions reductions and the effectiveness of its existing governance and capital allocation framework in supporting progress towards Net Zero.

While Mitie recognises the potential role that internal carbon pricing can play in influencing behaviour and informing long-term investment decisions, the Group has prioritised operational actions that deliver immediate emissions impact. Through Plan Zero, these include transitioning to a zero-emission fleet, sourcing renewable electricity and reducing waste through targeted operational initiatives.

The use of internal carbon pricing is kept under review as regulatory frameworks evolve and as Mitie continues to enhance its climate-related data, modelling capability and decision-making processes. Any future consideration of internal carbon pricing would be subject to appropriate governance and alignment with Mitie's overall transition strategy.

E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

As described in IRO-1, Mitie undertook climate scenario analysis, supported by Marsh, to assess the potential physical impacts of climate change on its operations and asset base. The analysis considered both acute and chronic physical risks, including extreme weather events and longer-term climate change impacts, across multiple time horizons.

The potential financial effects of physical climate risks were assessed using a qualitative risk-rating framework, considering likelihood and severity across Mitie's operational footprint. This assessment indicated that the majority of assets are currently exposed to low-to-medium levels of physical climate risk, with sea-level rise and increased frequency of extreme weather events identified as areas of emerging exposure over the longer term. Potential financial impacts associated with physical risks include higher operating and maintenance costs, increased capital expenditure to enhance asset resilience, and temporary reductions in productivity or service continuity. In response, Mitie has strengthened health, safety and environmental standards, expanded planned preventative maintenance programmes and enhanced business-resilience and continuity testing.

Transition risks and opportunities

Mitie has also identified a number of transition risks associated with the shift to a lower-carbon economy. These include evolving decarbonisation expectations placed on supply chains and the transition away from fossil fuels within the Group's fleet and estate. Anticipated financial effects include transitional increases in operating costs and capital investment associated with fleet replacement, infrastructure upgrades and data and reporting enhancements, as well as potential impacts on supplier pricing during the transition period. Mitie mitigates these risks through its EV-First policy for new vehicle leases, proactive supplier engagement, and targeted programmes to improve supply-chain emissions data quality and performance.

In parallel, several climate-related opportunities have been identified. These include continued expansion of Mitie's electric vehicle fleet, making it one of the largest in the UK, and evolving customer expectations for low-carbon and energy-efficient services. Through Plan Zero – Decarbonisation Delivered™, Mitie supports customers in delivering their Net Zero ambitions using in-house decarbonisation capability. The Group continues to invest in utilities optimisation, carbon-efficiency solutions and targeted acquisitions to scale its project delivery model and capture growth opportunities arising from the transition.

S1 Own Workforce

Strategy

ESRS 2 SBM-2: Interests and views of stakeholders

Our vision is to be the employer of choice in our sector, recognised for how we value our people and the positive contribution we make to the communities we support. We are proud of our diverse and talented workforce, and our colleagues are proud to be part of Mitie.

Integration of workforce interests and human rights

We have set stretching goals to promote diversity, ensure fair pay and provide market-leading benefits. We offer extensive learning and development pathways, including apprenticeships, and uphold human rights through dedicated policies and training programmes. Regular colleague surveys and listening groups help us gather meaningful feedback, which in turn shapes strategic decisions.

Our Strategic People Pillars

Strengthen leadership, talent and succession pipelines:
Building leadership capability, bench strength and future-ready skills across the Group.

AI people enablement and adoption
Making HR and people processes more efficient and accessible through AI, automation and digital tools.

HR service delivery and innovation
Redesigning HR services to operate at business speed, improve colleague experience and increase resolution through digital and AI-enabled solutions.

Step change in colleague relations
Modernising and strengthening Mitie's approach to colleague relations, resolution and fairness.

Embed and drive effective performance management
Ensuring clear expectations, constructive feedback and consistent performance standards across the organisation.

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

People strategy and business model

Mitie evaluates workforce-related risks with an understanding that individual risks are interconnected and can amplify one another. Our Enterprise Risk Management framework embeds risk considerations into all major decisions and supports delivery of our strategic priorities. Oversight of this framework sits with the Group Risk Committee, which provides assurance to the Board and the Audit & Risk Committee. We regard strong risk management as a source of competitive advantage, recognising the importance of human behaviour and the differing risk perspectives across the organisation.

We have identified key risks and opportunities affecting our workforce, including labour turnover, shortages of critical skills, wellbeing challenges and modern slavery.

Our workforce is made up of directly employed colleagues, self-employed workers and individuals supplied through third parties. To mitigate these risks, we offer wide-ranging training, enhanced working conditions and comprehensive mental health and wellbeing support. Positive opportunities include leadership development, diversity and inclusion initiatives, and ongoing professional development.

As one of the UK's largest employers, our colleagues are central to Mitie's success and that of our customers and contribute significantly to the UK economy. We prioritise colleague safety and wellbeing, listen actively, take action and celebrate the diversity of our workforce. Our goal is to be a 'Great Place to Work' for everyone, offering strong career development paths and recognising contribution at every level. We remain committed to building the skills required for the future, supporting both our long-term growth and wider societal benefit. Our material risks and opportunities are particularly relevant for specific workforce groups, including underrepresented communities, colleagues operating in higher-risk environments and those based in regions with elevated risk profiles. We work proactively to reduce these risks and harness opportunities to foster a safer, more inclusive and more resilient working environment.

MyMitie

We are continually evolving our Employee Value Proposition (EVP), MyMitie:

MyVoice

Ensuring our colleagues have their say and their voices are heard

FY26 achievements
Held 14 Board listening sessions and facilitated 324 events through Team Talk Local

MyAchievement

Recognising the successes of our colleagues

FY26 achievements
Held our annual achievement event at The Shard, after issuing over 31,000 Mitie Stars during the year. Total amount awarded was £83,500; £66,000 in monthly prizes and the top three winners receiving £10,000, £5,000 and £2,500, respectively

MySlice

Our industry-leading benefits package

FY26 achievements
£360,000 colleague saving through MySlice and issued free shares for the sixth consecutive year

MyWellbeing

Prioritising our colleagues' health and wellbeing

FY26 achievements
Launched a series of digital wellbeing programmes on topics such as Sleep, Money Worries and Resilience through our Employee Assistance Programme

MyCommunity

Our commitment to building connections, taking positive actions and giving back

FY26 achievements
Delivered 35,706 volunteering hours across the Group

MyCareer

Our learning and development offering

FY26 achievements
Supported over 1,800 colleagues through apprenticeships

MyStory

Our colleagues telling their own stories to inspire others and drive belonging

FY26 achievements
Our 'This is Me' campaign uses real Mitie colleagues and their lived experiences to build trust, create relatable role models and encourage open conversation, supporting long-term cultural change.

The campaign also encourages colleagues to update their diversity data in People Hub, helping close data gaps and better tailor support. We achieved 100% completion for gender and ethnicity data. Since April 2025, disability declarations have increased by 14% in absolute terms, with representation rising from 1.70% to 1.80% (March 2026), despite overall headcount growth. LGBTQ+ declarations increased by 11.4%, with representation rising from 3.76% to 3.80%.

We have also expanded our data categories, including parents and carers, and enhanced military-related disclosures to improve our understanding of workforce demographics. Improved disclosure reflects growing trust and psychological safety, with colleagues increasingly confident to share their identities.

Impact, risk and opportunity management
S1-1: Policies related to own workforce

Policies

Our policies address the management of our material impacts on our own workforce, as well as associated material risks and opportunities. They apply to all Mitie colleagues in all operating countries.

People Policy

Mitie's People Policy addresses the management of material workforce impacts, including fair employment, health and safety, wellbeing, learning and development, and colleague engagement. It applies to all colleagues and supports the mitigation of workforce-related risks and the advancement of positive employment outcomes.

Equality, Diversity and Inclusion (ED&I) Policy

Mitie's ED&I Policy sets out the standards and requirements for preventing discrimination and promoting equality of opportunity across recruitment, employment and progression. It applies to all colleagues and supports the identification, prevention and remediation of discrimination, harassment and victimisation.

Quality, Health, Safety and Environment (QHSE) Policy

Mitie's QHSE Policy sets out the framework for managing health, safety and wellbeing risks across operations, including compliance, risk assessment, training and performance monitoring. It applies to all colleagues and contractors.

One Code

The One Code sets out the behavioural and ethical standards expected of all colleagues, providing a clear framework for integrity, respect, inclusion and speaking up across the organisation. It defines how colleagues are expected to behave in their day-to-day roles and in decision-making.

Employee Handbook

Mitie's Employee Handbook sets out the employment policies, procedures and practical arrangements that govern the colleague experience, including health and safety, wellbeing, equality, grievance and disciplinary processes. It provides clear guidance on pay, benefits, learning and career development, and access to support, ensuring transparency and consistency across the workforce. The Employee Handbook complements the One Code, which defines the behavioural and ethical standards expected of all colleagues, by explaining how Mitie's employment policies are applied in practice and the routes available for raising concerns and accessing protection.

S1-2: Processes for engaging with own workers and workers' representatives about impacts

Engaging our colleagues

Mitie encourages an open culture where colleagues feel confident raising concerns, including with senior leaders. Our 360° listening approach ensures everyone has opportunities to be heard, supported by our MyVoice Survey, which gathers feedback across a wide range of topics. In FY26, we delivered 324 engagement sessions through our Team Talk Local programme. This framework equips leaders with the tools, materials and confidence to run high-quality conversations tailored to their teams. Each session follows a structured agenda, including a video update from our CEO, Phil Bentley, with dedicated time for open dialogue. A strong 'you said, we did' focus ensures transparent two-way engagement, with insights captured centrally to inform future activity.

Colleagues can also participate in our six ED&I networks, which provide spaces to share experiences, raise awareness and challenge bias. Each network has an executive sponsor, with Board members regularly attending events. For urgent or sensitive matters, colleagues can access 'Speak Up', our 24/7 whistleblowing line, alongside channels such as 'Grill Phil' and the Board Listening programme, which provide direct access to senior leadership.

Mitie's Internal Communications Director oversees all internal communication channels, ensuring alignment with the Group's Facilities Transformation Plan. The function promotes transparency, strengthens feedback loops and ensures colleagues understand how their work contributes to Mitie's success.

One of the main challenges to engagement is ensuring consistent digital access across a dispersed workforce with varying levels of digital literacy. In response, we deployed 48,000 Teams for Frontline licences, providing all UK colleagues with a consistent digital platform to connect, access information and engage with the business.

Annual survey – MyVoice

Mitie's annual colleague engagement survey, MyVoice, provides a Group-wide view of culture and engagement, with results reviewed by management and the Board.

The October 2025 survey reported an engagement score of 74%. To support progress towards our ambition of world-class engagement (85%), we are focusing on five macro areas:

Insights and actions undertaken in FY26

Upload survey insights (You Said)	Action taken (We Did)
Streamline process and remove barriers to execution	• Accelerate process reimagination and optimisation • Invest in enterprise-wide change management capabilities • Launch Employee Experience Board
Strengthen rewards and personal growth opportunities	• Conduct market reviews for critical skills (Green, Engineering and Projects) • Review career pathways, particularly in Technical Services (TS) • Refresh 'MySlice' campaign to promote total benefits offer • Amplify non-monetary rewards at an enterprise level
Enhance cross-team communications and collaboration	• Move to an enterprise-first communications strategy • Optimise the technology and tools already available • Use new behaviour framework to drive a renewed focus on collaboration
Focus on 'at risk' teams and contracts	• Implement targeted performance improvement actions on underperforming contracts, prioritising those approaching renewal • Set up peer-to-peer mentor groups to share learning across key account managers • Review Wellbeing strategy to proactively identify any risks
Embed engagement in strategy and accountability	• Ensure engagement scores and feedback are embedded into all contract/team/operational reporting • Implement continuous listening by leveraging the power of Microsoft Glint • Strengthen our focus on disability disclosure

Building capability to support engagement

To support effective engagement and ensure colleagues can fully participate, Mitie continues to invest in building skills, capability and a shared understanding of expectations across the organisation. This includes targeted programmes that strengthen digital confidence, commercial capability and ethical decision-making, enabling colleagues to engage more effectively with each other and with the business.

Digital Academy

Mitie's Digital Academy is a single, accessible learning ecosystem designed to build digital, data and AI capability across the workforce. It brings together self-directed, facilitated and community-led learning, alongside professional qualifications, under a consistent framework aligned to our Digital Standards.

We have invested over £3.5m of apprenticeship levy funding to support recognised qualifications and developed a network of over 170 Copilot Champions to drive peer-to-peer learning. Communities focused on Microsoft 365 and Copilot now include more than 2,200 members, supporting adoption and collaboration. The Digital Standard programme was launched in May 2026, establishing a baseline level of capability for all colleagues. This is complemented by a Digital Essentials pilot, delivered with the Digital Poverty Alliance, to support colleagues with lower levels of digital access or confidence.

Ignite 360

Ignite 360 is Mitie's Growth Academy, designed to strengthen capability across Business Development and Account Management. Structured around our Find, Win, Grow and Keep framework, it combines digital learning, workshops, coaching and peer-led learning to build consistent commercial capability. Since launch, colleagues have completed over 2,000 digital modules and taken up more than 350 workshop places, with participants reporting an average 35% increase in confidence and capability. The programme supports stronger customer relationships and more consistent delivery across the contract lifecycle.

One Code

One Code is Mitie's enterprise-wide Code of Conduct, bringing together our values, policies and expected behaviours into a clear, practical framework. It is designed to ensure colleagues understand expectations, make informed decisions and feel confident speaking up. The learning uses real-world scenarios and colleague experiences to reinforce expected behaviours, supported by ongoing internal communications and leadership engagement.

As at year-to-date, 59,593 colleagues, representing 84% of UK colleagues, have completed One Code learning.

S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

Whistleblowing service – 'Speak Up'

Mitie promotes a culture built on openness, transparency and trust, encouraging colleagues to raise concerns at any time. Our 'Speak Up' service provides a confidential route for reporting issues such as bullying, harassment, discrimination, health and safety concerns and potential fraud. The service allows anonymous reporting by colleagues, customers, suppliers and other third parties, and is accessible via a freephone hotline and online portal. Information about the service is available in multiple languages through posters, the Employee Handbook and MitiePeople.com.

All reports are reviewed independently to avoid any conflicts of interest. Mitie's Whistleblowing Investigation Group, comprising the Deputy General Counsel and senior Internal Audit leaders, considers all submissions, and the Board receives regular updates on whistleblowing activity. Our Employee Handbook sets out the protections available to whistleblowers and reminds colleagues that retaliation, whether formal or informal, is strictly prohibited. Ensuring colleagues can raise concerns without fear of retaliation is central to our culture.

S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Material impacts and opportunities

Mitie recognises several significant workforce-related IROs, including high turnover, shortages of critical skills, wellbeing challenges and risks linked to modern slavery. To address these, we provide a wide range of training programmes, flexible working options, strengthened health and safety processes and comprehensive mental health support. We also leverage positive opportunities through leadership development, diversity and inclusion initiatives and continuous professional development. Our colleague networks, such as Mitie Women Can and Proud to Be, help promote inclusion and create safe spaces for colleagues to connect and share experiences.

During FY26, Mitie strengthened its workforce culture and conduct framework through the launch of a refreshed One Code, reinforcing clear behavioural expectations aligned to our values and zero-harm culture. The One Code supports consistent decision-making, promotes respectful and inclusive behaviours, and underpins our speak-up arrangements and protections against retaliation.

Alongside the refreshed One Code, Mitie introduced a new behaviour framework during FY26 to reinforce how our values and expectations are lived day-to-day across the organisation. The behaviours provide practical guidance for leaders and colleagues, supporting positive culture, inclusion, psychological safety and accountability, while strengthening alignment between people practices, decision-making and our zero-harm ambition.

This behavioural framework is supported by the Employee Handbook, which provides colleagues with clear guidance on employment processes, access to support and routes for raising concerns. Together, these measures help Mitie mitigate risks related to misconduct, discrimination and wellbeing, while fostering a high-performing, inclusive working environment.

Our risk and sustainability governance outlines the actions taken, their effectiveness and measurable outcomes. We set ambitious objectives on diversity, fair pay and benefits, and use colleague feedback, through surveys, Board Listening sessions and other channels, to inform strategic decisions.

We monitor effectiveness through a range of indicators, including engagement results, Glassdoor ratings, attrition and diversity metrics. We maintain high ethical standards across procurement, sales and data management, and prioritise colleague wellbeing and safety. Technology also plays a key role: through our partnership with Wipro, we are using automation and AI to reduce manual workloads and allow colleagues to focus on higher-value activity, while the MyMitie app supports communication and engagement.

Metrics and targets

S1-5: Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

Targets – impacts and opportunities

Mitie has established clear, time-bound targets to build an inclusive and supportive working environment, minimise negative impacts and maximise positive ones. These targets align with our wider strategic priorities and guide how we manage workforce-related risks and opportunities. We continue to adopt technology to enhance the colleague experience, broaden employment opportunities and strengthen operations.

To reduce negative impacts, we are addressing attrition through an improved EVP, expanded training, flexible working options and a strong focus on health and safety. We remain committed to eliminating modern slavery, supported by robust monitoring and compliance activities.

To enhance positive impacts, we are increasing diversity in leadership roles and expanding our apprenticeship programmes to strengthen capability in leadership, business and STEM disciplines. Our diversity commitments are underpinned by targets to ensure fair pay and leading benefits. We continue to embed learning and development opportunities across the business, alongside strong human rights policies and training.

Our previous five-year plan, incorporating our social value framework, concluded in FY25. During FY26, the ESG Committee has developed a new ESG Strategy outlining the five-year plan for our 2030 ambitions. These targets and our performance against them are set out on page 130.

S1-6: Characteristics of Mitie's employees

At 31 March 2026, Mitie Group plc had a total of 84,024 employees.

For countries with 50 or more employees, the breakdown is as follows:

Employees by gender (UK only)

Female
23,649

Male
47,143

Employees by contract type, broken down by gender (UK only)

Headcount/FTE	Female	Male	Total
Number of employees	23,649	47,143	70,792
Number of permanent employees	23,086	46,455	69,541
Number of temporary employees	416	569	985
Number of non-guaranteed hours employees	147	119	266
Number of full-time employees	11,122	34,834	45,956
Number of part-time employees	12,527	12,309	24,836

Note: gender breakdown data is UK only.

Employees by country

UK
70,792

Ireland
1,310

Spain
11,922

Global employees by contract type, broken down by region

Headcount/FTE	UK	Ireland	Spain	Total
Number of employees	70,792	1,310	11,922	84,024
Number of permanent employees	69,541	1,285	9,836	80,662
Number of temporary employees	985	25	2,086	3,096
Number of non-guaranteed hours employees	266	0	0	266
Number of full-time employees	45,956	638	6,233	52,827
Number of part-time employees	24,836	672	5,689	31,197

Methodologies and assumptions used to compile data

- Colleague data is collected through Mitie's internal HR systems and verified by cross-referencing with payroll records
- Non-guaranteed hours employees are assumed to work an average of 20 hours per week unless specified otherwise by their contracts. This assumption helps in calculating full-time equivalent (FTE) for non-guaranteed hours employees

Contextual information

- The data includes all employees directly employed by Mitie, as well as those on temporary and non-guaranteed hour contracts
- The data is compiled by aggregating information from various departments and ensuring consistency in reporting across different business units

S1-9: Diversity metrics

UK gender and age breakdown

Board

Female
4

Male
4

Senior leadership team (SLT)

Female
21

Male
45

Employees over 50 years old

Female
10,680

Male
19,053

Employees 30 to 50 years old

Female
9,458

Male
19,780

Employees under 30 years old

Female
3,511

Male
8,310

S1-12: Persons with disabilities

UK gender breakdown

Employment of persons with disabilities

Female
2.18%

Male
1.60%

S1-10: Adequate wages

Living wage

Mitie is committed to fair and equitable pay. As a Recognised Service Provider with the Living Wage Foundation, we actively encourage customers to adopt the Real Living Wage by demonstrating its value. We met our FY26 commitment to ensure that all colleagues whose pay is set directly by Mitie receive at least the Real Living Wage.

Colleague benefits

Through our MySlice benefits platform, colleagues can access a wide range of benefits including life assurance, health insurance, virtual GP services, mortgage advice and lifestyle discounts. Our reward offer includes free share awards, performance-related incentives and participation in share schemes such as Save As You Earn. Frontline colleagues have received free shares in each of the past five financial years, including a double free share award of 200 shares last year.

We continue to enhance our support for colleagues, offering improved maternity and paternity pay, alongside carer's leave of one week unpaid annually. In FY26, we further strengthened our benefits package, with a renewed emphasis on frontline-focused recognition and incentive schemes.

- 8.6m free shares were awarded to colleagues in FY26 as part of our first double award, with a higher number of shares granted to our frontline colleagues
- Colleagues saved a total of £419,600 through the MiDeals employee discounts portal
- 31,355 Mitie Stars were issued as part of Mitie's recognition scheme
- £83,500 was awarded in prizes to Mitie Star recipients

S1-13: Training and skills development metrics

Learning throughout Mitie

Mitie aims to provide more than employment; we want colleagues to have clear opportunities for professional and personal development. Colleagues are encouraged to take ownership of their learning journeys through our extensive internal offering. In FY26, more than 632,962 learning courses were completed across a broad range of topics, averaging 8.3 courses per colleague.

We supported over 1,800 apprentices across more than 120 programmes, ranging from level 2 to level 7 and covering technical, professional and managerial qualifications. Over £7.5m of apprenticeship levy funding was invested in Mitie apprentices and through levy-gifted placements supporting 54 external apprentices across 32 organisations. Mitie has been recognised as a Top 100 Apprenticeship Employer for the third consecutive year.

We continue to build on our award-winning Count Me In inclusion learning campaign, complemented by our Women in Leadership programmes. The first cohort of our level 7 programme achieved a 100% pass rate with distinction. We also run level 3 and level 5 programmes to maintain a strong pipeline of future female leaders and our people-manager development programme, Leading Together, received external recognition as 'highly commended' at the Business Culture Awards. To date, 88% of people managers have completed the programme, and 94% have completed the accompanying Leading with Respect course.

We are committed to creating sustainable careers by equipping every colleague with the digital, data and AI skills needed to thrive in a rapidly changing world. Through our enterprise-wide Digital Academy, we provide a single, accessible destination for skills development, from essential digital literacy for frontline colleagues to advanced data and AI qualifications delivered in partnership with leading organisations such as Microsoft, Corndel and Imperial College London. This blended model of self-directed learning, facilitated training, professional accreditation and peer-to-peer support ensures all colleagues can build confidence, stay safe online, improve productivity and grow their careers.

By investing in digital capability at every level, we are strengthening our workforce, supporting employability and building the skills foundation needed for a sustainable future.

In FY26, 88.4% of salaried employees received an end-of-year performance review (FY25: 82.6%).

Year	Salaried headcount	Rating completion	% completion
2022	20,079	14,723	73.3
2023	20,002	15,696	78.5
2024	21,909	18,166	82.9
2025	24,520	20,264	82.6
2026	25,307	22,378	88.4

S1-14: Health and safety metrics

Health, safety and wellbeing

Mitie places strong emphasis on health, safety and wellbeing by promoting collaboration and equipping colleagues to take ownership of safe working practices. Our zero-harm goal, underpinned by our Values and the LiveSafe programme, drives improvements in performance, accountability and innovation, while helping to reduce accidents and absence.

Our FY26 results demonstrate this commitment. Through MyWellbeing initiatives, we supported colleague safety across the business, carrying out 13,815 LiveSafe visits and recording 147,912 hazard observations. During Mental Health Awareness Week, we increased awareness and support through MiNet communications and drop-in sessions, and we now have over 400 trained mental health first aiders across the organisation.

We also held Stand Down Days in FY26, pausing operations to hold focused safety conversations, encourage open dialogue and reinforce risk prevention behaviours. The impact of our LiveSafe approach was reflected in our external recognition, with Mitie receiving 19 RoSPA Gold awards during the year, including for the first time a Group-wide Gold Award for overall health and safety, and a Group-wide Gold Award for our fleet safety management. In FY26 we were also the proud recipients of the British Safety Council 5 Star Audit award for Group. This is a world-class, gold standard, and we are the only business currently in the FTSE 250 to hold this accolade.

Mitie's ISO 45001-accredited health and safety management system covers all colleagues. FY26 performance metrics:

- Total recordable incident rate: 1.93 per 100,000 hours worked
- Lost time injury rate (>7 days absence): 0.08 per 100,000 hours worked. (This differs from the Group LTIFR reported in the Annual Report and Accounts, which includes all lost time injuries (≥1 day absence) and is presented per 1,000,000 hours worked)
- Near miss reporting rate: 1.54 per 100,000 hours worked
- Health and safety training hours: 146,138 hours (third party specialist)

These metrics reflect our commitment to continuous improvement and colleague competency.

Description	Value
Percentage of people in own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0
Number of recordable work-related accidents for own workforce	2,773
Rate of recordable work-related accidents for own workforce	1.93
Number of cases of recordable work-related ill health of colleagues	36
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to colleagues	8,110

S1-17: Incidents, complaints and severe human rights impacts

Discrimination incidents related to equal opportunities and grievances and complaints related to other work-related rights

Mitie provides several routes for colleagues to report any concerns relating to discrimination or harassment, including raising issues with their line manager, submitting a grievance or using the whistleblowing hotline.

All discrimination-related grievances are investigated fully by independent managers, and colleagues retain the right to appeal if they disagree with the outcome. Mitie operates a strict zero-tolerance approach to discrimination; where issues are identified, appropriate actions may include targeted training, reinforcement of relevant policies or formal disciplinary measures to ensure issues are resolved effectively.

We ensure colleagues, and their representatives, feel informed, supported and protected when raising concerns. This is achieved through regular training, clear and accessible policy communication, a strong emphasis on confidentiality and a firm commitment to preventing any form of retaliation.

Identified cases of severe human rights issues and incidents

Mitie did not identify any severe human rights issues or incidents involving its own workforce during FY26. We also recorded no breaches of the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises relating to severe human rights matters within our direct workforce.

G1 Business Conduct

Impact, risk and opportunity management

G1-1: Corporate culture and business conduct policies

Policies

Our policies address the management of our material impacts for business conduct, as well as associated material risks and opportunities. They apply to all Mitie colleagues in all of the countries in which we operate.

Ethical Business Practice Policy
Mitie is committed to ethical and moral stewardship, with zero tolerance for bribery, corruption, tax evasion and fraud. We comply with international sanctions and protect customer confidentiality. Our policy promotes safe working conditions, human rights and labour standards. We do not engage in political activities but do participate in policy debates that are relevant to our business. Colleagues are encouraged to report unethical behaviour.

Procurement Policy
Our Procurement Policy outlines Mitie's procurement processes, emphasising ethical business practices, financial controls and supplier selection. It mandates compliance with legal standards, separation of duties and conflict of interest management. The policy also covers contracting, tendering thresholds, supplier due diligence and contract administration, ensuring transparency, accountability and sustainability in procurement activities.

Modern Slavery Statement
Mitie is committed to eliminating modern slavery and human trafficking. Our 2025 statement outlines our efforts, including due diligence, risk assessment and stakeholder engagement, while we also upgraded our screening platform and collaborated with the Cabinet Office. We work with around 8,800 suppliers, requiring transparency and compliance from each of them. In FY26, no incidents of modern slavery were identified, and we continue to closely monitor any high-risk suppliers.

Whistleblowing Policy
Our Whistleblowing Policy aims to identify and address issues of fraud, corruption and other misconduct within Mitie. It applies to all colleagues, including managers, directors, contractors and temporary staff. The procedure encourages colleagues to raise concerns about unlawful conduct, financial malpractice, health and safety dangers, environmental damage, modern slavery and breaches of internal rules. Concerns can be reported confidentially through an independent whistleblowing service, reports are investigated independently and colleagues are protected from retaliation.

Mitie Fraud Framework
The Mitie Fraud Framework establishes controls to prevent and detect fraud within Mitie. It mandates the reporting of suspected fraud to the Internal Audit team or via a whistleblowing helpline. The framework includes investigation procedures, confidentiality measures, and responsibilities for managers and supervisors. It also outlines specific fraud risks and controls, alongside the importance of maintaining high ethical standards.

G1-2: Management of relationships with suppliers

Engaging our supply chain

Mitie works in partnership with its suppliers to maintain strong, transparent and ethical relationships that support long-term value creation. We recognise that our suppliers play a critical role in delivering responsible outcomes for our customers, communities and the environment. Our Procurement Policy sets clear expectations for ethical conduct, sustainability and compliance across all sourcing and purchasing activities.

Our approach to supply chain management focuses on both reducing risk and promoting responsible business practices. Through the Mitie Supplier Management Framework, we undertake thorough due diligence at onboarding, combined with ongoing monitoring and structured reviews. We use a combination of digital tools, including Coupa DSP, EcoVadis supplier assessment and our Supplier Portal (Mitiesuppliers.com) to support transparency and efficiency across sourcing, onboarding and ongoing supplier management.

Social, environmental and ethical considerations are embedded into our supplier selection and management processes consistent with our Sustainable Procurement Policy, which seeks to deliver value while supporting society and minimising environmental harm. We apply due diligence assessments for suppliers, including human rights and modern slavery risk. We also collaborate with strategic service providers and the Cabinet Office to help suppliers identify and address modern slavery risks.

During the year, Mitie launched its Supplier Sustainability and Social Value Charter, to support supplier engagement, transparency and continuous improvement across environmental, social and ethical priorities.

Recognising the diversity of our supply base, Mitie provides targeted support to suppliers, including SMEs and VCSEs, offering guidance, training and practical resources to help them understand our ESG expectations, build capability and demonstrate compliance. Through our collaborations with the Supply Chain Sustainability School and other partners, we help suppliers to develop their knowledge of environmental management, and to understand and manage social and environmental risks. Our Supplier Social Value Policy reinforces principles of fairness, inclusion, accountability and sustainability across the supply base.

G1-3: Prevention and detection of corruption or bribery

Our anti-corruption and anti-bribery framework

Mitie is committed to preventing and detecting bribery and corruption throughout its operations. Our comprehensive framework comprises policies, procedures and training designed to uphold strong ethical standards.

Mitie has also strengthened its fraud risk management framework in preparation for the Economic Crime and Corporate Transparency Act (ECCTA), including a Group-wide fraud risk assessment that incorporates the ‘failure to prevent fraud’ offence. Colleagues must comply with anti-bribery legislation, maintain accurate financial records and report any suspected incidents. Concerns can be raised via the confidential ‘Speak Up’ service or directly with line managers or our Legal team.

Any concerns relating to potential breaches of our Anti Bribery and Corruption Guidance or Code of Conduct must be reported in line with internal procedures set out in the Ethical Business Practice Policy and Whistleblowing Procedure.

Investigations are conducted by our independent Investigation team, part of Group Internal Audit, ensuring objectivity and confidentiality. Findings are reported to relevant stakeholders, including leadership of the affected business unit and the Audit & Risk Committee, and action plans are issued to ensure accountability and remedial action.

All colleagues have access to policies and procedures through our intranet, and in FY26 we delivered mandatory training to all at-risk workers, with optional training available to others.

Metrics and targets

G1-4: Confirmed incidents of corruption or bribery

Corruption and bribery metrics

We identified no failings in the actions taken to respond to potential breaches of our anti-corruption or anti-bribery procedures. Neither Mitie nor any member of its workforce was involved in legal proceedings relating to corruption or bribery during the year.

G1-5: Political influence and lobbying activities

Our approach to political influence and lobbying

Mitie maintains a transparent and responsible approach to political influence and lobbying. Guided by our Code of Conduct, we uphold strict political neutrality when engaging with government, regulators and the wider public sector. While colleagues are free to participate in political activity, they must make clear that any views expressed are their own.

Political engagement is overseen by the Director of Corporate Affairs, who ensures compliance with all ethical policies. Mitie does not make political donations of any kind, and the Code of Conduct prohibits colleagues from making donations on behalf of the Company.

Mitie’s lobbying activities include a broad range of public policy areas, including:

- Advocacy for skills development, particularly in green and digital skills, alongside Apprenticeship Levy reform
- Engagement with the UK Government on its clean power and energy security ambitions
- Elevating our position on creating Safer Communities, including associated initiatives around Retail Crime, the Worker Protection Act, and Violence against Women and Girls (VAWG)
- Ad-hoc lobbying activity that falls outside the scope of the above core pillars, including work related to public procurement, social value, employment rights and opportunities, cyber security, and immigration & justice

These activities align with Mitie’s material impacts, risks and opportunities identified in our materiality assessment, ensuring that our lobbying efforts support our strategic goals and sustainability commitments.

G1-6: Payment practices

Our payment practices

Mitie is committed to transparent and responsible payment practices, recognising the importance of prompt payments to suppliers. On average, we take 40 days to pay invoices from the date the contractual or statutory payment term begins, and we target payment of 97% of suppliers within 60 days.

We have implemented strong controls to prevent late payments to SMEs, supported by our digital supplier platform, which provides visibility and efficiency in supplier management. We continuously monitor and refine our payment processes to ensure they remain aligned with our ethical standards and help safeguard supplier financial stability.

"In a year of heightened volatility and change, we decisively embedded disciplined risk management into the way decisions are made, strengthening resilience and enabling sustainable growth across the Group".

Peter Dickinson
Chief Legal Officer

Mitie's Chief Risk Officer and Group Risk Committee Chair

Effective risk management

During FY26, Mitie operated within a challenging and evolving risk environment, with greater clarity emerging around key risk trends as the year progressed. Globally, geopolitical and economic confrontations emerged as the most significant near-term risks, alongside persistent cyber-threats and disruptions to key trade routes.

Domestically, the commencement of the phased implementation of the Employment Rights Act 2025 during FY26 introduced additional complexity to Mitie's workforce and industrial relations risk profile.

In response to these challenges, Mitie Group plc continued to enhance its enterprise risk management (ERM) capabilities, including strengthening business resilience and maintaining a proactive, disciplined approach to address both emerging threats and evolving opportunities.

Overall, the Group's risk profile heightened during the year, reflecting increased external volatility and its continued expansion into more complex operational areas. The following section of the Annual Report and Accounts provides a detailed breakdown of the Group's risk profile and associated performance during FY26.

Principal risks at a glance

Reference	Risk	Category	Appetite	Exposure	Time horizon	Risk velocity
PR1	Economic and political uncertainties	Strategic	Cautious		Short	Weeks
PR2	Climate change and social impact	Environmental	Cautious		Short to medium	Years
PR3	Cyber security and data protection	Technological	Averse		Short	Hours
PR4	Health, safety and environment	Operational	Averse		Short to medium	Hours
PR5	Financial stability and funding (previously Funding)	Financial	Cautious		Short to medium	Months
PR6	Regulatory	Regulatory	Averse		Short to medium	Days
PR7	Competitive advantage	Strategic	Eager		Short to medium	Months
PR8	Business resilience	Operational	Cautious		Short	Hours
PR9	Employees	People	Cautious		Short to medium	Months
PR10	Third-party management	Operational	Cautious		Short to medium	Weeks
PR11	Growth through acquisitions	Strategic	Eager		Short to medium	Years
PR12	Business transformation	Strategic	Cautious		Short to medium	Months
PR13	Adoption of new and emerging technologies	Technological	Eager		Medium to long	Months
PR14	Reputational damage	Reputational	Averse		Short	Hours
PR15	Custodial operations management (previously Prison management)	Operational	Cautious		Short	Days
PR16	Contract risk and operational delivery	Operational	Cautious	NEW	Short to medium	Weeks

Our risk management framework

Mitie Group plc operates a robust risk governance framework, ensuring alignment between ERM practices and strategic objectives. This structure enables proactive identification and mitigation of risks while fostering resilience and adaptability across the Group.

Internal reporting

New and emerging risks ○

- Ongoing review of internal and external environment encapsulating new risks in known context, known risks in new context and new risks in new context

ARC RT IH BUL BFL PL AL

Group-level risks ●

- Collection of risks that could affect the performance, future prospects or reputation of the Group and are subject to ongoing reviews
- Complementary framework in place for the management and ongoing review of principal risks and uncertainties as agreed by the Mitie Board
- Risk appetite and associated parameters established for all risks and subject to ongoing review

MB MGX ARC RT

Business unit, function and project risks □

- Identify, evaluate and mitigate risks recorded in the Risk Register
- Report on current and emerging risks

BUL BFL PL

Account-level risks △

- Identify, evaluate and mitigate operational risks recorded in the Risk Register
- Report on current and emerging risks

AL

External reporting

Principal risks and uncertainties ✓

- Condensed version of principal risks and uncertainties, which has been reviewed and approved by the Mitie Board and Audit & Risk Committee

MB MGX ARC RT

Contributors key:

	MB	MGX	ARC	RT	IH	BUL	BFL	PL	AL
	Mitie Board	Mitie Group Executive	Audit & Risk Committee	Risk Team	Intelligence Hub	Business Unit Leadership Team	Business Function Leadership Team	Project Leadership Team	Account Leadership Team
Internal reporting	●	● ○	● ○	● ○	○	○ □	○ □	○ □	○ △
External reporting	✓	✓	✓	✓					

Governance and oversight

The Board sets the Group's risk appetite and ensures it remains aligned with the Group's strategic priorities and business objectives. Through regular oversight and strategic review, the Board provides clear direction on the level of risk the Group is prepared to accept, supporting informed decision-making across the business and an appropriate balance between risk and opportunity in a changing external environment.

The Group Risk Committee supports the effective operation of the Enterprise Risk Management (ERM) framework, overseeing the consistent application of risk management policies, standards and practices across the Group and supporting engagement between senior leadership and operational management in the identification and management of emerging risks.

The Board undertakes regular reviews of the Group's principal risks, assessing changes in risk exposure, the effectiveness of mitigating actions and alignment with strategic plans. In addition, during FY26 the Audit & Risk Committee introduced a programme of thematic deep-dive reviews into selected principal risks, providing enhanced scrutiny and assurance ahead of Board consideration.

Mitie's approach to risk management is underpinned by clear governance, disciplined oversight and forward-looking assessment. Strong Board ownership, supported by the Group Risk Committee and enhanced Audit & Risk Committee challenge, strengthens resilience, supports effective management of volatility and underpins delivery of the Group's strategic objectives.

Risk identification and assessment

Risks are identified across all levels of the Group and assessed using a standardised methodology that evaluates both likelihood and impact across financial, operational, regulatory and reputational dimensions. This enables a consistent and structured assessment of gross risk exposure.

This assessment is further refined through evaluation of the design and effectiveness of existing controls, allowing risks to be expressed on a residual (net) basis. This provides a clearer view of the Group's true risk exposure and supports prioritisation and decision-making.

To ensure consistency and comparability, risks are calibrated using defined criteria and are subject to review and challenge at functional and Group level. Risks are recorded and monitored through the Group's digital risk management system, Risk Safe, enabling comprehensive oversight, aggregation and timely updates to risk registers across the Group.

Risk monitoring and escalation

The Group monitors its risk profile on an ongoing basis, drawing on both internal and external sources to identify emerging risks and changes in exposure. Defined escalation thresholds support timely management action where risk tolerances are exceeded. Quarterly meetings of the Group Risk Committee provide structured oversight and inform regular reporting to the Audit & Risk Committee, ensuring effective monitoring, escalation and governance of risk.

Risk transfer and assurance

Risk transfer is supported through oversight of the Group's insurance arrangements, helping to manage exposure where appropriate. Independent external audits, conducted in line with ISO 31000, provide assurance over the effectiveness of the Group's risk management framework. In addition, certification to ISO 22301 demonstrates Mitie's commitment to robust business continuity arrangements and provides further assurance to stakeholders.

Continuous improvement

Mitie is committed to the ongoing development of its risk management framework and the continued strengthening of risk capability across the Group. This includes regular review of risk processes to ensure they remain effective, proportionate and aligned to the Group's operating environment.

During FY26, Mitie enhanced its risk capability through the introduction of targeted training and awareness activity, supporting the consistent application of the ERM framework and reinforcing accountability for risk at all levels of the business. Significant updates to the risk framework and supporting arrangements are subject to Board approval, ensuring continued alignment with strategic priorities and governance expectations.

Risk appetite framework

The Group defines its risk appetite to ensure risks are managed within acceptable limits while supporting strategic objectives. Risk appetite is monitored through regular reviews and the use of key risk indicators (KRIs) to track exposure levels against defined thresholds. Any deviations are promptly addressed through enhanced mitigation measures and escalated for oversight to ensure alignment with the Group's strategic objectives.

Risk appetite	Description	Latest principal risks position
Averse	The approach adopted seeks to minimise the risk. Mitigation costs are accepted and there is an appreciation that these might exceed expected losses.	PR3, PR4, PR6, PR14
Cautious	The approach adopted is balanced. Mitigation actions are proportionate and based on cost-effectiveness.	PR1, PR2, PR5, PR8, PR9, PR10, PR12, PR15, PR16
Eager	The approach adopted is tilted towards taking greater risks to achieve business objectives. There is an appreciation that there will be higher exposure and volatility in returns.	PR7, PR11, PR13

Assessment of risk movement

Movements reflect changes in exposure, not risk appetite.

Reference	Description
	Increased – higher exposure
	Stable – no material change
	Decreased – reduced exposure
NEW	Newly identified risk

Time horizons and risk velocity

The Group considers three distinct timeframes – short (one to three years), medium (three to 10 years) and long (10–15 years) – to project when a risk might possibly materialise, based on information accessible at any given instance. The Group also incorporates risk velocity, being the rate at which a risk manifests and results in adverse consequences for the business, impacting the Group's operations, reputation and financial stability. Comprehending risk velocity is crucial as it enables us to develop and execute appropriate mitigation measures promptly, thereby improving management of and response to any potential threats.

During FY26, an updated assessment of both our time horizons and risk velocity has been completed. The findings from this assessment are shown in the table titled 'Principal risks at a glance'.

Risk interconnectivity

The Group is aware of the inherent interconnectedness of risks within its operations, acknowledging that if one principal risk was to materialise, it might have a domino effect on others. By maintaining a well-rounded and holistic understanding of risk interconnectivity, we aim to anticipate potential repercussions, allowing for effective mitigation measures and business continuity. This also enables Mitie to not only address issues in isolation, but also devise comprehensive strategies that strengthen multiple aspects simultaneously, thus ensuring the organisation's resilience and preparedness against an ever-evolving risk landscape.

Reference	Risk	Interconnectivity
PR1	Economic and political uncertainties	PR3, PR5, PR6, PR7, PR8, PR9, PR10, PR14, PR16
PR2	Climate change and social impact	PR6, PR7, PR9, PR14
PR3	Cyber security and data protection	PR6, PR7, PR8, PR9, PR10, PR12, PR13, PR14, PR16
PR4	Health, safety and environment	PR7, PR8, PR9, PR10, PR14, PR16
PR5	Financial stability and funding (previously Funding)	PR7, PR11, PR12, PR14, PR16
PR6	Regulatory	PR7, PR14, PR16
PR7	Competitive advantage	PR5, PR9, PR10, PR11, PR13, PR14
PR8	Business resilience	PR9, PR10, PR14, PR16
PR9	Employees	PR7, PR8, PR12, PR14, PR16
PR10	Third-party management	PR4, PR7, PR14, PR16
PR11	Growth through acquisitions	PR7, PR14
PR12	Business transformation	PR7, PR14, PR16
PR13	Adoption of new and emerging technologies	PR7, PR9, PR10, PR14
PR14	Reputational damage	PR7
PR15	Custodial operations management (previously Prison management)	PR4, PR7, PR8, PR14
PR16	Contract risk and operational delivery	PR5, PR7, PR9, PR14

Changes to our risk profile

In FY26, the Group undertook a thorough review of the current operating environment, focusing on several scenarios, including:

- New risks that have emerged in the external environment but are associated with the Group's existing strategy
- Existing risks that are already known to the Group but have developed
- Risks that were not previously faced by the Group, because the risks are associated with changed core processes

Following this review, one new principal risk – Contract risk and operational delivery (PR16) – was identified, while three existing principal risks (PR5, PR11 and PR15) were updated to reflect their ongoing evolution. PR5 has been expanded to include all financial risks, not just funding. PR11 now incorporates integration risks associated with acquisitions, and PR15 has been broadened to cover all high-risk activities associated with custodial management beyond prisons. These updates ensure our risk framework aligns with the Group's current priorities and challenges.

Emerging risks

In addition to examining the risks that Mitie currently faces, we also consider emerging risks in both our internal and external environments, to maintain operational resilience and ensure that our future strategic planning remains uncompromised. Current emerging risks under observation include:

- **Global power rivalries:** New geopolitical tensions within a known risk context
- **Assaults on critical infrastructure:** Evolving threats to essential infrastructure within a known risk framework
- **Financial impact of government policy:** Recognised risks exacerbated by new government interventions
- **Misinformation and disinformation:** Accelerating challenges posed by false narratives and deepfake content, amplifying risks within a known context
- **Polycrisis:** The compounding effect of simultaneous, independent risks materialising, amplifying consequences across interconnected systems
- **Labour displacement:** Newly emerging risks associated with workforce disruption and displacement within an evolving context

Having considered the principal risks in the context of the current and emerging risk landscape, movements in risk exposure have been assessed as follows for the listed principal risks.

Principal risk	Movement in risk exposure
PR1, PR3, PR8	Risk exposure increased during the year due to changes in the external environment, driven by heightened geopolitical conflict and broader global instability.
PR4	Risk exposure increased during the year as the Group's Project remit expanded into higher-risk activities, increasing reliance on specialist subcontractors.
PR7	Risk exposure increased during the year as competitive intensity in the market continued to evolve.
PR9	Risk exposure increased during the year due to the potential impact of the proposed Employment Rights Bill on the Group's operating model.
PR10	Risk exposure increased during the year as a result of heightened geopolitical instability and the expansion of the Group's Projects remit.
PR12	Risk exposure increased during the year, reflecting the scale and complexity of activity associated with the Marlowe integration.
PR14	Risk exposure increased during the year, reflecting heightened public scrutiny and evolving stakeholder expectations.
PR15	Risk exposure increased during the year in line with the expansion of the Group's immigration & justice remit.

Strategic risks

PR1. Economic and political uncertainties

Appetite: Cautious
Velocity: Weeks
Exposure:
Owner: Chief Legal Officer
Horizon: Short

Description and impact:
An inability to quickly identify and effectively respond to the risks posed from either geopolitical or macroeconomic matters could adversely impact Mitie. A sudden change in market conditions, such as an economic slowdown or significant political uncertainty, either nationally or globally, could have a negative impact on the demand for the Group's services.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- GDP growth
- Inflation
- Exchange rate (£/€ volatility)

Key controls:
- Mix of long-term contract portfolio in both the public and private sectors
- Continual development of new and innovative solutions
- Focus on higher-margin growth opportunities
- Regular reviews of the sales pipeline
- Increasing spread of customer base, reducing reliance on individual customers
- Strategic account management programme
- Regular horizon scanning
- Utilising contract mechanisms to recharge cost increases
- Coupa, Mitie's digital supplier platform, providing greater visibility of, and ability to manage, supply chain
- Leveraging buying power to help mitigate the increase in cost of goods and services
- Active engagement with government agencies
- Membership of Portfolio and Enterprise Management Board, attended by Chief Legal Officer

Outlook
Economic and geopolitical uncertainty is expected to remain elevated in FY27, with continued volatility in growth, inflation and customer confidence potentially impacting demand and cost dynamics.

PR7. Competitive advantage

Appetite: Eager
Velocity: Months
Exposure:
Owner: Chief Growth Officer
Horizon: Short to medium

Description and impact:
A failure to preserve our competitive edge or capitalise on opportunities might result in the loss of key customers, excessive dependence on a specific sector or the inability to generate financially sound bids with a measured approach to risk. This could have a significant effect on Mitie's financial performance and reputation.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- Customer retention rate
- Win rate
- Market share

Key controls:
- Bid Committee approval for complex bids
- Robust risk assessment of bids, with input from key stakeholders such as Commercial, Legal and Operational Teams
- Detailed contracting guidelines in place
- Clear delegated authorities register
- Strategic account management programme
- KPI/service level agreement formal reviews with customers
- Sales and customer relationship management (CRM) teams focused on developing pipeline across all major sectors
- Improved CRM capabilities with active relationship management
- Focus on customer satisfaction (Net Promoter Score and soliciting feedback)
- Sales development programme
- Procedural documentation in place
- Centre of Excellence Bid Team established
- Ongoing review of new and innovative service offerings
- Competitor analysis regularly completed
- AI technology strategy

Outlook
Competitive intensity is expected to remain high in FY27, with ongoing pricing pressures and procurement scrutiny requiring continued focus on retention, win rates and differentiation.

Strategic risks

PR11. Growth through acquisitions

Appetite: Eager
Velocity: Years
Exposure:
Owner: Chief Legal Officer
Horizon: Short to medium

Description and impact:
An important part of Mitie's growth is generated by acquisitions. Market conditions may restriction Mitie's ability to secure acquisition opportunities aligned with its strategic objectives. Inorganic growth is also subject to risks, including overvaluation, unforeseen contractual liabilities and challenges relating to operational integration.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- Market valuation trends within the FM sector
- Interest rates
- Purchasing Manager's Index

Key controls:
- Central acquisition function reporting into Group Legal
- Standardised governance framework, including risk management
- Ongoing review of market conditions and value for stakeholders
- Rigorous due diligence and risk management processes
- Financial governance and controls

Outlook
Acquisition activity is expected to remain selective in FY27, influenced by sector valuation dynamics and interest rate conditions, with continued emphasis on discipline and strategic fit. Integration and value realisation will continue to be a focus, to ensure alignment with strategic objectives.

PR12. Business transformation

Appetite: Cautious
Velocity: Months
Exposure:
Owner: Chief Legal Officer
Horizon: Short to medium

Description and impact:
Fundamental to Mitie's growth strategy is the ability to successfully undertake business transformation projects and ensure that all aspects of change management are correctly integrated. A failure to successfully manage the aggregated impact of simultaneously delivering transformation programmes could impact the delivery of planned business benefits.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- Number of material strategic transformation projects
- % tracking at red programme delivery
- % variance to forecasted margin enhancement initiative (MEI) benefits

Key controls:
- Executive sponsorship
- Deliverables agreed in advance by the Board and Mitie Group Executive
- Centralised Project Management Office function
- Subject-matter experts appointed early on, with agreed roles and responsibilities
- Standardised programme governance framework, including risk management
- Contract management controls embedded for third-party support
- Regular auditing, with periodic reporting on key business activities to the Audit & Risk Committee

Outlook
Transformation activity will continue in FY27, with delivery and benefits realisation remaining key risks given the scale and complexity of programmes underway.

Environmental risks

PR2. Climate change and social impact

Appetite: Cautious
Exposure
Horizon: Short to medium
Velocity: Years
Owner: Chief Legal Officer

Description and impact:
An inability to quickly identify and effectively respond to the challenges posed by climate change could hinder the Group's transition to a lower-carbon business and result in significant business interruption and missing new opportunities for growth. Furthermore, a failure to appropriately consider the environmental and social impact of Mitie's business and its activities may create a negative perception with colleagues, customers, investors, government and the general public. This could lead to failures in securing and/or retaining contracts and sources of funding, as well as impacting negatively on Mitie's reputation.

Link to strategic priorities
Accelerating growth

Key risk indicators:
- Carbon emissions (Scope 1 – trend against transition pathway)
- Fleet electrification (EV transition progress)

Key controls:
- Plan Zero
- ESG Committee
- Environmental Management System (ISO 14001) and Energy Management System (ISO 50001)
- Climate change risk assessment maintained and approved by the ESG Committee
- Key policies and associated operating procedures in place
- ISO 22301 – regular testing of crisis management and business continuity plans
- Winter and summer preparedness planning at account level
- Ongoing reviews of Planned Preventative Maintenance (PPM) lifecycles
- Continuous horizon scanning via the Group's Intelligence Hub, with regular alerts to teams on potential threats and significant events
- Insurance cover in place to cover property damage and business interruption
- Targets in place for Mitie's social value framework pillars
- The Mitie Foundation – Giving Back, Mitie's employee volunteering programme
- Active apprenticeship scheme across the Group, training Mitie colleagues to enhance operational delivery and address skills gaps
- ESG metrics captured and validated by third party

Outlook
Climate change and social impact risks are expected to remain significant in FY27, with continued operational, regulatory and societal pressures requiring sustained focus on resilience, compliance and responsible business practices.

Financial risks

PR5. Financial stability and funding (previously Funding)

Appetite: Cautious
Exposure:
Horizon: Short to medium
Velocity: Months
Owner: Chief Financial Officer

Description and impact:
A failure to effectively manage financial risks – including securing and renewing funding, maintaining adequate cash flow and mitigating exposure to macroeconomic pressures such as inflation, interest rate fluctuations and regulatory changes – could compromise the Group's financial stability. This may impact profitability, restrict growth and reduce the ability to meet financial commitments, ultimately diminishing investor confidence and market value.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- Current leverage ratio
- Total outstanding debt
- Current credit rating

Key controls:
- Maintenance of strong banking, debt and equity relationships
- Regular forecasting of cash flow and net debt
- Thorough focus on working capital cycles, with a clear set of KPIs
- Clear policy on provisions
- Strong focus on and monitoring of cash collection
- Regular reviews of payment terms with customers and supply chain
- Focus on working capital processes to reduce cycle times and average daily net debt
- Resources allocated to drive cash performance and predictability
- Regular review of capital allocation policy to ensure plans are affordable and the Group remains within required covenant and rating agency parameters

Outlook
Financial market conditions are expected to remain uncertain in FY27, with interest rate movements and economic conditions continuing to influence liquidity, funding arrangements and counterparty risk.

Operational risks

PR4. Health, safety and environment

Appetite: Averse
Exposure:
Horizon: Short to medium
Velocity: Hours
Owner: Chief Legal Officer

Description and impact:
Failure to maintain appropriately high standards in health, safety and environmental management may result in catastrophic events, harm to our colleagues, customer staff or members of the public, and consequential fines, prosecution and reputational damage.

Link to strategic priorities
Accelerating growth   Operating margin progression   Cash generation

Key risk indicators:
- Lost time injury frequency rate (LTIFR)
- Incidents and near misses
- Insurance claims

Key controls:
- A comprehensive health, safety and environment (HSE) strategy in place and under continual review for effectiveness
- Major cultural HSE programme, LiveSafe, continuing, with clear rules, engagement and training for staff
- Regular training and communication delivered throughout the Group, in accordance with the LiveSafe principles. LiveSafe eLearning training programme sets out HSE expectations, including 'stop the job', supported by key safety message from the Chief Executive Officer, Phil Bentley
- Health and safety management system certified to ISO 45001 and environmental system to ISO 14001
- Fully integrated incident recording, monitoring and reporting system
- Regular HSE reviews conducted at Group and business unit level
- Clear and standardised KPIs to monitor progress and improvements
- Risk-based audit programme embedded
- Themes and root causes monitored from the results of audits to target specific actions, including training
- HSE function Plan Zero champions, as part of the Plan Zero programme to promote strategy and good practice in environmental management
- Health and wellbeing framework integrated into the business
- Insurance cover in place to cover employers' liability, public liability and motor fleet insurance
- Focused zero-harm weeks concentrating on pertinent subjects to further strengthen Mitie's HSE culture

Outlook
Health, safety and environmental risks will remain a core focus in FY27, with ongoing operational complexity and workforce exposure requiring continued emphasis on compliance, training and incident prevention.

PR8. Business resilience

Appetite: Cautious
Exposure:
Horizon: Short
Velocity: Hours
Owner: Chief Legal Officer and Managing Director Business Services

Description and impact:
An inability to effectively respond to global events, such as a pandemic or supply chain disruption, and/or a catastrophic event at a key business location, could result in significant business interruption. The effect on colleagues, customers and the supply chain could result in severe consequences for the financial health and reputation of Mitie's business.

Link to strategic priorities
Accelerating growth   Operating margin progression   Cash generation

Key risk indicators:
- Volume of emerging threat alerts
- Employee resilience awareness and training completion
- Number of critical incident response activations

Key controls:
- Key policies and associated operating procedures in place
- Dedicated specialist teams, including Risk, Information Systems, Finance, Occupational Health, Supply Chain and Intelligence Hub
- Maintained and updated crisis and business continuity plans for key activities across all Mitie operations, including key service providers
- Disaster recovery framework embedded and managed
- Stringent governance controls, including oversight from the Group Risk Committee, with regular reporting to the Audit & Risk Committee and the Board
- Close monitoring of supply chain to ensure continuity of critical supplies
- Internal and external compliance audits
- Certified to ISO 22301:2019 and operating in accordance with ISO 31000:2018, which is subject to annual external validation
- Regular Mitie Group Executive (MGX) testing of crisis management and business continuity scenarios
- Continuous horizon scanning via the Intelligence Hub, with regular alerts to teams on potential threats and significant events
- Critical Engineering and Technical Assurance programme to help manage high-risk contracts
- Insurance cover in place to cover business interruption
- Agile working framework embedded
- Themes and root causes monitored from the results of audits to target specific actions
- Digital supplier platform supports the efficiency of Mitie supply chain processes (supplier onboarding/supplier health, contract lifecycle management, sourcing and purchase to pay)

Outlook
Business resilience risks are expected to persist in FY27 due to ongoing operational, technological and external threats, necessitating continued investment in resilience capabilities and incident preparedness.

Operational risks

PR10. Third-party management

Appetite: Cautious
Exposure:
Horizon: Short to medium
Velocity: Weeks
Owner: Chief Procurement Officer

Description and impact:
An inability to successfully manage strategic third-party relationships or a failure involving a third-party partner could impact Mitie's ability to deliver, resulting in financial losses owing to fines and, in some circumstances, significant reputational damage.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- Third-party financial exposure
- Adequacy and availability of insurance cover
- Maintenance of required third-party accreditations

Key controls:
- Key policies and associated operating procedures, including Supplier Management Programme
- Dedicated Procurement and Commercial teams
- Centre of Excellence and dedicated Risk and Compliance team embedded within Procurement and Supply Chain team
- 'Mitie First' approach adopted
- Optimisation of preferred suppliers framework
- Rigorous onboarding framework integrated into business utilising the digital supplier platform
- Defined service level agreements and KPIs
- Ongoing spending review
- Dedicated risk management and assurance procedures (including targeted HSE assurance programme and internal audit) to ensure that internal controls are operating effectively
- Ongoing review of third-party business continuity arrangements with regular reporting to the Group Risk Committee
- Digital supplier platform facilitating supplier health and risk checks (including insolvency risk) as well as invoice processing
- Procurement and supply chain insights

Outlook
Third-party risks are expected to remain elevated in FY27, driven by supply chain financial pressures and assurance requirements.

PR15. Custodial operations management (previously Prison management)

Appetite: Cautious
Exposure:
Horizon: Short
Velocity: Days
Owner: Managing Director Business Services

Description and impact:
A failure to safely, securely and effectively deliver custodial operations across prisons, escorting and detention services could lead to harm, regulatory intervention, contractual failure and reputational damage.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- Purposeful activity capacity (%)
- Number of prisoner-on-prisoner assaults
- Number of prisoner-on-staff assaults

Key controls:
- Weekly Mitie Group Executive (MGX) meetings
- Stringent governance controls are in place, including the introduction of the Immigration & Justice Risk Oversight Committee, supported by Group Risk Committee oversight and regular reporting to the Audit & Risk Committee and Board.
- Designated subject-matter experts and industry leaders appointed
- A comprehensive HSE strategy in place and under continual review for effectiveness
- Fully integrated incident management recording, monitoring and reporting system
- Insurance cover in place. Regular testing of crisis management and business continuity, including MGX-led simulations
- Risk-based audit programme embedded
- Designated Corporate Affairs and Legal support
- Proactive engagement with key external stakeholders
- ISO 22301 certification
- Daily media alerts

Outlook
Custodial management risks are expected to remain elevated in FY27, reflecting ongoing operational constraints, population pressures and the inherent risks associated with maintaining safety, stability and purposeful activity within custodial environments.

Operational risks

PR16. Contract risk and operational delivery

Appetite: Cautious
Exposure: NEW
Horizon: Short to medium
Velocity: Weeks
Owner: Managing Directors – Business Services, Technical Services and Mitie Projects

Description and impact:
Mitie's broad service portfolio and critical operations across the public and private sectors create inherent challenges in consistently delivering high-quality services across diverse industries and geographies. Without effective identification, evaluation and management of risks and opportunities within customer contracts, the Group could face reduced profitability, operational or regulatory non-compliance, financial losses and reputational harm.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
As this is a new risk for FY26, our KRIs are pending internal approval and will be disclosed in our FY27 reporting.

Key controls:
- Robust governance and monitoring processes to ensure contracts are performed in accordance with their terms, including all relevant key performance indicators and service levels
- Employee engagement, training and retention programmes to ensure a motivated and skilled workforce, capable of delivering high-quality service
- Continued enhancement of technological capabilities to drive operational efficiencies, improve service reporting and mitigate risks related to system outages or cyber-threats
- Proactive compliance framework that monitors changing laws and regulations
- Strong supplier relationships
- Regular communication with customers and stakeholders to align expectations and provide updates on key operational challenges or changes

Outlook
Contract risk and operational delivery risks are expected to remain elevated in FY27 due to the complexity of delivering critical services across diverse contracts and environments.

Reputational risks

PR14. Reputational damage

Appetite: Averse
Exposure:
Horizon: Short
Velocity: Hours
Owner: Mitie Group Executive

Description and impact:
Mitie's participation in politically sensitive activities, such as the provision of immigration removal services, draws media scrutiny and amplifies the risks associated with misinformation and disinformation, particularly in instances of perceived operational shortcomings. The combination of Mitie's involvement and inaccuracies in external reporting could considerably damage the Group's reputation, resulting in the loss of customers' trust, financial setbacks and long-term challenges to Mitie's stability, delivery and growth. Moreover, any perceived operational shortcomings might affect customer delivery and worsen reputational damage.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- Sentiment score
- Volume of negative media and social sentiment
- Share price movement

Key controls:
- Weekly MGX meetings
- Proactive media outreach to ensure validity of reports, including correction methods via ongoing media campaigns
- Proactive monitoring of social media platforms
- Designated media liaisons
- Proactive engagement with key external stakeholders
- Daily media alerts
- Enhanced targeted monitoring on groups identified as posing an increased risk
- Designated Corporate Affairs and Legal support

Outlook
Reputational risks are expected to remain elevated in FY27, reflecting heightened stakeholder scrutiny, media sensitivity and the potential for external events or operational issues to rapidly impact sentiment and market perception.

Regulatory risks

PR6. Regulatory

Appetite: Averse
Exposure:
Horizon: Short to medium
Velocity: Days
Owner: Chief Legal Officer

Description and impact:
Failure to comply with applicable laws and regulations may lead to fines, prosecution and damage to Mitie's reputation.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- Number of employee tribunal claims
- Number of formal grievance cases
- Number of legal or regulatory prosecution cases

Key controls:
- Specialist legal and HSE expertise aligned with business units
- Code of Conduct for all colleagues
- Independent whistleblowing system available to all colleagues to report any concerns
- Group-wide policies updated for changes to laws and regulations and maintained in the online information management system
- Regular and thorough internal and external regulatory audits
- Training and awareness materials communicated to colleagues via Mitie's digital learning hub and monitoring of completion performed, especially for mandatory courses
- Regular monitoring of legal and regulatory changes by Group functions, including Company Secretariat, Legal, HSE and HR
- Financial governance and controls in place
- Commercial governance and controls in place
- Establishment of Internal Control Declaration framework ongoing, to align with future corporate governance requirements
- AI governance and controls

Outlook
Regulatory risks are expected to remain elevated in FY27, reflecting an increasingly complex regulatory environment and continued scrutiny of employment practices, compliance and governance.

People risks

PR9. Employees

Appetite: Cautious
Exposure:
Horizon: Short to medium
Velocity: Months
Owner: Chief People Officer

Description and impact:
Significant challenges in attracting, recruiting and retaining suitably talented people could lead to a detrimental skills shortage. This shortage of skilled colleagues could adversely affect the delivery of core operational activities and compromise the successful implementation of long-term strategies. As a result, overall business performance, growth and market competitiveness may be negatively impacted, potentially leading to a decline in stakeholder confidence and financial performance.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- Proportion of vacancies filled by internal candidates
- Average time to offer
- New joiner turnover rate

Key controls:
- Consistent HR resourcing process and system across the Group
- Process in place for online training and development, with access to online learning for all colleagues
- Consistent process to manage both temporary and permanent recruitment
- Training and development programmes for senior leadership
- Developed talent identification, management and development framework
- Performance management framework
- HR business partners aligned with business units
- Induction programme, mandatory for new starters
- Regular communications from leadership team – including Mitie Group Executive country-wide roadshows
- Specific plans developed to address results of employee survey
- Competitive remuneration, terms and conditions
- Regular employee offers
- Succession plans in place for critical roles, especially for senior leadership
- Attraction strategy developed and deployed
- Enhanced benefits such as free shares, life assurance, virtual GP and a salary advance scheme
- Careers website
- Employee Value Proposition (EVP)
- Career band framework

Outlook
People risks are expected to remain elevated in FY27 due to ongoing labour market pressures, skills availability challenges and the need to attract, retain and develop talent across the Group.

Technological risks

PR3. Cyber security and data protection

Appetite: Averse
Exposure:
Horizon: Short
Velocity: Hours
Owner: Chief Technology and Digital Officer

Description and impact:
In the normal course of business, Mitie collects, processes and retains sensitive and confidential information about its customers, people and operations. Hacking, phishing attacks, ransomware, insider threats, physical breaches or other actions such as mistakes made by our own people may cause this confidential information to be lost or misused. Any data loss could affect customer delivery operations and may result in a major data breach, leading to fines, remediation costs and reputational damage.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- Cyber risks outside of defined risk appetite
- Cyber security scorecard performance
- Data protection and cyber regulatory compliance status

Key controls:
- Continued alignment with Cyber Essentials Plus requirements, and ISO 27001 certified Information Security Management System in place
- Internal processes and controls for all systems changes to ensure cyber best practice and compliance with data protection laws and regulations
- Dedicated information security team and data privacy officers in place
- Assured cyber incident response company (level 1) engaged and on retainer with a one-hour response time
- Outsourcing of routine IT operations to a highly skilled partner organisation, Wipro, to improve IT resilience and controls. Includes 24/7 service, providing Mitie with an enhanced level of information
- Security monitoring and alerting: the 24/7 Cyber Defence Centre service provided by Wipro actively monitors all alerts and incidents raised by the various security tools
- Microsoft and Wipro cyber toolsets and proactive monitoring and management of cyber-threats
- Clear strategy to utilise leading-edge cloud technology, delivering disaster recovery and business continuity improvements
- Crisis management and business continuity testing focused on cyber-attacks, a series of exercises aimed at ensuring that downtime is minimised and customer trust is maintained
- Regular communications to colleagues to highlight IT risks and expected behaviours
- Cyber security training
- Cyber insurance policy
- MGX Playbook for the management of a cyber-attack
- Security assessments by a leading firm of cyber security experts, including a phased threat assessment and stress test on the Mitie network

Outlook
Cyber security and data protection risks are expected to remain elevated in FY27, reflecting the evolving threat landscape, increasing digital reliance and continued regulatory focus on data protection and resilience.

PR13. Adoption of new and emerging technologies

Appetite: Eager
Exposure:
Horizon: Medium to long
Velocity: Months
Owner: Chief Technology and Digital Officer

Description and impact:
A failure to capitalise on new and emerging technologies, along with an inability to implement vital infrastructure and systems, could have a detrimental impact on the Group's long-term growth and profitability.

Link to strategic priorities
Accelerating growth
Operating margin progression
Cash generation

Key risk indicators:
- Number of high-risk technology and AI use cases
- Emerging technology and AI horizon scanning outputs
- Customer churn rate(s)

Key controls:
- Mitie Responsible and Ethical Use of Artificial Intelligence Policy
- AI Executive Oversight Committee
- AI Ethics Board
- Dedicated AI risk register
- AI directory
- AI Use Case Board
- Supplier assurance assessment
- Learning and development programme

Outlook
Risks associated with the adoption of new and emerging technologies are expected to remain elevated in FY27, as the pace of technological change and customer expectations continue to accelerate.

FOCUS AREAS FOR FY27

During FY27, the Group will continue to strengthen the maturity and effectiveness of its enterprise risk and resilience capability. Key areas of focus include the roll-out of enhanced resilience training across operational teams to embed consistent risk awareness and response at the frontline; the launch of a new risk and compliance apprenticeship to build sustainable capability and strengthen succession planning; and the incorporation of Artificial Intelligence within the Group's risk management platform to support more timely, data-driven and informed risk analysis and decision-making.

s172 STATEMENT

The Directors recognise their duty under Section 172(1) of the Companies Act 2006 and during the year have acted in good faith to promote the success of the Company for the benefit of members as a whole. In doing so, they have had regard, among other factors, to those matters set out in Section 172(1) (a–f) of the Companies Act 2006.

Pages 107 to 109 set out how the Board had regard to these matters when making key decisions during the year. They also detail how key stakeholders have been considered and should be reviewed alongside the Group's disclosures on strategy, business model, principal risks and uncertainties, culture and workforce, stakeholder engagement, ESG and governance elsewhere in this report, as outlined in the table below.

s172 consideration	Further information	Pages
a) The likely consequences of any decision in the long term	• Strategy	15
	• Business model	34 to 35
	• Stakeholder engagement	36 to 40
	• Board leadership and Company purpose	104 to 105
b) The interests of the Company's employees	• Stakeholder engagement	36 to 40
	• Sustainability statement	52 to 83
	• Principal risks and uncertainties	84 to 95
	• How the Board monitors culture	110 to 113
	• ESG Committee report	130 to 132
	• Directors' remuneration report	133 to 148
c) The need to foster the Company's business relationships with suppliers, customers and others	• Sustainability statement	52 to 83
	• Stakeholder engagement	36 to 40
	• Principal risks and uncertainties	84 to 95
	• Non-financial and sustainability information statement	97
d) The impact of the Company's operations on the community and the environment	• Company purpose	06
	• Sustainability statement	52 to 83
	• Principal risks and uncertainties	84 to 95
	• ESG Committee report	130 to 132
e) The desirability of the Company maintaining a reputation for high standards of business conduct	• Strategy	15
	• Business model	34 to 35
	• Principal risks and uncertainties	84 to 95
	• Non-financial and sustainability information statement	97
	• Board leadership and Company purpose	104 to 105
f) The need to act fairly as between members of the Company	• Business model	34 to 35
	• Finance review	46 to 51
	• Stakeholder engagement	36 to 40
	• Directors' report	149 to 151

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The table below and the information incorporated by reference comprises our Non-financial and sustainability information statement required by s414CA and 414CB of the Companies Act 2006.

At Mitie, doing the right thing is key to our success and growth. It is what our reputation for integrity and trust is built on. That is why our Code of Conduct (One Code) is at the heart of how we operate and brings together all our policies and procedures into one simple, practical guide for our people.

Many of the policies listed below can be found on our corporate website at www.mitie.com. Policies referenced are reviewed regularly.

Reporting requirement	Relevant policies/procedures	Due diligence/oversight	Annual Report page reference
Environmental matters We are committed to reducing our environmental impact through continual improvement in environmental and sustainability performance.	• Environmental Policy Statement • Sustainability and Social Value Policy • Waste Management Procedure	• Chief Executive's review • Sustainability statement • ESG Committee report • Directors' remuneration report	24 to 29 52 to 83 130 to 132 133 to 148
People We aim to make Mitie a 'Great Place to Work' to attract, retain and support exceptional colleagues.	• People Policy • Equality, Diversity and Inclusion Policy • Health, Safety and Wellbeing Policy • Speak Up – Mitie's confidential whistleblowing service	• Stakeholder engagement • Sustainability statement • Key decisions in the year • How the Board monitors culture	36 to 40 52 to 83 108 to 109 110 to 113
Social matters We support sustainable action and social equality through skills, quality jobs and community support.	• Sustainability and Social Value Policy • Mitie Sustainable Procurement & Social Value for Suppliers • Volunteering Procedure	• Sustainability statement • How the Board monitors culture	52 to 83 110 to 113
Human rights We are committed to fair, respectful and inclusive working practices, and expect high standards of conduct across our operations and supply chain.	• Modern Slavery Statement • Guidance for suppliers on Modern Slavery and Human Trafficking • Employee Handbook • Ethical Business Practice Policy	• Stakeholder engagement • Sustainability statement • Governance report	36 to 40 52 to 83 99 to 152
Anti-bribery and anti-corruption We operate a zero-tolerance approach to bribery and corruption and expect the same standards across our supply chain.	• Anti-Bribery & Corruption Guidance • Entertaining Procedure • Mitie Fraud Risk Management Policy • Whistleblowing procedure • Tax Strategy	• Sustainability statement • How the Board monitors culture • Audit & Risk Committee report	52 to 83 110 to 113 122 to 129
Business model	Our business model can be found on pages 34 to 35		
Principal risks	Our principal risks and uncertainties can be found on pages 84 to 95		
Non-financial KPIs	Non-financial KPIs can be found on pages 32 to 33		
Climate-related financial disclosures	Climate-related financial disclosures are incorporated in the Sustainability statement on pages 52 to 83		

VIABILITY STATEMENT

The UK Corporate Governance Code requires the Board to explain how it has assessed the prospects of the Group and state whether it has a reasonable expectation that the Group can continue to operate and meet its liabilities, taking into account its current position and principal risks.

The Group's principal markets and strategy are described in detail in the FY26 Strategic report (pages 3 to 98).

The key factors affecting the Group's prospects are:

- Mitie is the leading UK facilities management business with c.13% of the market
- The outsourcing market is relatively insensitive to economic cycles
- We have a clear vision for our technology-centric growth strategy
- We are making good progress in our transformation programmes
- We have a diverse portfolio of blue-chip and public sector customers, the largest of which constitutes <5% of revenue

The Directors believe that a three-year period is appropriate for the viability assessment as it is supported by our strategic, budgeting and business planning cycles and is relevant to the duration of the Group's existing contracts with customers, which is typically around three years. It therefore represents a timeframe over which the Directors believe they can reasonably forecast the Group's performance.

In making this statement, the Directors have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This includes the availability and effectiveness of mitigating actions that could realistically be taken to avoid or reduce the impact or occurrence of the underlying risks. In considering the likely effectiveness of such actions, the conclusions of the Board's regular monitoring and review of risk management and internal control systems, as described on page 85, are considered.

Base case projections for viability purposes have been made using prudent assumptions:

- Modest revenue growth and broadly flat margin growth
- Working capital outflows in future years in line with revenue growth
- Future dividends in line with current policy
- Share buybacks continuing in FY27
- Settlement of existing provisions according to our best estimates
- Funding costs for ongoing transformation activities
- No significant changes to Group structure

The resulting financial model assesses the ability of the Group to remain within financial covenants and liquidity headroom of existing committed facilities.

The Group's principal debt financing arrangements as at 31 March 2026 were a £250m revolving credit facility maturing in October 2028, which was undrawn as at 31 March 2026, and £360m of US private placement (USPP) notes. These financing arrangements are subject to certain financial covenants which are tested every six months on a rolling 12-month basis, as set out in the Finance review on page 51.

Of the USPP notes, £120m were issued in December 2022, split equally across 8-, 10- and 12-year maturities, with a weighted average coupon of 2.94%. In December 2024, a further £60m of notes were drawn under the shelf facility, maturing in December 2031 at a coupon of 5.71%. In November 2025, an additional £180m of notes were issued related to funding for the acquisition of Marlowe. These notes have maturities ranging from three to seven years and carry a weighted average coupon of 5.44%.

The remaining undrawn capacity of the uncommitted shelf facility was c.£120m at 31 March 2026, which can be drawn down until October 2027.

A range of scenarios that encompass the principal risks were applied to the base case and are set out in the table below. The analysis also considered a reverse stress test scenario to understand the reduction required to cause a breach of financial covenants.

	Scenario	Principal risks
1	**Demand/operational shock** Assumptions **Revenue:** 5% year-on-year revenue reduction across assessment period **Costs:** £50m one-off cost in FY27 (or equivalent amount of savings not being realised)	3,4,6,7,8,14,15
2	**Inflation/employee/supply chain disruption** Assumptions **Margin:** 2% gross margin erosion across assessment period	1,2,9,10,12,13,16
3	**Reverse stress test**	n/a

In each of scenarios 1 and 2, the Group was able to continue operating within debt covenants and liquidity headroom of its existing committed facilities when factoring in mitigating measures. The conclusion from the reverse stress test is that the likelihood of the reverse stress scenarios arising was remote and therefore does not represent a realistic threat to the viability of the Group. In reaching the conclusion of remote, the Directors considered the following:

- All stress test scenarios would require a very severe deterioration compared with the base case forecasts. Revenue is considered to be the key risk, as this is less within the control of management. Revenue would need to decline by approximately 28% (assuming the gross margin was maintained) in the 12 months to March 2027 compared with the base case, which is considered to be very severe given the high proportion of Mitie's revenue that is fixed in nature and the fact that in a Covid-hit year, Mitie's revenue excluding Interserve declined by only 1.6%
- In the event that results started to trend significantly below those included in the Group cash flow model, additional mitigation actions have been identified that would be implemented. These include the short-term scaling down of capital expenditure, overhead efficiency/reduction measures including cancellation of discretionary bonuses and reduced discretionary spend, asset disposals and reductions in share buybacks

Based on this assessment, the Directors have concluded that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 March 2029.

The Strategic report on pages 3 to 98 of Mitie Group plc, company registration number SC019230, was approved by the Board of Directors and authorised for issue on 3 June 2026.

It was signed on its behalf by

Phil Bentley
Chief Executive Officer

Simon Kirkpatrick
Chief Financial Officer

Contents

Governance

UK Corporate Governance Code statement of compliance

Mitie applied all principles and complied with all relevant provisions of the UK Corporate Governance Code 2024 (the Code) during FY26. Provision 29 of the Code applies to the Company from 1 April 2026. Details of how Mitie applied the principles set out in the Code (A to R below) and how governance operates at Mitie have been summarised throughout this Annual Report and are set out on the pages indicated in the table below. A copy of the Code can be found on the Financial Reporting Council's website at www.frc.org.uk.

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"Good governance is how we make better decisions – through clear accountability, constructive challenge and a strong focus on what matters most. It helps ensure Mitie manages risk effectively and continues to deliver for our colleagues, customers, communities and shareholders."

Christopher Rogers
Chair

Effective corporate governance is fundamental to how the Board promotes long-term sustainable success for Mitie. In my first year as Chair, I have focused on ensuring that our governance arrangements continue to support high-quality decision-making, appropriate challenge and a culture that aligns with our purpose and values.

Board focus during the year

During the year, the Board's work has been centred on the matters most material to the delivery of our strategy and the creation of sustainable value. Key areas of focus included:

- **Strategy and performance:** Reviewing progress against strategic priorities and the allocation of capital, including investment priorities and M&A, and ensuring performance measures remain aligned to long-term value creation
- **Risk, resilience and internal controls:** With support from the Audit & Risk Committee, reviewing management's assessment of principal and emerging risks, risk appetite and the adequacy of mitigation plans, with increased emphasis on the effectiveness of our internal control environment in line with the Code
- **Culture and workforce:** Reviewing culture indicators and workforce insights, and how workforce policies and practices support delivery of strategy and safe, responsible operations
- **Stakeholder engagement:** Considering feedback from shareholders, customers, colleagues, suppliers and communities, and how this has informed Board decisions (including our Section 172 considerations). Key decisions made by the Board during FY26 and their impact on key stakeholders can be found on pages 107 to 109 and work carried out by our designated Non-Executive Director for workforce engagement, Jennifer Duvalier, can be found on pages 112 to 113.
- **Board and Committee effectiveness:** Agreeing priorities arising from our Board performance review and ensuring actions are tracked to completion
- **Succession planning:** Through the Nomination Committee, reviewing Non-Executive Director and CEO succession plans to ensure leadership continuity, maintain an appropriate balance of skills and experience on the Board, and support long-term strategic delivery

Governance changes

During the year, we refreshed the Audit Committee and remit to ensure our governance remained proportionate and effective. Penny James succeeded Mary Reilly as Chair of the Audit Committee, and the Committee's remit was expanded to include oversight of enterprise risk management and renamed the Audit & Risk Committee. This reflects the growing importance of integrated oversight of financial reporting, risk management and internal control, and supports clearer Board-level accountability for the end-to-end control environment.

We said farewell to Derek Mapp at the 2025 AGM, and to Roger Yates, who retired from the Board in December 2025. Jennifer Duvalier took on the role of Senior Independent Director from Roger with effect from 1 January 2026.

Reporting against the Code

This Annual Report explains how we have applied the principles of the Code and complied with its provisions for the year under review. We have increased our focus on the governance outcomes expected under the Code's audit, risk and internal control section, including how the Board monitors the effectiveness of the risk management and internal control framework. Where relevant, we also describe the programme of work underway to support future reporting requirements as they come into effect.

Annual General Meeting

The AGM is a significant event in the Company's corporate calendar, offering an opportunity for engagement with shareholders. Shareholders are invited to attend the meeting in person to cast their votes and ask questions, or to view the proceedings via a live webcast. Additionally, shareholders can submit questions via email to investorrelations@mitie.com. Detailed instructions on how to register and participate in the webcast are provided in the Notice of AGM.

Board evaluation

This year's Board and Committee evaluation was conducted internally. I am pleased to confirm that the Directors' view is that the Board and each Committee are functioning effectively. Further details on the Board evaluation can be found on pages 114 to 116.

Governance priorities for the year ahead

Governance priorities for the year ahead include:

- **Succession planning:** Maintaining a forward-looking approach to succession for key Board and Committee roles and ensuring the Board's collective skills remain aligned with strategy and the emerging risk landscape
- **Board performance review actions:** Tracking delivery of agreed actions to further improve Board effectiveness, oversight and decision-making
- **Stakeholder engagement and transparency:** Ensuring stakeholder insights continue to inform the Board agenda and disclosure, with clear reporting on outcomes and impact

Christopher Rogers
Chair

BOARD OF DIRECTORS

Christopher Rogers

Non-Executive Chair

Date of appointment to the Board
19 March 2025

Other current appointments
Christopher is Chair of Wickes Group plc and Senior Independent Director of Kerry Group.

Past roles
In his executive career, Christopher was an Executive Director of Whitbread plc from 2005 to 2016, where he held the position of Chief Financial Officer from 2005 to 2012, and then Global Managing Director of Costa Coffee from 2012 to 2016. Prior to Whitbread, Christopher held senior commercial and finance roles at Kingfisher plc and Woolworths Group. Christopher has also been a Non-Executive Director at Vivo Energy plc, Travis Perkins plc and Sanderson Design Group plc.

Skills and experience
- Extensive board and executive leadership experience
- Strong financial management and risk oversight, with expertise in audit and remuneration committees
- Proven success in the food service and retail sectors, with a deep knowledge of commercial and strategic growth
- Fellow of the Institute of Chartered Accountants in England and Wales and former visiting Fellow at a UK university

Phil Bentley

Chief Executive Officer

Date of appointment to the Board
1 November 2016

Other current appointments
None

Past roles
Phil was Group Chief Executive Officer of Cable & Wireless Communications plc from January 2014 until its sale to Liberty Global plc in May 2016. Prior to that, he was a member of the Board of Centrica plc from 2000 to 2013, while also Managing Director of British Gas from 2007 to 2013, Managing Director, Europe from 2004 to 2007 and Group Finance Director from 2000 to 2004. His prior non-executive directorships include IMI plc from 2012 to 2014 and Kingfisher plc from 2002 to 2010. His earlier career was in international roles with BP and Diageo.

Skills and experience
- Executive and non-executive experience with FTSE 100 companies for over 25 years
- Significant strategic and commercial experience at both national and global levels
- Exceptional executive and leadership experience across a number of sectors
- Extensive financial and investment community experience
- Accountant by profession, with a master's degree from University of Oxford and an MBA from INSEAD, Fontainebleau

Simon Kirkpatrick

Chief Financial Officer

Date of appointment to the Board
1 April 2021

Other current appointments
None

Past roles
Simon joined Mitie in July 2019 from Balfour Beatty plc, where he held a number of senior finance roles, including Finance Director for Major Projects and Group Head of Financial Planning & Analysis. He began his professional career with Ernst & Young, where he was a Director in the Energy practice.

Skills and experience
- Significant UK and international plc experience
- Proven track record in transforming complex contracting businesses
- Exceptional financial experience and extensive strategic and commercial experience across a number of sectors
- Chartered accountant, with a law degree from University of Exeter

ARC Audit & Risk Committee member | ESG ESG Committee member | NC Nomination Committee member | RC Remuneration Committee member | Committee Chair

Jennifer Duvalier

Senior Independent Director

Date of appointment to the Board
26 July 2017

Other current appointments
Jennifer is a Non-Executive Director, Chair of the Remuneration Committee and a member of the Nomination and Cyber Security Committees of NCC Group plc, as well as Senior Independent Director and a member of the Audit and Risk, Nomination and Remuneration Committees of Trainline plc. Additionally, Jennifer is a Director of The Cranemere Group Limited, where she is also Chair of the Sustainability Committee; a Trustee of Somerset House (a registered UK charity); an external advisor to the Wellcome Trust; and an independent Council member of King's College London, where she is also a member of the People Committee. Jennifer also acts as Chair of Mitie's Independent Prison and Immigration Review Board.

Past roles
Jennifer was a Non-Executive Director and Chair of the Remuneration Committee of Guardian Media Group plc from May 2014 to April 2023. She was Executive Vice President, People for ARM Holdings plc, a global technology business, from September 2013 to March 2017, and was also an Executive Committee member with responsibility for its people and internal communications activity.

Skills and experience
- Leadership development, talent acquisition and management, and succession planning
- People strategy, organisation development and change management
- Employee engagement and internal communications
- ESG-centred activities
- Executive remuneration and performance management experience
- MA (Hons) in English and French from University of Oxford

Penny James

Independent Non-Executive Director

Date of appointment to the Board
1 February 2024

Other current appointments
Penny is Non-Executive Director and Chair of the Risk Committee of St. James's Place plc, and Non-Executive Director, Chair of the Audit Committee and a member of the Risk Committee of Vitality UK (Life and Health). She is additionally Non-Executive Director of QBE Insurance Group Limited and Chair of the FTSE Women Leaders Review.

Past roles
Penny was Senior Independent Director of Hargreaves Lansdown plc from September 2021 to March 2025. She was also previously Chief Financial Officer, and later Chief Executive Officer, of Direct Line Insurance Group plc from November 2017 to January 2023. Prior to this, she was Director of Group Finance, and later Group Risk Officer, of Prudential plc. Penny's other prior roles include Group Chief Financial Officer at Omega Insurance Holdings Limited and Chief Financial Officer of UK General Insurance at Zurich Financial Services Ltd. Penny was a Non-Executive Director of Admiral Group plc from 2015 to 2017, Chair of the Financial Conduct Authority's Practitioner Panel from March 2022 to January 2023, and a Board member of the Association of British Insurers.

Skills and experience
- Extensive financial services experience with strong leadership, finance and risk expertise
- Strategic mindset and experience in business transformation
- Chartered accountant, with a degree in statistics from University of Bath

Chet Patel

Independent Non-Executive Director

Date of appointment to the Board
1 April 2022

Other current appointments
With over 20 years' commercial experience at BT Group, Chet is currently its Managing Director, BT International.

Chet is also a Non-Executive Advisor for Dentons and acts as a mentor for tech start-up organisations.

Past roles
Chet was a Non-Executive Director at London First between 2013 and 2017. He was also a Non-Executive member of the London Enterprise Panel between 2013 and 2016.

Prior to joining BT Group in 2006, Chet worked for Charles Schwab.

Skills and experience
- Proven ability to challenge and support executive teams, ensuring accountability and alignment with shareholder interests
- Commercial expertise in the B2B service environment, with a strong focus on driving growth and sales strategies
- Deep knowledge of business technology, cyber security and digital transformation
- Skilled in corporate strategy, risk management, and stakeholder engagement, including with government, regulators and international partners
- MBA from Henley Management College
- Honours degree in economics and politics from University of Leeds

ARC Audit & Risk Committee member
ESG ESG Committee member
NC Nomination Committee member
RC Remuneration Committee member
Committee Chair

Mary Reilly

Independent Non-Executive Director

Date of appointment to the Board
1 September 2017

Other current appointments
Mary is Senior Independent Director and Chair of the Audit Committee of Essentra plc. Additionally, Mary is an Independent Non-Executive Director and Chair of the Audit Committee of Gemfields Group Limited and on the Board of Mar Holdco S.a.r.l, a privately held Luxembourg company. Mary is also a Trustee of the PDSA.

Past roles
Mary was a Non-Executive Director of Cazoo Group Ltd during 2023, a Non-Executive Director and Chair of the Audit Committee of Travelzoo from 2013 to 2022 and a Non-Executive Director and Chair of the Audit Committee of Ferrexpo plc from 2015 to 2019. She was also a Non-Executive Director and Chair of the Audit & Risk Committee of the UK Department for Transport and of Crown Agents Limited from 2013 to 2017. Prior to this, she was a Non-Executive Director of Cape plc from 2016 to 2017. She has served as a Non-Executive Director on several other boards since 2000. She was a partner in Deloitte LLP (and predecessor firms) for over 25 years.

Skills and experience
- Exceptional audit, risk management and assurance experience
- Accounting, finance and international experience
- Chartered accountant, with a degree in history from University College London

Salma Shah

Independent Non-Executive Director

Date of appointment to the Board
1 April 2022

Other current appointments
Salma is founder of Kraken Strategy, a communications and policy consultancy.

Past roles
Salma was a Partner at Portland Communications from 2021 to February 2023 and Chief of Staff to the Home Secretary from 2018 to 2019. Salma held special advisor roles in several government departments between 2014 and 2018, including the Ministry of Housing, Communities and Local Government, Department for Business, Innovation and Skills, and Department for Culture, Media and Sport. Prior to this, Salma worked for BBC News as a news and political programmes producer from 2012 to 2014.

Skills and experience
- Public sector expertise
- Extensive experience in public policy, public affairs and communications
- An honours degree in journalism and politics from University of Salford

Peter Dickinson

Chief Legal Officer & Company Secretary

Date of appointment to the Board
6 March 2017

Other current appointments
Peter is a member of Mitie's Independent Prison and Immigration Review Board.

Past roles
Peter was a partner at the global law firm Mayer Brown International LLP (and its predecessor firm) between 1995 and 2017 and played a leading role in developing the firm's Technology, Media and Telecoms (TMT) practice.

Between 2005 and 2015, Peter was the head of Mayer Brown's Corporate practice in London. Between 2008 and 2015, he was the co-head of Mayer Brown's global Corporate practice. From 2015 until March 2017, he co-headed Mayer Brown's global Technology Transactions practice.

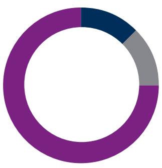
Skills and experience
- Substantial experience of providing legal, regulatory and commercial advice at Board level
- Significant experience advising on corporate merger and acquisition transactions, joint ventures and other significant commercial transactions, including large-scale multi-jurisdictional outsourcing projects
- Qualified solicitor with an LLB (Hons) law degree from University of Southampton

Board of Directors at a glance (at 31 March 2026)

Gender diversity

Female	4
Male	4

Ethnicity diversity

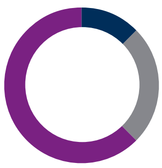


British Asian	1
British Indian	1
White British	6

Director age range

41–50	2
51–60	3
61–70	2
71–80	1

Director independence



Chair	1
Executive	2
Independent	5

Director tenure

Less than 6 years	5
6–9 years	2
Over 9 years	1

ARC Audit & Risk Committee member
ESG ESG Committee member
NC Nomination Committee member
RC Remuneration Committee member
Committee Chair

The Board

The Company's formal governance framework underpins the Group's operations.

The Board is responsible and accountable to shareholders for the sustainable long-term success of the Company. Subject to UK company law and the Company's Articles of Association, the Directors may exercise all the powers of the Company, and may delegate authority to Committees and day-to-day management and decision-making to individual Executive Directors.

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Board Committees

Mitie has four formal Board Committees: Audit & Risk, Nomination, Remuneration and Environmental, Social & Governance (ESG). The Committees support the Board by managing specific tasks or areas delegated to them. They examine critical areas in detail, facilitating informed decision-making and dedicated oversight, as well as offering expert guidance for the whole Board.

Audit & Risk Committee

Purpose: to monitor the integrity of the financial statements and effectiveness of internal controls, enterprise risk management, risk management systems, fraud prevention mechanisms, and internal and external audits. To review the principal risks and uncertainties of the Company and advise the Board on risk.

Further information can be found on pages 122 to 129.

Nomination Committee

Purpose: to evaluate and make recommendations regarding the composition, diversity, experience, knowledge, balance of skills and independence of the Board and its Committees.

Further information can be found on pages 117 to 121.

Remuneration Committee

Purpose: to determine and review the Group's remuneration policy and monitor its implementation.

Further information can be found on pages 133 to 148.

ESG Committee

Purpose: to provide oversight and governance for all of Mitie's ESG initiatives, ensuring they are aligned to Mitie's purpose, promises and values.

Further information can be found on pages 130 to 132.

INFORMING

REPORTING

Mitie Group Executive (MGX)

The MGX includes senior members of management from each business unit and central Group functions. The MGX meets weekly to discuss and implement the Group's strategic objectives. The Board is updated on matters discussed at MGX meetings at Board meetings as part of the Chief Executive Officer's regular update paper, and on an ad hoc basis as required.

In addition to the four main Board Committees, the Company has a Disclosure Committee, an informal Bid Committee and a Group Risk Committee. The Company also established the Independent Prison and Immigration Review Board (I-PIRB).

Disclosure Committee

Chaired by the Chief Executive Officer, its members include the Chair, Chief Financial Officer, Chief Legal Officer & Company Secretary and the Deputy General Counsel. Its purpose is to assist and inform decisions of the Board concerning the identification of inside information and to make recommendations about how and when the Company should disclose that information in accordance with the Company's disclosure policy.

Bid Committee

Chaired by the Chief Executive Officer, its members include the Chief Financial Officer, Chief Legal Officer & Company Secretary, relevant members of the MGX and members of the sales team. The Bid Committee meets as part of regular MGX meetings and met most weeks during FY26. The Bid Committee's purpose is to consider material bid submissions and to determine whether such bids meet the Group's financial, commercial and legal objectives.

Group Risk Committee

Chaired by the Chief Legal Officer (who holds the role of Chief Risk Officer & Company Secretary at Mitie) and comprising the Managing Directors of each of the divisions, the heads of all functions, and relevant subject-matter experts, it is responsible for overseeing the implementation of the Group's Enterprise Risk Management framework from an operational perspective, consistent with Mitie's risk appetite.

Independent Prison and Immigration Review Board

The I-PIRB is a strategic advisory body established by Mitie to provide independent expertise and oversight across its prison and immigration services. The I-PIRB brings together leading practitioners, academics and senior executives to support high standards of performance, transparency and continuous improvement across these sectors. More detail can be found on page 115.

Purpose of the Board

The purpose of the Board is to provide leadership and direction to the Group's management within a framework of controls which enable risk to be adequately assessed and managed.

Mitie's governance framework is set out on page 104.

Matters reserved for the Board

A schedule of key matters and responsibilities that are to be dealt with exclusively by the Board is maintained and regularly reviewed. The schedule was last reviewed by the Board in January 2026 and is available on Mitie's website.

The key responsibilities of the Board include:

- Promoting the long-term sustainable success of the Company, ensuring that workforce policies and practice support the Company's long-term sustainable success and are consistent with Mitie's values
- Approving the Group's long-term objectives and commercial strategy
- Establishing Mitie's purpose, promises and values and satisfying itself that these are aligned to the Group's strategy
- Reviewing performance in light of the Group's strategy, objectives, business plans, budgets and ESG targets
- Approving the annual budget
- Approving the half-yearly financial report and Annual Report and Accounts in accordance with legal and regulatory requirements
- Ensuring the Group's compliance with statutory and regulatory obligations
- Reviewing the effectiveness of the Group's risk and control processes
- Reviewing the Company's capital allocation policy and approving shareholder returns through dividends and share buybacks
- Approving all material acquisitions and disposals, and material contractual and other operational matters
- Ensuring adequate succession planning for the Board and senior management
- Undertaking a formal and rigorous review annually of its own performance and that of its Committees and individual Directors
- Making arrangements for dialogue with shareholders, canvassing shareholder opinion and engaging with shareholders in relation to any shareholder resolution which is opposed by more than 20% of the votes cast

Board meeting process

The Chair is responsible for setting the Board meeting agenda and for ensuring that the style and tone of Boardroom discussions promote effective decision-making and constructive debate.

Each Board meeting agenda is produced in consultation with the Chair, using items from a yearly meeting planner, actions arising from previous meetings, project progress updates and any relevant governance and regulatory matters. Items may also be added to the agenda at the request of a Board member or in response to emerging issues.

Attention is given to timings for each agenda item to ensure that adequate time is allocated for effective discussion and debate.

To allow sufficient time for the Directors to review Board meeting materials and seek any clarification needed ahead of the meeting, Board meeting materials are distributed to the Directors no fewer than five clear calendar days prior to the meeting via a secure electronic Board portal.

Board paper guidelines and templates are provided to authors of meeting materials to maintain a consistently high standard.

Mitie operates as 'One Mitie' and collaborates across all business areas, facilitating greater consistency in processes and information control, which aids in the preparation of consistent, high-quality and relevant Board meeting materials. Authors of Board meeting materials consider the impact, views and needs of key stakeholder groups, as well as the likely consequences of decisions in the long term, assisting Board discussions and decision-making.

The Chair ensures that all Directors feel they can voice their opinion, be listened to and contribute to the decision-making process.

Function heads and members of management are invited to attend Board meetings to present their items to the Board and answer questions.

Company purpose

The Board is responsible for establishing Mitie's purpose and values, and satisfying itself that these, its strategy and culture are aligned. Further information on Mitie's Company purpose, 'Better Places; Thriving Communities', can be found on page 6.

Advice of the Chief Legal Officer & Company Secretary

All Directors have access to the advice of the Chief Legal Officer & Company Secretary through various channels, including the Chief Legal Officer & Company Secretary's Board report, which is presented at every Board meeting, and a secure electronic Board portal, which is kept up to date with the latest governance-related information and guidance. The Chief Legal Officer & Company Secretary and Company Secretariat team are also available to the Directors on an ad hoc basis as required. The Chief Legal Officer & Company Secretary helps the Board ensure it has the appropriate policies, processes, information, time and resources in order to function effectively and efficiently.

The Board is responsible for the appointment and, where applicable, removal of the Company Secretary.

Division of responsibilities

All Non-Executive Directors are considered independent when assessed against the circumstances set out in Provision 10 of the Code. The Chair was considered independent against these circumstances on appointment.

The Board continues to support separation of the roles of Chair and Chief Executive Officer and considers itself to have an appropriate balance of Executive Directors and Independent Non-Executive Directors. No one individual or small group of individuals dominates Board decision-making.

As detailed on page 106, there is a well-defined separation of duties between the positions of Chair and Chief Executive Officer. To facilitate the efficient execution of these responsibilities, the Chair and Chief Executive Officer engage in regular discussions outside of Board meetings, ensuring a consistent and effective exchange of information.

There is a clear division of responsibilities between leadership of the Board and executive management leadership of Mitie's business. Key responsibilities of the Board, its Committees and its members are agreed by the Board and documented in writing. These responsibilities are summarised on page 106. Further detail is publicly available at www.mitie.com/investors/corporate-governance.

Non-Executive Directors

Chair

In his role as Chair, Christopher Rogers' responsibilities include:

- Leading and chairing the Board, Nomination Committee and shareholder general meetings
- Ensuring overall effectiveness of the Board in all aspects of its role
- Setting Board agendas, taking into account the issues and concerns of all Board members
- Ensuring appropriate delegation of authority from the Board to executive management
- Demonstrating objective judgement
- Promoting a culture of openness and debate
- Managing the Board to ensure sufficient time is allocated to promote healthy discussion and open debate, supported by the right level and quality of information to assist the Board in reaching its decisions
- Holding meetings with the Non-Executive Directors without the Executive Directors present
- Ensuring that new Directors participate in a full, formal and tailored induction programme
- Ensuring that the performance of the Board, its Committees and individual Directors is evaluated at least once a year and acting on the results of such evaluation
- Maintaining sufficient contact with major shareholders to understand their issues and concerns
- Ensuring that the views of shareholders are communicated to the Board

Senior Independent Director

Jennifer Duvalier assumed the position of Senior Independent Director from Roger Yates, following his resignation from the Board on 31 December 2025. In her role as Senior Independent Director, Jennifer's responsibilities include:

- Providing support and guidance to the Chair as a trusted advisor
- Serving as an intermediary for other Directors when required
- Conducting the Chair's annual performance evaluation
- Leading the appointment process for a new Chair if necessary
- Acting as Chair of the Board in the absence of the Chair
- Offering shareholders an alternative point of contact if they have concerns which have not been resolved through the normal channels, or for which such contact is inappropriate in the circumstances

Non-Executive Directors

The responsibilities of Non-Executive Directors include:

- Scrutinising and holding to account the performance of management and individual Executive Directors against agreed performance objectives
- Exercising independent judgement and skill
- Constructively challenging proposals based on relevant individual experience, knowledge and skills
- Contributing to the formulation and development of strategy and offering specialist advice
- Monitoring corporate reporting to ensure integrity of financial information
- Playing a key role in determining the remuneration policy for the Chair, Executive Directors, Chief Legal Officer & Company Secretary and the senior executive team
- Holding a primary role in Board succession planning

Executive Directors

Chief Executive Officer

In his role as Chief Executive Officer, Phil Bentley's responsibilities include:

- All aspects of the operation and management of the Group within the authorities delegated by the Board
- Developing Group objectives and strategy, having regard to the Group's responsibilities to its shareholders, customers, colleagues and other stakeholders
- The successful achievement of objectives and execution of strategy following presentation to, and approval by, the Board
- Recommending to the Board an annual budget and long-term business plan and ensuring their achievement following Board approval
- Optimising the use and adequacy of the Group's resources
- Managing the Group's risk profile, including the health and safety performance of the business
- Making recommendations to the Remuneration Committee on remuneration policy, executive remuneration and terms of employment of the senior executive team

Chief Financial Officer

In his role as Chief Financial Officer, Simon Kirkpatrick's responsibilities include:

- Leading, directing and overseeing all aspects of the finance and accounting functions of the Group
- Evaluating, approving and advising on the financial and commercial impact of material contracts and transactions (including mergers and acquisitions), technology investments, long-range planning assumptions, investment return metrics, risks and opportunities, and the impact of changes in accounting standards
- Managing relationships with the external auditor and key financial institutions and advisors
- Ensuring effective internal controls are in place and compliance with appropriate accounting regulations for financial, regulatory and tax reporting
- Leading, directing and overseeing the Group's Finance, Treasury, Tax and Internal Audit functions

Chief Legal Officer & Company Secretary

In his role as Chief Legal Officer & Company Secretary, Peter Dickinson's responsibilities include:

- Advising the Board on governance matters and the Directors on their duties, including on all aspects of the Group's governance framework and the application of its delegated authorities
- Ensuring the Group's compliance with corporate legislation and the Company's Articles of Association
- Supporting the Board in ensuring it has the policies, processes, information, time and resources to function effectively and efficiently
- Leading, directing and overseeing the Group's Legal, Company Secretarial, Pensions, Property, Insurance, Health & Safety, Risk & Compliance and Sustainability functions
- Managing the Group's relationship with the Cabinet Office
- Identifying and recommending to the Board acquisitions and disposals
- Leading, directing and overseeing the Strategic Projects Office and the implementation of any projects thereunder
- Overseeing the Group's margin enhancement initiatives programme
- Chief Risk Officer
- In his role as Chief Risk Officer, Peter Dickinson's responsibilities include:
  - Overseeing the implementation of Mitie's Enterprise Risk Management framework
  - Chairing the Group Risk Committee

Director attendance

The Board and its Committees held regular scheduled meetings during FY26. Senior executives and advisors were invited to attend and present at these meetings as required. The table below sets out attendance by Directors. Attendance is expressed as the number of meetings attended out of the number of meetings applicable for the Director to attend. In circumstances where a Director is unable to attend a meeting, the Director receives meeting papers in advance and has the opportunity to comment ahead of the meeting.

Position	Name	Board	Nomination Committee	Audit & Risk Committee	Remuneration Committee	ESG Committee
Chair	Christopher Rogers[1]	7/7	3/3	–	–	–
Executive Directors	Phil Bentley	7/7	–	–	–	–
	Simon Kirkpatrick	7/7	–	–	–	–
Independent Non-Executive Directors	Jennifer Duvalier	7/7	3/3	–	4/4	–
	Penny James	7/7	3/3	6/7	–	6/6
	Chet Patel	7/7	3/3	7/7	4/4	–
	Mary Reilly	7/7	3/3	7/7	–	–
	Salma Shah	7/7	3/3	–	4/4	6/6
Directors who ceased to hold office during FY26	Derek Mapp[2]	1/1	–	–	–	–
	Roger Yates[3]	5/5	1/1	5/5	3/3	–

1. Christopher Rogers assumed the role of Chair of the Board following the FY25 Annual General Meeting on 22 July 2025.
2. Derek Mapp stepped down from the Board on 22 July 2025 following the conclusion of the FY25 Annual General Meeting.
3. Roger Yates resigned from the Board effective 31 December 2025.

Setting strategy

The Board reviews and agrees the strategy for the Group on an annual basis and reviews aspects of strategy at Board meetings throughout the year. The Board's annual strategy day for FY26 was held in September 2025. When debating the Group's strategy, the Board discussed a wide range of matters, including, but not limited to:

- Financial performance and analysis
- Assessment of progress and plans by division
- Growth drivers
- Valuation and capital allocation
- Stakeholders

How governance contributes to the delivery of strategy

Details of how opportunities and risks to the future success of the business have been considered and addressed can be found in the Strategic report on pages 12 to 13, 56 to 69 and 84 to 96. Details of the sustainability of Mitie's business model can be found in the Strategic report on pages 34 and 35. Mitie's governance framework underpins the delivery of strategy and can be found on page 104. An overview of the Group's strategy can be found in the Strategic report on pages 24 to 29.

How the Board considers the views of stakeholders

The Board recognises the significance of establishing and maintaining robust relationships with all stakeholder groups. The Board periodically reviews and discusses the Group's key stakeholders along with the engagement mechanisms in place to support effective two-way communication. Further details of the Group's stakeholder engagement mechanisms are available in the Strategic report on pages 36 to 40.

Mitie's Section 172(1) statement can be found in the Strategic report on page 96. Details of key decisions made during FY26 and how the Board considered Section 172 matters in decision-making can be found on the following page.

Dialogue with shareholders

The Board is committed to ongoing, proactive engagement with shareholders. Mitie runs a year-round programme of formal and informal events, investor meetings and presentations to communicate the Group's performance, strategy and objectives, and to provide a forum for shareholders to raise questions and concerns. Executive Directors lead this programme with support from Investor Relations, responding to meeting and call requests from existing and prospective investors and sell-side analysts. The Board receives regular updates on investor feedback, broker insights and analyst reporting. The Chair ensures the Board is aware of any matters raised by major shareholders, undertakes an annual roadshow to meet shareholders and, together with the Non-Executive Directors and Committee Chairs, is available to meet shareholders on request. Further information is available at www.mitie.com/investors.

How the Board considers Section 172 matters in decision-making

The Board's consideration of Section 172 matters is integrated into its governance processes and the way decisions are prepared and approved. In practice, this includes:

- Taking into account both the strategic alignment and long-term implications of material proposals, including resilience and scenario analysis where relevant
- Considering stakeholder insights (including workforce, customer and supplier perspectives) and how these influence the Board's view of risks and opportunities
- Having regard to the Group's culture, values, standards of business conduct and reputation, and whether appropriate controls and assurance are in place
- Agreeing key measures of success and monitoring outcomes after decisions are taken

The Board receives regular reporting on stakeholder engagement and performance indicators and interacts directly with stakeholders through a range of channels, including colleague listening sessions through the Board Listening Programme, customer engagement, investor meetings and site visits. More detail on this can be found on pages 36 to 40.

Key decisions and Section 172 considerations

In-depth: Acquisition of Marlowe plc

Context and rationale

During the year, the Board considered and approved the acquisition of Marlowe plc, a specialist provider of testing, inspection and certification services. This acquisition supports the Group's strategy by extending its facilities management and facilities transformation leadership position into business-critical Facilities Compliance services, a sector characterised by high recurring revenues, strong margins and tightening regulatory requirements.

The Board concluded that the acquisition would enhance the Group's long-term growth and resilience by broadening capability in priority areas (including fire & security and water & environmental services compliance), increasing self-delivery and technical expertise, and creating national scale in a fragmented market. The acquisition also creates opportunities to deepen customer relationships through the cross-selling of complementary services across the enlarged customer base.

How the Board had regard to Section 172 matters

In reaching its decision, the Board considered the long-term benefits and strategic fit of expanding the Group's Facilities Compliance capabilities, alongside affordability, principal risks and integration readiness. The Board tested the value creation assumptions (including synergies), downside scenarios and execution capabilities to ensure operational delivery and service continuity would be maintained. Consideration was also given to the interests of key stakeholders and the importance of safeguarding the Group's reputation and standards of business conduct.

Key stakeholders considered included:

Shareholders
- Assessed against alternative uses of capital (notably share buybacks) and concluded the acquisition offered superior long-term value creation through earnings per share accretion and improved returns
- Transaction structured to optimise earnings accretion, and maintain leverage discipline and funding flexibility, within Mitie's financial guardrails

Colleagues
- Recognition that successful value delivery depends on retaining key operational, technical and commercial talent
- Commitment to a structured onboarding process with clear leadership accountability and targeted retention arrangements where appropriate
- Consideration given to cultural integration and minimising disruption following recent restructuring at Marlowe plc

Customers
- Focus on maintaining service continuity and safety in business-critical compliance services
- Enhanced capacity for Mitie to provide comprehensive, specialist and nationally consistent solutions, particularly in fire & security and water & environmental services compliance
- Improved long-term customer value through enhanced capability, self-delivery and a unified package of Facilities Management, Transformation and Compliance services

Suppliers and partners
- Consideration of impacts on the supply chain, with the intention of reducing reliance on third-party providers while maintaining resilient procurement arrangements
- Leverage increased scale to deliver operational efficiencies, while proactively managing the integration carefully to avoid service disruption

Lenders and credit stakeholders
- Structure designed to protect Mitie's investment-grade credit rating, maintain covenant compliance and preserve liquidity headroom
- Clear deleveraging plan supported by strong cash generation and synergy delivery

Wider society and ESG stakeholders
- Acquisition enhances Mitie's capability to support building safety, environmental compliance, water security and sustainability objectives for customers
- Alignment with public policy priorities and increasing regulatory expectations, contributing to long-term societal value creation

Board actions

The Board's actions in relation to this decision included:

- Reviewing detailed papers and supporting documentation prepared by management with input from relevant specialist external advisers, including the strategic rationale, valuation approach, proposed financing and integration plan
- Evaluating key findings from due diligence outputs (including legal, financial, tax, commercial, operational, technology/cyber and people/culture matters) and any proposed mitigations
- Engaging in Board discussions to challenge assumptions, test downside scenarios and assess delivery capacity and governance arrangements
- Reviewing the principal risks, controls and assurances relevant to the transaction and post-completion integration

Outcome and monitoring

The Board approved the acquisition and agreed the integration approach, governance, delegated authorities and key success measures. The Board will continue to monitor progress against integration milestones and value creation assumptions through regular reporting, with a focus on maintaining operational performance, colleague engagement and customer outcomes.

At a glance: Acquisition of Forest Group, El-Team Vest (Denmark) and ABC Elektro (Norway)

Context and rationale

In addition to the Marlowe plc transaction, the Board considered several smaller acquisitions to further strengthen capabilities, enhance the Group's proposition and accelerate progress against strategic priorities. These acquisitions strengthen its ability to deliver projects and ongoing maintenance services in the rapidly expanding European data centre fire & security systems market. The Group already has a solid pipeline serving top international customers.

For more information on these acquisitions, please see pages 41 to 45.

Stakeholders considered	Board actions	Outcome and monitoring
• Shareholders (strategic fit, returns and affordability, including foreign exchange for Denmark/Norway) • Colleagues (cultural fit, retention and alignment to UK, Danish and Norwegian employment practices) • Customers (continuity and improved local capability in Denmark and Norway) • Suppliers and partners (local supply chains and key subcontractors) • Communities and environment (ESG alignment to Group standards in each country) • Regulators and standards of conduct (UK, Danish and Norwegian legal, tax and compliance requirements)	• Reviewed investment cases • Considered proportionate due diligence, including local legal/regulatory, employment and tax matters • Challenged integration approach, governance and management capacity across jurisdictions • Assessed foreign exchange and funding, alongside returns and payback • Agreed integration milestones and reporting	• Approved acquisitions to strengthen capability • Will monitor delivery against the investment cases, integration, retention and customer outcomes through regular reporting

At a glance: Capital allocation and share buyback

Context and rationale

The Board considered the Group's capital allocation priorities, ensuring an appropriate balance between business investments, maintaining a robust, efficient balance sheet with appropriate liquidity, and returns to shareholders. The proposed share buyback programme was reviewed within this broader framework.

Stakeholders considered	Board actions	Outcome and monitoring
• Shareholders (cash generation, liquidity/leverage, headroom) • Colleagues (capability, reward and retention) • Customers (service quality, long-term partnerships and innovation) • Suppliers and partners (delivery capacity and long-term partnering) • Communities and environment (funding of priority ESG commitments) • Regulators and standards of conduct (governance, compliance, fairness)	• Reviewed detailed management papers on capital allocation priorities, forecasts, liquidity/leverage and scenario/stress testing • Considered alternative uses of capital (reinvestment, acquisitions, debt reduction and returns) • Discussed and challenged buyback parameters, execution approach and governance, including legal and regulatory compliance • Reviewed stakeholder impacts and confirmed alignment to strategy and risk appetite • Approved the approach and agreed monitoring metrics and reporting cadence	• Approved the capital allocation approach, including the buyback programme • Will monitor execution and impacts through regular reporting on liquidity/leverage, investment delivery and stakeholder outcomes

Board member meetings

Wide-ranging culture-related matters are embedded into Board meeting materials presented at Board, Committee and strategy meetings. Aspects of culture are focused on within the papers for Board discussion as required.

Chief People Officer updates

The Chief People Officer frequently attends Board meetings to update the Board on employee-related matters, including employee listening sessions held through the Board Listening Programme and results of employee surveys.

Equality, diversity and inclusion

The Nomination Committee annually reviews and approves the Board Inclusion Policy and ensures that new Board members promote the desired culture and lead by example.

Board members regularly attend Mitie's diversity network events and attended equality, diversity and inclusion flagship events during FY26.

Direct email contact with colleagues

Phil Bentley encourages colleagues to contact him directly via his 'Grill Phil' email address.

Jennifer Duvalier encourages colleagues to contact her directly in relation to remuneration matters via email.

Employee engagement survey

Mitie's annual employee engagement survey, MyVoice, provides the Board with a snapshot of colleague sentiment. The results of the FY26 survey and an action plan to address areas for improvement were reviewed by the Board in March 2026. Insights from the survey are used to help inform the Board's programme of colleague listening events. Employee engagement is one of Mitie's non-financial key performance indicators, as detailed on page 32.

Board member attendance at colleague events

All Board members spoke directly with employees at colleague listening sessions held through the Board Listening Programme during FY26. The Board member(s) in attendance at an event provide feedback to the Chief People Officer, who synthesises key insights into Board reporting to inform oversight of culture, inclusion and colleague experience. Key themes are identified and actions arising from the events are assigned an owner and deadline. The Chief People Officer and Board member(s) present the paper to the Board as a whole at its next meeting. Further information on events attended by Board members during FY26 can be found on pages 112 to 113.

As detailed in the Nomination Committee report on page 119, Christopher Rogers visited colleagues in multiple locations during FY26 as part of his induction programme.

During FY26, the Executive Directors hosted:

- Town Halls for results announcements
- Team Talk Local 2025 events
- Leadership conference for senior managers
- Phil Bentley hosted MyAchievements, an annual celebration of colleague achievements

Marlowe integration

The Board was regularly updated on culture-related matters connected with the integration of Marlowe colleagues during FY26.

Code of Conduct

The Board endorsed a new Code of Conduct, One Code, which was launched in FY26. One Code sets out the minimum expected behaviours for employees.

Principal risks

Principal risks are reviewed and approved by the Audit & Risk Committee and the Board. Further information can be found in the Principal risks and uncertainties section on page 84. Principal risks identified by the Audit & Risk Committee and the Board include those below.

Employees
Employees (people risk) has been identified as a principal risk, reflecting the importance that Mitie colleagues have to the Group.

Quality, health, safety and environment
Health, safety and environment has been identified as a principal risk.

During FY26, the Board endorsed an evolved version of LifeSafe, Mitie's health and safety culture programme, which was relaunched at Team Talk Local 2025 events.

Colleagues in high-risk operations
Custodial management has been identified as a principal risk.

The Audit & Risk Committee and the Board receive reports on custodial management.

Jennifer Duvalier acts as Chair of the Independent Prison and Immigration Review Board.

Policy review

Executive Directors regularly review workforce policies, including the People Policy, the Equality, Diversity and Inclusion Policy, and the Health, Safety and Wellbeing Policy.

Modern Slavery Statement

The Board annually reviews Mitie's Modern Slavery Act Statement. A copy of the Statement can be found at www.mitie.com/legal/modern-slavery-act

Whistleblowing

An update on whistleblowing activity is provided to the Board at every Board meeting and to the MGX as appropriate. The update includes details of incident reports received in the period between Board meetings, as well as details of ongoing, and the outcomes of recently completed, investigations. Mitie uses the EthicsPoint platform, which provides the ability to report by business division and by investigation status/outcome, facilitating the Board's ability to effectively track the progress of investigations and to monitor and address trends across individual business units and the Group as a whole.

Fraud Framework

Instances of suspected fraud are subject to mandatory reporting by colleagues to the Internal Audit team or independent whistleblowing service, 'Speak Up'. The Audit & Risk Committee and/or the Board are notified.

Designated Non-Executive Director for workforce engagement

A main objective of Jennifer Duvalier's role as designated Non-Executive Director for workforce engagement is to maintain and encourage a cycle of continuous open dialogue and feedback between colleagues and the Board. Further information can be found on pages 112 to 113.

Social value targets

The ESG Committee reviews performance against three people-related social value targets. Further information can be found in the Sustainability Statement on page 55.

Key performance indicators

The Board monitors non-financial key performance indicators, including those below. Further information can be found in the Strategic report on page 32.

- Females in senior leadership team
- Employee turnover
- Employee engagement
- Lost time injury frequency rate

Remuneration

The Remuneration Committee determines non-financial targets that apply to executive remuneration incentive plans, which are assessed at the end of a performance period.

The Remuneration Committee reviews the gender pay gap.

The Chair of the Remuneration Committee holds remuneration listening sessions with colleagues.

Performance evaluation

The Board reflects on all aspects of its performance, including its effectiveness in promoting the desired culture, as part of its annual evaluation.

MGX member performance is reviewed by the Remuneration Committee.

Designated Non-Executive Director for workforce engagement

The Board is committed to understanding the impact of its decisions on colleagues across the Group. During FY26, Jennifer Duvalier continued in the role of designated Non-Executive Director responsible for oversight of the Board's engagement with colleagues.

Why Jennifer?

Jennifer has had a long career in HR, working in several large, people-driven companies going through significant transformation. Jennifer brings this wealth of experience to Mitie.

Objectives
Objectives of Jennifer's role as designated Non-Executive Director for workforce engagement include:

- Champion the voice of colleagues in Board discussions
- Create opportunities to get involved in the work of colleagues to better understand their lived experience at work, subject to health and safety rules
- Ensure that the Board hears from a wide cross-section of colleagues, both in the UK and overseas, and from a diverse range of backgrounds, roles, contracts and business units, as part of the Board Listening Programme
- Ensure Board member involvement in key diversity network and other events as part of the Board Listening Programme
- Create a cycle of feedback between colleagues and the Board to inform decision-making and people strategy
- Ensure colleagues hear what actions are taken from these Board discussions
- Review colleague insights from colleague surveys, including the annual MyVoice survey
- Analyse feedback received from colleagues to identify common themes and ensure any issues are managed effectively and efficiently

Jennifer also invites colleagues to contact her directly via her Mitie email address, and, in connection with her role as Chair of the Remuneration Committee, leads remuneration listening sessions with colleagues.

Board Listening Programme
The Chief People Officer and the Communications Director support Jennifer in her role as designated Non-Executive Director for workforce engagement. Using insight from the annual MyVoice survey and other colleague feedback received, they work with divisional leaders to agree a programme of site visits that ensures broad reach across Mitie.

Site visits are facilitated by the Communications Director alongside relevant business unit or account leads. While formats vary, Board members typically receive a site overview or tour, meet local managers and then hold informal discussions with frontline colleagues without managers present. Colleagues are encouraged to share their experiences of working at Mitie, including what is working well, challenges faced and ideas for improvement.

As further detailed on page 113, key themes from listening sessions are shared with the wider Board and any actions arising followed up with senior management.

Updates on the Board's engagement with colleagues are shared through Mitie's internal communication channels, including MiNet and MitiePeople.com.

"Listening to our colleagues is fundamental to how we lead Mitie. The insights shared through MyVoice and our Board Listening Programme play a critical role in shaping Board discussions and decisions. Our people are the reason for Mitie's successes, and I am proud of the continued focus on strengthening engagement and improving the colleague experience."

Jennifer Duvalier
Designated Non-Executive Director for workforce engagement

FY26 Events
During FY26, Jennifer and other Non-Executive Directors hosted or attended a wide range of events as part of the Board Listening Programme. These included Mitie's Proud to Be network's Pride Celebration event, a listening event with the first cohort of graduates on the Mitie Projects Graduate scheme, and an alumni event for The Mitie Foundation's Ready2Work Programme. Employee listening sessions were also held with colleagues in frontline teams at Marks & Spencer's Security Operations Centre, HMP Millsike, University Colleague London Hospitals NHS Foundation Trust, Ernst & Young Global Headquarters, ESM Power, the Intelligent Security Operations Centre in Craigavon, and the A6 (North) Mobile Engineering team.

"The Board Listening Session gave myself and the frontline team a chance to share what life at Mitie is really like on the ground. The Board listened to us and took everything we said on board with a real enthusiasm to understand our experiences. We left with a positive feeling that we had been listened to and had been given an opportunity to influence improvements for our colleagues moving forward while sharing what works well at present."

Sam Berry
Operations Manager – Region 2 Mobile Technical Services

Details of other events hosted or attended by Board members can be found on page 110.

Learnings and responses
Themes identified as part of the Board Listening Programme during FY26 included:

- Learning and development
- Colleague support
- Culture and consistent ways of working
- Communication, leadership visibility and feedback loops
- Systems access

Details of actions taken in response to feedback received are set out below.

Improvement areas	Actions taken in FY26
Learning and development	
Provide more clarity around training budget and associated approval processes.	A meeting to discuss training budget and processes was held between the Learning & Development Partner and the Managing Director of the business area. A further meeting was arranged with a sample of colleagues to better understand in detail their specific immediate and long-term training needs.
Review the graduate induction process and consider increasing business introductions.	Graduate induction week was extended to two weeks to allow business units more time to welcome graduates into the business.
Northern Ireland Apprenticeship Levy challenges identified.	Research commenced to consider Northern Ireland Traineeship Programme.
Continue role shadowing and cross-team visits. Formalise and schedule regular opportunities for colleagues to experience each other's roles.	A 'closer to colleagues' week was held where analysts and CCTV operators joined frontline colleagues in stores.
Colleague support	
Explore options for better supporting colleagues who regularly work unsociable hours.	Day managers adapted their shifts to spend more time with night workers and provide additional management check-in support. Activities planned to help bring the teams closer together.
Review practical support needs for colleagues working unsociable hours.	A vending machine was sourced to provide snacks and drinks for colleagues working unsociable hours.
Culture and consistent ways of working	
Strengthen culture integration of Mitie's Code of Conduct, One Code, within the account.	One Code continued to be embedded. A 'reflections' campaign was presented by the Strategic Client Director during a Team Talk Local session.
Communication, leadership visibility and feedback loops	
Create a clear communications plan for the customer account with messaging consistent across Signature Guest Services, the wider Mitie Group and the customer's business.	Colleagues' questions and feedback from a Q&A session held as part of a 'Your Voice All Hands' call were captured and presented in a 'You Said, We Did' format.
Increase account leadership visibility across sites.	Team Talk Local sessions were held with account leadership for regional and London sites.
Provide reassurance and communicate the 12-month business direction for a newly acquired business area.	A Town Hall event was held in March 2026 and a further Town Hall event is planned during FY27.
Systems access	
Run a MyMitie App workshop to raise awareness of the app's benefits.	The MyMitie App Programme Lead delivered a workshop at the account's All Hands Call held in October 2025, outlining the benefits of the app, including the availability of Microsoft Teams to frontline colleagues.
Issues with software licence access identified.	Collaborated with software licence end-users to understand access issues and investigated these to resolution.

Board effectiveness

For Mitie, board effectiveness refers to the extent to which the Board and its Committees collectively operate with clarity of purpose and robust governance practices that enable constructive oversight in support of the Company's operations and long-term success.

To support this, the Board is committed to maintaining an appropriate balance of skills, experience, independence and diversity, and to fostering a culture of openness, constructive challenge and robust decision-making, enabling effective oversight and well-informed decisions.

In line with the UK Corporate Governance Code 2024 (the Code), a formal annual evaluation of the performance of the Board, its Committees, the Chair and individual Directors is undertaken. The review helps to assess how effectively the Board discharges its duties and informs actions to strengthen Board and Committee effectiveness over the year ahead.

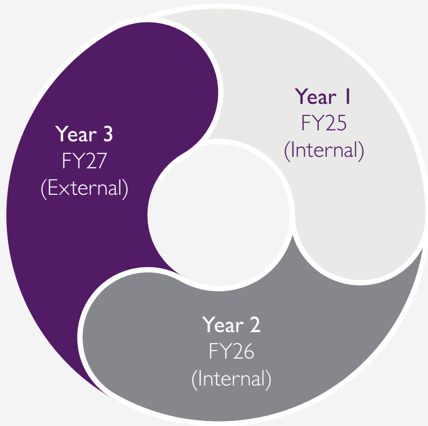
Board evaluation cycle

Mitie's evaluation cycle includes an externally facilitated assessment at least every three years, with the intervening evaluations managed internally. For internally led evaluations, the Chair leads the assessment of Directors, and the Senior Independent Director (SID) leads the evaluation of the Chair.

Year 1 – FY25 (Internal)
Internally led evaluation focusing on recommendations and progress on suggestions from the external evaluation in FY24

Year 2 – FY26 (Internal)
Internally led evaluation focusing on progress of our FY25-FY27 Strategic Plan and Board and senior management succession planning

Year 3 – FY27 (External)
Externally led in-depth, independent assessment of the Board, Committees and individual Directors



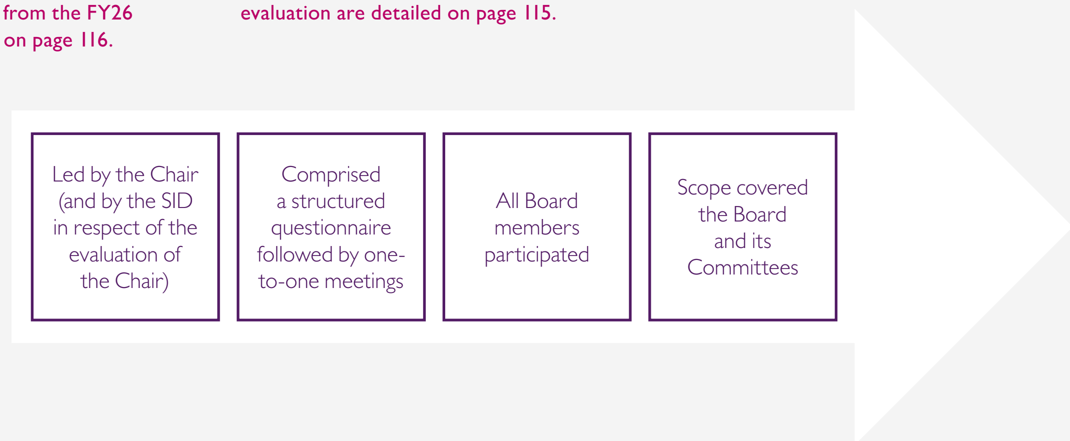
FY26 evaluation

The process followed in FY26 is set out below. The structure allows Directors to provide confidential feedback and identify opportunities to enhance effectiveness. The review considered Board and Committee effectiveness across a range of themes, including people, skills and dynamics (including succession planning), the quality of strategy and risk discussions, and stakeholder engagement.

Outcomes and actions from the FY26 evaluation are detailed on page 116.

The FY26 evaluation concluded that the Board and its Committees continue to operate effectively, with strong governance, constructive challenge and appropriate oversight. No material issues were identified. To support continual improvement, the recommendations and suggestions set out below will be progressed during FY27, with actions monitored through the Board and Committees as appropriate.

Progress on the actions from the FY25 evaluation are detailed on page 115.



Progress made on actions identified in prior year internal evaluation

Progress made during FY26 on actions identified as part of the FY25 evaluation is set out below.

Recommendations	Actions undertaken during FY25	Progress made on actions during FY26
Care & Custody: Implementation of a specialist independent advisory board.	A specialist advisory board, known as the Independent Prison and Immigration Review Board (I-PIRB), was set up in February 2025. The I-PIRB, chaired by Jennifer Duvalier, meets quarterly, with additional meetings scheduled as needed. See below for more detail.	Following its inception in February 2025, the I-PIRB has met four times. The I-PIRB has provided independent challenge and strategic insight to the Immigration & Justice leadership team. In doing so, it has helped strengthen governance and oversight across the Company's prisons and immigration services. Where required, this has supported mobilisation and early operational readiness, while also reinforcing a culture of learning and continuous improvement. This additional oversight has improved visibility of performance and emerging issues, informed management actions, and supported delivery of service improvements.
Continued high-level visibility of quality, health and safety environment (QHSE).	Mitie appointed a new Group QHSE Director in May 2024, who has refreshed the Group's HSE strategy and raised the profile of HSE at the Board and across the business. The Group QHSE Director presented to the Board at its meetings held in July 2024 and March 2025.	High-level visibility of QHSE increased significantly during the year, driven by the Board's focus on delivery of QHSE strategy and improving governance over key initiatives. The Group QHSE Director now attends ESG Committee meetings, providing regular updates and strengthening oversight. Continuous improvement has been reinforced through ongoing progress reporting and targeted interventions, supporting consistent performance across the business.
Strategic discussions and monitoring to be held periodically throughout the year, in addition to the annual deep-dive session held in September.	An additional strategy discussion was held in July 2025, with further sessions planned throughout FY26.	A rolling programme of reviewing strategic imperatives as part of the Board agenda is in place. This ensures the Board maintains regular oversight of progress against strategy, provides timely challenge and direction as priorities evolve, and supports more informed decision-making throughout the year.

Independent Prison and Immigration Review Board

The Independent Prison and Immigration Review Board (I-PIRB) is a strategic advisory body established by Mitie to provide independent expertise and oversight across its prison and immigration services. The I-PIRB brings together leading practitioners, academics and senior executives to support high standards of performance transparency and continuous improvement across these sectors.

Membership

The I-PIRB comprises a balanced mix of Mitie leadership and independent experts with deep experience in criminal justice inspection policy and research.

Chair
- Jennifer Duvalier – Non-Executive Director, Mitie

Mitie Executive Members
- Peter Dickinson – Chief Legal Officer
- Jason Towse – Managing Director, Business Services
- Russell Trent – Managing Director, Immigration & Justice

Independent Members
- Phil Wheatley CB – Former Director General, National Offender Management Service and HM Prison Service
- Nick Hardwick CBE – Former HM Chief Inspector of Prisons and Chair of the Parole Board

- Alison Liebling – Professor of Criminology and Criminal Justice (prisons only)
- Peter Dawson CBE – Former Director of the Prison Reform Trust

Role and purpose

The I-PIRB provides independent advice and challenge to strengthen Mitie's approach to delivering prison and immigration services. Its work includes:

- Offering expert insight on policy research and best practice
- Reviewing performance and identifying opportunities for improvement
- Supporting the development of responsible, ethical and effective service delivery
- Enhancing understanding of emerging trends and risks in the criminal justice and immigration sectors

The I-PIRB operates in an advisory capacity and does not hold operational responsibility for service delivery.

Recommendations from the internal FY26 evaluation

Recommendations	Actions undertaken or planned
People, skills and dynamics	
Inclusion of a more formalised Board agenda item around Executive and MGX succession.	Succession planning has been formally incorporated into the Board's forward planner for FY27. This agenda item will be addressed at key intervals throughout the Board cycle, enabling proactive oversight and strategic discussion of executive and management succession.
Strategy and risk	
Formally incorporate risk within the Audit & Risk Committee's (previously known as the Audit Committee) terms of reference.	The Audit & Risk Committee's remit has been expanded to encompass enterprise risk management, supporting a more integrated approach to risk oversight. Accordingly, the Committee was renamed the Audit & Risk Committee (previously known as the Audit Committee). More detail can be found on pages 122 to 129. Revised Terms of Reference were agreed by the Board in January 2026.
Oversight	
Expand Board discussions by incorporating more non-financial key performance indicators (KPIs) into the narrative, enabling a more rounded understanding of business operations alongside the robust financial oversight.	The Board is considering the inclusion of further relevant non-financial KPIs within its materials to complement financial reporting, fostering richer dialogue and greater insight into broader business performance.
Stakeholders	
Broaden the Board's perspective by deepening its insight into investor sentiment.	The completion of an external investor perception study (in early 2026) represents a valuable initial step in supporting the Board's understanding of investor sentiment. To further enhance engagement, Non-Executive Directors intend to participate in additional individual shareholder meetings, thereby facilitating more direct and meaningful dialogue.
Strengthen the Board's connection to customers, providing deeper insight into customer perspectives and experiences.	The Board is considering the inclusion of several consistent customer-focused non-financial KPIs into its regular reporting, supported by periodic customer deep dives, to strengthen oversight of customer experience. Further, management will explore the enhancement of the Board Listening Programme to include customer listening alongside colleague insights, providing the Board with a more rounded view of stakeholder experience and priorities.

NOMINATION COMMITTEE REPORT

"A high-performing Board is central to the delivery of Mitie's strategy and long-term sustainable success. During the year, the Nomination Committee focused on maintaining the right balance of skills, experience, independence and diversity, while strengthening succession plans to ensure the Board continues to evolve in line with the needs of the business and our stakeholders."

Christopher Rogers
Chair of the Nomination Committee

Nomination Committee members

Chair: Christopher Rogers

Committee members:
Jennifer Duvalier
Penny James
Chet Patel
Mary Reilly
Salma Shah

All members of the Nomination Committee are considered independent in accordance with the UK Corporate Governance Code 2024 (the Code).

Nomination Committee meetings

The Committee met three times during FY26. The attendance of individual Committee members can be found on page 107.

Key purpose of the Committee

The Nomination Committee keeps under regular review the composition of the Board and its Committees to ensure it has an appropriate balance of skills, experience, independence and knowledge to support the delivery of the Group's strategy and long-term sustainable success.

In doing so, the Committee has regard to the requirements of the Code and to the evolving strategic priorities of the Group. The Committee recognises that effective governance depends not only on individual capability, but on the collective strength of the Board as a whole.

Key responsibilities of the Committee

The key responsibilities of the Nomination Committee include:

- Regularly reviewing the structure, size and composition of the Board
- Ensuring plans are in place for an orderly succession to Board and senior management positions
- Considering the length of service of the Board as a whole
- Identifying, and nominating for approval by the Board, candidates for Board vacancies as and when they arise
- Keeping under review the number of external directorships held by each Non-Executive Director
- Reviewing Board evaluation outcomes relating to the composition of the Board
- Keeping the Board Inclusion Policy under review

The Nomination Committee's Terms of Reference are available at www.mitie.com/investors/corporate-governance.

The Senior Independent Director chairs the Committee in circumstances where it would be inappropriate for the Chair of the Board to chair the Committee.

As Chair of the Nomination Committee, I am pleased to report on the work done by the Committee during the year.

Key activities during the year

Board composition and Board changes

As part of its annual responsibilities, the Nomination Committee assessed the composition and leadership of the Board and its Committees during FY26. Changes during the year included Derek Mapp, who stood down from the Board after the 2025 Annual General Meeting (AGM), and Roger Yates, who retired from the Board on 31 December 2025. Christopher Rogers succeeded Derek as Chair of the Board and Nomination Committee on 22 July 2025, and Jennifer Duvalier took on the role of Senior Independent Director from Roger with effect from 1 January 2026.

The Committee is confident that the Board's composition and diversity have been appropriate throughout the year, particularly considering the size and nature of the business.

Board independence

In accordance with the Code, the Board considers independence to be a matter of judgement and reviews it annually, considering tenure, individual circumstances and observed behaviours. Jennifer Duvalier and Mary Reilly are approaching nine years' service; however, overall tenure of the Board remains well balanced. The Committee is satisfied that both Jennifer and Mary continue to demonstrate independent challenge and objective judgement, supported by their strong attendance and ongoing engagement with management and wider stakeholders.

The Board has a structured succession and refreshment plan in place and, in the context of forthcoming CEO succession and the Chair's comparatively recent appointment, the Committee believes that the continuity and experience provided by Jennifer and Mary remains in shareholders' best interests and does not compromise Board independence.

Board skills and experience framework

During the year, the Committee reviewed the skills and experience required at Board level, considering:

- The Group's strategy and key risk areas
- The scale and complexity of Mitie's operations across public and private sector customers
- The need for effective succession planning across the Board and its Committees

Christopher Rogers
Chair of the Nomination Committee

Board skills matrix

The Board's collective skills and experience are summarised below against 15 core skill areas seen as critical to effective Board oversight and linked to Mitie's strategic priorities and principal risks. The matrix demonstrates that the Board has coverage across all key skill areas, providing confidence that it is well placed to oversee delivery of the Group's strategy. Mitie's principal risks and uncertainties can be found on page 84.

Skill/experience area	Board coverage	Link to strategic priorities	Principal risk
Leadership and strategy development	★★★●●●●●	Accelerating growth, Operating margin progression, Cash generation, ESG leadership, Linked to remuneration	PR7, PR9, PR11, PR12, PR15, PR16
Corporate governance	★●●●●●●	Operating margin progression, ESG leadership	PR6, PR14, PR16
Government/public sector	★●●●	Accelerating growth, ESG leadership	PR1, PR2, PR15, PR16
Finance	★★★★●●	Cash generation, Linked to remuneration	PR1, PR5, PR11, PR12
Audit, risk management and assurance	★★★★●●	Operating margin progression	PR4, PR5, PR9, PR14
Remuneration/human resources/people management	★●●●●●	ESG leadership, Linked to remuneration	PR4, PR5, PR9
Commercial	★★★●●●●	Accelerating growth, Operating margin progression, Cash generation, ESG leadership	PR5, PR7, PR8, PR10
Technology and digital	★●	Accelerating growth, Operating margin progression	PR3, PR7, PR12, PR13
Capital markets/investor community	★●●●	Accelerating growth, ESG leadership	PR2, PR5, PR6, PR11
Facilities management sector/outsourcing	★★●●●●●●	Accelerating growth, Operating margin progression, Cash generation, ESG leadership	PR7, PR10, PR12, PR16
Environmental, social and governance (ESG)	★●●	ESG leadership, Linked to remuneration	PR2, PR4, PR9, PR16
Operational delivery at scale	★●●●	Accelerating growth, Operating margin progression, Cash generation, ESG leadership	PR1, PR5, PR9, PR13
Cyber security/data	●●●	Accelerating growth	PR3, PR8, PR13, PR14
Mergers and acquisitions/integration	★★●●●●●●	Accelerating growth, Operating margin progression	PR5, PR7, PR9, PR11, PR16
International operations	●●●●●●	Accelerating growth, Operating margin progression	PR1, PR7, PR11, PR16

★ Directors expert in this area ● Directors with skills and experience in this area | Accelerating growth | Operating margin progression | Cash generation | ESG leadership | Linked to remuneration

Individual director skills and contributions

Each Director brings a distinct background and set of skills which, when combined, contribute to a balanced and effective Board. The Committee considers not only technical expertise but also leadership style, judgement and the ability to provide constructive challenge.

- Executive Directors contribute deep operational insight, strategic execution capability and first-hand knowledge of Mitie's markets, customers and workforce
- Non-Executive Directors bring independent oversight and a breadth of experience from senior leadership roles across complex, regulated and customer-focused organisations, including strong financial, risk, governance, people and ESG expertise

The appointment of new Non-Executive Directors in recent years has strengthened the Board's depth of experience in ESG, audit and risk management, governance and succession planning, and commercial and shareholder value creation, supporting the continued evolution of the Board as the Group grows and transforms.

Alignment with strategy

The Committee is satisfied that the Board's collective skills and experience are closely aligned with Mitie's strategic priorities. In particular, the Board has strong capability in:

- Managing large, operationally complex service businesses
- Engaging effectively with a diverse range of stakeholders, including customers, colleagues, regulators and shareholders
- Overseeing technology-led transformation and data-driven decision-making
- Cyber security, data protection and technology risk, reflecting increased digitalisation and heightened regulatory and stakeholder expectations

As the Group enters the final year of its Three-Year Plan (FY25-FY27), the Committee has considered the skills and experience required both to successfully complete delivery of the current strategy and to position the Board for the next phase of the Group's development.

The Committee is satisfied that the current Board composition includes the skills and experience necessary to support execution and delivery through the final year of the Plan.

Succession planning and future skills

The Committee believes that the Board currently has the appropriate balance of skills, experience and diversity to lead the Group effectively and to support its long-term success. The Committee remains committed to maintaining a high standard of transparency in its disclosures and to ensuring the Board continues to evolve in line with the needs of the business and its stakeholders.

Looking beyond the current strategic cycle, the Committee recognises that the focus of Board oversight will increasingly move towards optimisation and sustainable value creation. In this context, the Committee has identified a number of areas where future Board appointments may further enhance capability over the medium term, which include:

- Built environment expertise, reflecting the strategic importance of buildings and infrastructure on the Group's long-term strategy
- Technical assurance and compliance, as we look to build a market-leading position in Facilities Compliance

The Committee will continue to use the Board skills matrix as a core tool in succession planning. This approach is intended to ensure that the Board remains appropriately balanced, forward-looking and well equipped to oversee the Group's strategy and long-term sustainable success.

CEO succession planning

The Committee continues to place a strong emphasis on orderly succession planning for the Chief Executive Officer role. Phil Bentley, Mitie's current CEO, has confirmed his intention to retire at the end of the current Strategic Plan period, at the end of FY27, and a structured process is underway to identify a suitable successor. The Committee is working closely with the Board to ensure a thorough and timely search and to support a smooth transition that maintains strategic momentum and leadership continuity.

Election and re-election of Directors

In accordance with the Code and the Company's Articles of Association, all Directors are subject to election or re-election by shareholders. At the 2025 AGM, all Directors in post at the time were re-appointed by shareholders except for Derek Mapp, who, as planned, stood down from the Board at the conclusion of the 2025 AGM. At the 2026 AGM, all Directors will stand for re-election.

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association, the Code, the Companies Act 2006 and other related regulations.

The terms of appointment for Non-Executive Directors and service contracts for Executive Directors are available for inspection by appointment at the Company's registered office and head office and will be available at the 2026 AGM.

Director external appointments and time commitments

Directors can accept additional external appointments but must seek prior approval from the Chair. If a Director holds significant external appointments, the reasons for these appointments will be explained in the Annual Report and Accounts.

When considering appointing a new Director, the Board reviews other demands on the candidate's time. Prior to appointment, the candidate must disclose significant commitments and indicate the time involved.

The Nomination Committee reviewed the time commitments of Non-Executive Directors to ensure there were no concerns about overcommitment. This review considered the number of appointments, their scope, and the size and type of company in which the role is held, the views of major shareholders, and the latest guidelines and recommendations.

The Board remains confident that all members have sufficient time to dedicate to their duties.

Induction and training

On joining the Board, all Directors receive a personally tailored induction, which includes: meetings with Executive Directors, the Chief Legal Officer & Company Secretary and other members of senior management; an overview of the Group's governance policies, corporate structure and business functions; details of risks and operating issues facing the Group; visits (in person and/or virtually) to divisional offices; and a briefing on key contracts.

All Directors have access to Mitie's Board Handbook on a secure electronic Board portal, which includes:

- Schedule of matters reserved for the Board
- Board Committees' Terms of Reference
- The Company's Articles of Association
- Guidance on Directors' statutory duties
- An overview of the Group's Directors' and Officers' liability insurance arrangements
- Delegated authorities register
- Share-dealing procedures
- Corporate governance and regulatory guidelines
- Key corporate documents and policies

The Board Handbook is subject to regular review and was last updated in early 2026.

Online training on regulatory and governance changes is made available to Directors. Visits (in person and/or virtually) to different business sites and offices are arranged for Directors to facilitate a deeper understanding of the business.

Christopher Rogers' induction

Christopher has continued his induction throughout FY26, which has included:

- Colleague site visits to Dublin, Spain, GBE Converge, Mitie Telecoms and Enniskillen Hospital
- Customer visits to Heathrow Airport, IRC Harmondsworth, National Grid and Lloyds Bank
- Investor meetings
- Attendance as an observer at the Independent Prison and Immigration Review Board

Conflicts of interest

The Board has a policy on the declaration and management of Directors' conflicts of interests. Any potential situation or transactional conflict must be reported as soon as possible to the Chair, Chief Executive Officer and Chief Legal Officer & Company Secretary. Where a potential conflict is authorised under statutory powers and powers granted under the Company's Articles of Association, such conflict is kept under ongoing review.

Executive Directors are permitted to accept external appointments, provided these do not interfere with the Director's ability to discharge his/her duties effectively and permission is sought from the Board. Executive Directors are entitled to retain fees earned from any external appointments. Neither Phil Bentley nor Simon Kirkpatrick held any external positions during FY26.

External positions held by the Chair and current Non-Executive Directors are detailed in their biographies on pages 101 to 103.

Board evaluation

In accordance with the Board's evaluation cycle, the Chair led a comprehensive internal evaluation during the year. The outcomes and planned actions from that process can be found on pages 115 to 116, along with progress from the internally led evaluation in FY25.

Diversity and inclusion

The Committee considers diversity in its broadest sense, including gender, ethnicity, professional background, skills and experience. A diverse Board supports better decision-making, encourages constructive debate and reflects the breadth of Mitie's stakeholder base and workforce.

Board diversity is considered alongside merit and skills requirements in all succession planning and appointment decisions, in line with the Board Inclusion Policy (the Policy) and wider people strategy. The Policy, which is monitored and reviewed annually by the Nomination Committee, is available at www.mitie.com/investors/corporate-governance.

Mitie's annual statement on Board diversity targets, objectives under the Policy and actions taken to implement the Policy can be found below.

Board diversity targets

As at 31 March 2026 (the Company's chosen reference date), the Nomination Committee, on behalf of the Board, is pleased to confirm that all targets contained within the Policy, and which are in line with the diversity and inclusion targets as set out in Listing Rule 6.6.6R(9), have been met. A summary is set out below.

Policy target	Met/not met	Position at 31 March 2026
Maintaining a balance so that a minimum of 40% of the Directors are women, provided this remains consistent with the skills and diversity requirements when searching for a new appointment to the Board	Yes	50% of individuals on the Board are women
Ensuring there is at least one Director from a racially diverse background, provided this remains consistent with the skills and diversity requirements when searching for a new appointment to the Board	Yes	Two members of the Board are from a minority ethnic background
Ensuring at least one of the Chair, Chief Executive Officer, Chief Financial Officer or Senior Independent Director is a woman, provided this remains consistent with the skills and diversity requirements when searching for a new appointment to the Board	Yes	Jennifer Duvalier succeeded Roger Yates as Senior Independent Director from 1 January 2026

Policy objective	Implementation
Ensuring the Board's membership reflects a combination of demographics, skills, experience, race, age, gender, educational and professional backgrounds that provides the range of perspectives, insights and challenges needed to support sound decision-making and reflects the diverse workforce at Mitie	Details of the Board's succession planning are set out on page 119, and the skills matrix, considered regularly by the Nomination Committee, can be found on page 118
Supporting and monitoring progress against Mitie's equality, diversity and inclusion strategy and goals	The Board supported the implementation of a Senior Women in Leadership (Level 7) apprenticeship, and now also the Women in Leadership (Levels 3 and 5), to strengthen Mitie's leadership pipeline. Colleagues from all backgrounds are encouraged to undertake apprenticeships to build skills and broaden opportunity The Board also supported the introduction of diversity targets at middle management and senior levels to strengthen succession planning
Broadening Board members' perspectives in equality, diversity and inclusion by participating in Mitie diversity network events and sharing learnings and insights	Board members attend Mitie's equality, diversity and inclusion flagship events throughout the year. Further information on this can be found on page 110

Board and executive management diversity (at 31 March 2026)

The information required under Listing Rule 6.6.6R(10) is set out below, for which purpose executive management comprises members of Mitie's Group Executive (the MGX). For the purpose of Listing Rule 6.6.6R(11), diversity data is disclosed by individuals via Mitie's People Hub system at the point of onboarding. Where 'prefer not to say' is selected, colleagues can choose to update this selection later in employment. Data provision is proceeded with clarity on how the data will be used.

Gender

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	50%	3	8	89%
Women	4	50%	1	1	11%
Not specified/prefer not to say	–	–	–	–	–

The gender balance of those in senior management and their direct reports (comprising Mitie's Management Leadership Team, MLT) can be found on page 80.

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other white (including minority-white groups)	6	75%	4	8	89%
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	2	25%	–	1	11%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Parker Review target

In line with Parker Review guidance, in FY24 the Board set a target of 20% minority ethnic representation within senior management (comprising Mitie's MGX and those direct reports who hold senior management positions only), by 31 December 2027. Progress against this target is set out below.

31 March 2024	31 March 2025	31 March 2026	31 March 2027 Target
15.0%	17.4%	18.2%	20.0%

"In recognition that the Group is becoming larger and more complex, combined with the upcoming changes to the Corporate Governance Code, the Committee expanded its scope during the year to include oversight of the Group's risk management framework, building on already strong management processes."

Penny James
Chair of the Audit & Risk Committee

Audit & Risk Committee members

Chair: Penny James

Committee members:
Mary Reilly
Chet Patel
Roger Yates (until 31 December 2025)

Frequency of meetings

The Audit & Risk Committee met seven times during FY26.

Key purpose of the Audit & Risk Committee

The Committee provides effective governance of the appropriateness of the Group's financial reporting and the performance of both the Internal Audit function and the external auditor. It also supports the Board in meeting its responsibilities for oversight of the Group's internal controls framework and associated compliance activities. During the year, at the Board's request, the Committee expanded its scope to include responsibility for overseeing the Group's risk management framework. This resulted in a change to the name of the Committee (from Audit Committee to Audit & Risk Committee), and an update to the Committee's Terms of Reference.

The Audit & Risk Committee's Terms of Reference are available at www.mitie.com/investors/corporate-governance.

Key responsibilities

Financial reporting:
- Review, with both management and the external auditor, the appropriateness of the half-yearly financial report and the Annual Report and Accounts
- Review the appropriateness of material accounting policies and practices
- Review material financial estimates and judgements, drawing on reports from the Chief Financial Officer and the external auditor
- Advise the Board on whether the Annual Report and Accounts and half-yearly financial report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy

External audit:
- Make recommendations to the Board on the appointment, removal, remuneration and terms of engagement of the external auditor
- Develop and oversee the selection procedure for the appointment of the audit firm in accordance with applicable governance and regulatory requirements
- Review and assess the external auditor's independence and objectivity
- Develop and recommend to the Board, and implement, a policy and guidelines on the provision of non-audit services by the external auditor
- Review and approve the annual audit plan and assess the effectiveness of the audit process

Risk management:
- Advise the Board on the key risks facing the Group, including the identification and assessment of emerging risks that may impact strategy, performance or long-term sustainability
- Review and approve, for recommendation to the Board, the principal risks and uncertainties that may affect the Group's performance, business model or long-term prospects
- Review the adequacy and effectiveness of the Group's risk management and internal controls framework, ensuring that systems for identifying, assessing, managing and monitoring financial and non-financial risks remain robust and fit for purpose
- Evaluate the financial, operational, regulatory and legal implications of identified risks, including the processes in place to track, manage, mitigate and report those risks
- Assess the framework, assumptions and analysis supporting both the going concern assessment and the long-term viability statement, ensuring an appropriate level of rigour and challenge

Internal controls:
- Provide independent assessment and oversight of the internal controls framework
- Review the testing approach over material controls and provide oversight of the testing programme

Internal audit:
- Review and approve the rolling annual internal audit plan and monitor and review its adequacy and effectiveness
- Review and monitor the effectiveness of the internal audit function, ensuring the necessary resources are in place for it to perform effectively

Compliance and fraud:
- Review the Group's procedures for detecting fraud
- Assess the Group's systems and controls for the prevention of bribery, and review reports on non-compliance

Report from the Audit & Risk Committee Chair

On behalf of the Board, I am pleased to present my first Audit & Risk Committee report, for the year ended 31 March 2026 (FY26). I was appointed Chair of the Committee in July 2025, having served as a member since February 2024. I would like to thank my predecessor, Mary Reilly, for her leadership of the Committee and her significant contribution to the Group in that role, as well as for the valuable support she continued to provide as a Committee member during FY26.

In line with Mitie's succession plans, Roger Yates retired from the Board, and the Audit & Risk Committee, during the year. I would also like to express my thanks to Roger for his substantial contribution to the Audit & Risk Committee throughout his tenure.

This report provides an insight into key areas considered by the Committee during the year to discharge its responsibilities in relation to financial reporting, risk management, internal control, the internal audit function and interactions with the Group's external auditor, BDO LLP (BDO).

During the year, the Group continued to grow both organically and inorganically, including the strategic acquisition of Marlowe Group plc (Marlowe) and four infill acquisitions. These acquisitions required focused integration activity to ensure that robust controls and processes were maintained across the enlarged Group. The acquisition of Marlowe was a particularly significant milestone, establishing Mitie's market-leading position in Facilities Compliance.

Mitie has also continued to focus on the implementation of its transformation programme, and as part of this, during FY26, the Communities division was successfully absorbed into the existing Business Services and Technical Services divisions. This was reflected in the nature of some of the matters presented for consideration at the Committee meetings during the year.

Given the evolving environment, I have made a conscious effort to meet frequently with senior Finance staff, the Internal Audit team, the Risk team, and BDO's senior staff, which has enabled me to monitor developments and ensure that the appropriate related matters are brought to the Committee for review and discussion.

With the acquisition of Marlowe, the Group is becoming a larger and more complex business, and the Group's risk profile is also evolving with the expansion into new areas such as prison management. In recognition of this, the Board is increasing its focus on risk, building on an already strong management framework. Accordingly, during the year, the Board requested that the Committee expand the scope of its responsibilities to include oversight of the Group's risk management framework, which resulted in a change in name of the Committee and an update to the Committee's Terms of Reference. Following this change, the Committee received regular and insightful reporting from management's Group Risk Committee, led by the Group's Chief Risk Officer, strengthening the already well-established processes.

In preparation for compliance with the upcoming changes to the UK Corporate Governance Code 2024 (the Code), including Provision 29, the Group continued to test, and strengthen, its internal control and risk management frameworks during the year. Improvements were made across financial and non-financial reporting, operations and compliance. Key initiatives delivered under the Committee's oversight included:

- Ongoing strengthening of the Group's enterprise risk management framework through external benchmarking and independent assurance, including the successful completion of key International Organisation for Standardisation (ISO) risk and resilience assessments
- The enterprise risk management and resilience capability has also been enhanced, including the delivery of a new classroom-based risk management training programme, and the introduction of a new resilience training package to support proactive incident management and operational resilience
- Design and launch of a Key Risk Indicator dashboard to improve visibility and monitoring of the Group's principal risks, alongside the introduction of themed deep-dive reviews into key risk areas to support more focused Committee challenge and assurance
- The Group advanced its top-down assurance mapping, completing coverage for all 16 principal risks. This has improved visibility of assurance activities and strengthened accountability and consistency in control execution across the Group
- A structured, risk-aligned methodology for identifying and validating material controls was implemented, including thematic analysis of control performance, further enhancing the effectiveness of the internal controls framework
- The Internal Audit team improved quality and efficiency through increased use of data analytics and innovative reporting techniques, while strengthening action tracking to support timely and sustainable remediation. This expanded assurance coverage over principal risks and material controls
- Delivered proactive, data-driven measures and enhanced tools to identify fraud risks and strengthen preventative controls, supported by targeted fraud risk workshops and training to improve fraud awareness across the Group
- Regular training sessions have been consistently delivered to divisional finance teams throughout the year as part of the Group's continuous professional development (CPD) programme, including accounting topics such as revenue recognition and provisions. This initiative reinforces the Group's commitment to fostering professional growth and maintaining high standards of expertise within the Finance function
- For the acquired businesses and in particular Marlowe, comprehensive reviews of balance sheets, accounting policies, processes and controls have been conducted as part of the acquisition accounting and integration procedures. This ensures alignment with the Group's standards and facilitates a smooth transition

In addition to fulfilling its normal programme of activities during the year, the areas of focus for the Committee in relation to the FY26 financial statements have been:

- Reviewing the judgements made by management in respect of acquisitions accounting, and challenging the methodologies used for the valuation of acquired intangible assets
- Assessing the classification of amounts reported within Other items and the associated disclosure, by reviewing the framework of controls operated by management around this area and challenging the nature of the charges and credits classified as Other items. The focus was to ensure that the Annual Report and Accounts presents a reader with meaningful and balanced insight into the underlying results of the business
- Evaluating judgements made by management related to provisions required on onerous contracts, other contract-specific provisions and provisions on trade and other receivables, including assessing the adequacy of the provisions and the appropriateness of the related disclosures
- Challenging management's determination of operating segments and cash-generating units (CGUs), in light of changes to the Group's divisional structure, to ensure compliance with UK International Financial Reporting Standards (IFRS) criteria
- Challenging management's judgements in relation to impairment assessments for the carrying value of goodwill
- Challenging the approach taken by management to support the going concern and viability statements set out on pages 168 and 98 respectively
- Reviewing the distributable reserves position of Mitie Group plc, to ensure shareholder distributions are appropriately supported
- Assessing key financial reporting judgements made by management in the context of applying the remuneration policy for executive management as set out by the Remuneration Committee

During the year, I also received two letters from the Financial Reporting Council (FRC), which were reviewed by the Committee:

- In a letter dated 25 February 2026, the FRC informed Mitie that it had carried out a review of Mitie's Annual Report and Accounts for the year ended 31 March 2025 (FY25). I am pleased to report that in that letter the FRC noted that it had no questions or queries that it wished to raise. The FRC did highlight a number of matters to be considered during preparation of the Annual Report and Accounts for FY26, to the extent that these matters are material and users of the accounts would benefit from enhanced disclosure. These matters have been considered by the Committee and, to the extent relevant, have been incorporated into the Annual Report and Accounts for FY26
- In a letter dated 26 February 2026, the FRC confirmed that its Audit Quality Review team had completed an inspection of the audit of Marlowe's financial statements for the year ended 31 March 2025, which was performed by RSM UK LLP (RSM). The review identified no 'key' findings and only a single 'other' finding. The period under review was prior to Mitie's acquisition of Marlowe, and RSM has subsequently resigned as auditor of Marlowe; however, the Committee considered the scope of the review and examined the 'other' finding raised, concluding that this has been appropriately addressed in the acquisition accounting and in the post-acquisition period

Further detail regarding the Committee and its work can be found on pages 125 to 129.

In conclusion, the Committee was able to provide positive assurance to the Board that the Annual Report and Accounts for FY26, when taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. As Chair of the Audit & Risk Committee, I will be available at the 2026 AGM to answer any questions about the work of the Committee.

Penny James
Chair of the Audit & Risk Committee

Audit & Risk Committee review of key financial reporting matters

The Audit & Risk Committee gives attention to matters it considers to be important by virtue of their size, complexity, level of judgement required or potential impact on the financial statements and wider business model, and matters pertaining to governance. Identification of the issues deemed to be significant takes place following open, frank and challenging discussion between the Committee members, with input from the Chief Financial Officer, the external auditor, the Director of Internal Audit, the Director of Group Finance, the Group Financial Controller and other relevant Mitie colleagues.

The Committee considered the significant matters set out below. Papers were presented to the Committee by management, setting out the relevant facts, material accounting estimates and the judgements associated with each item. The external auditor provided papers setting out its views on each key area of judgement.

The Committee discussed the papers with management, challenged the underlying assumptions and sought the views of the external auditor on each matter. For each area of judgement considered, following review and challenge, the Committee concurred with the treatment adopted by management and the related disclosure presented in the Annual Report and Accounts.

Accounting for acquisitions

The Group continued to transform and grow during FY26, completing several strategic acquisitions, including the Marlowe Group, Forest Group, SPM in Spain, El-Team Vest in Denmark, and ABC Elektro in Norway.

The Committee reviewed management's assessment of the accounting outcomes for each transaction. This included detailed challenge of the acquisition balance sheet process, with particular focus on the determination of fair values attributed to the assets acquired and liabilities assumed. The Committee also examined the approach taken to valuing acquired intangible assets. For the Marlowe acquisition, an external valuation specialist was engaged, and the Committee discussed with management the methodologies applied and the key assumptions underpinning the valuation.

The Committee also reviewed management's assessment of the measurement period adjustments relating to the provisional acquisition balance sheets for the ESM and Argus transactions, both completed in FY25. The Committee challenged management's rationale, and was satisfied that the adjustments reflected new information about conditions and circumstances that existed at the respective acquisition dates, and the adjustments were appropriate to be adjusted in the acquisition balance sheet.

Following its review, the Committee is satisfied that the disclosures relating to these acquisitions within the FY26 consolidated financial statements are appropriate.

Use of Alternative Performance Measures (APMs)

The Group's performance measures continue to include some measures that are not defined or specified under IFRS. The Committee has considered presentation of these additional measures in the context of the guidance issued by the European Securities and Markets Authority (ESMA) and the FRC in relation to the use of APMs, challenge from the external auditor and the requirement that such measures provide meaningful and balanced insight for shareholders into the results and financial position of the Group.

In particular, the Committee challenged the classification of certain costs within Other items, ensuring that there is a robust framework of controls around the assessment and that the classification and disclosure are appropriate, with the aim of providing a reader of the Annual Report and Accounts with a meaningful understanding of the underlying results of the business. This was achieved through the review by the Committee of detailed papers prepared by management throughout the year, setting out each category of Other items, analysing the charges and credits reported within each category, ensuring consistency of treatment and documenting the rationale as to why these charges and credits were both incremental to 'business as usual' activities and directly related to the category.

The Committee challenged as to whether any charges or credits had been rejected from the Other items category, based on the framework of controls operated by Group Finance around the reporting of Other items. Management confirmed that this had been the case and that the divisions continued to engage proactively with Group Finance to discuss whether potential charges or credits would qualify for reporting as Other items.

The Committee concurred that clear and meaningful descriptions have been provided for the APMs used, that the relationship between these measures and the equivalent IFRS measures is clearly explained, that the IFRS measures are afforded equal prominence to the APMs, and that the APMs would enhance a reader's understanding of the financial performance and position of the business.

A reconciliation of the APMs to the equivalent IFRS measures is provided in the Appendix – Alternative Performance Measures on pages 223 to 225.

Contract-specific provisions

Management conducted an assessment of the adequacy of provisions related to material contractual disputes.

Contract-specific provisions, totalling £26.5m, have been recognised at 31 March 2026 (FY25: £33.0m), which primarily relate to remedial and rectification costs required to meet customers' contract terms. Management's assessment included external expert opinions obtained, where necessary, to assess the adequacy of the provisions recognised.

The Committee reviewed the assessments presented by management, challenged management on the judgements made in determining the level of provisions recognised, and was satisfied with the level of provisioning and associated disclosure.

Onerous contract provisions

During the year, management performed reviews of contracts to assess whether any contracts may be onerous over the remaining term of the contract and, where this is the case, the extent to which a provision should be made for future forecast losses.

Onerous contract provisions totalling £12.1m have been recognised at 31 March 2026 (FY25: £10.0m). Management's assessments were made in the context of the plans that have been developed and are being implemented by divisional management to improve the profitability of these contracts.

The Committee reviewed management's papers on the assessment of onerous contracts, challenged the key assumptions applied, and was satisfied that the provisions recognised are appropriate and sufficient.

Changes to operating segments and CGUs

During the year the Group's Communities division was successfully absorbed into the Business Services and Technical Services divisions. The Group's operating segments are established on the basis of those components of the Group whose performance is evaluated regularly by the Board of Directors in deciding how to allocate resources. As the Group manages its business on a service line basis, the change in structure led to changes in operating segments and also separately the determination of CGUs.

The Committee evaluated management's assessment, in the context of the reporting on divisional performance that the Board received throughout the year, and how resource allocation decisions were made by the Board during the year.

Review of the Group's going concern and viability statements

The Committee has reviewed the Group's assessment of going concern. The Committee also reviewed the Group's viability assessment over a period of three years to 31 March 2029, which considered a range of scenarios that were based on the potential financial impact of the Group's principal risks and uncertainties as set out on pages 84 to 95.

After due consideration, the Committee concluded that the assumptions used in both these assessments were appropriate and reflected the Group's principal risks and uncertainties. The Committee also reviewed the Group's reverse stress testing and challenged management's conclusion that the likelihood of any such scenarios occurring was remote. Factors that were considered included the current trading performance compared with the base case, the Group's performance during historically challenging periods such as the Covid pandemic, and the further mitigation actions available to management.

Based on the Group's forecasts for the going concern assessment period, and the Committee's recommendation, the Board is satisfied that the Group will be able to operate within the level of its facilities for a period of no less than 12 months from the date of approval of the FY26 consolidated financial statements. For this reason, the Board considered it appropriate for the Group to adopt the going concern basis in preparing its consolidated financial statements. Further details of the going concern assessment are set out in Note 1 to the financial statements on page 168.

In accordance with the Code, the Directors have assessed the viability of the Group over the three-year period to 31 March 2029. Based on this assessment, the Directors have concluded that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 March 2029. The more detailed assessment of the Group's long-term viability is set out in the viability statement on page 98.

Other matters considered by the Audit & Risk Committee

Management has continued to operate an established, structured process for the identification of material accounting judgements made, which are assessed at both a divisional and Group level in arriving at the results. The judgements with a significant actual or potential impact on the Group's results are presented to the Committee for consideration.

In addition to the matters outlined above, the Committee considered papers prepared by management in respect of the following matters:

- Assumptions used for pensions actuarial valuations for accounting purposes
- Impairment review of goodwill for each individual CGU
- Improvements in the billing process in the telecoms infrastructure business to reduce the ageing on accrued income
- Key assumptions around tax, including recoverability of deferred tax assets
- Distributable reserves assessments prior to distributions to shareholders

Senior Accounting Officer update

The Chief Financial Officer presented a paper to the Committee detailing the processes in place to ensure that the relevant controls had operated effectively during FY26, thereby supporting signature of the Senior Accounting Officer certificate that is submitted to His Majesty's Revenue and Customs (HMRC). The Committee considered this paper, discussed in-year developments with management and concluded that it was satisfied with the approach taken by management.

External audit

The Audit & Risk Committee is committed to ensuring the independence, effectiveness and objectivity of the external auditor, and reviews the performance of the external auditor in respect of audit-related services and non-audit services every year.

Appointment and re-appointment of the external auditor

The Group undertook a competitive external audit tendering process in 2017, and BDO LLP (BDO) was selected as the Company's external auditor with effect from 19 September 2017. Since this date, BDO has continued to provide external audit services to the Group. Greg Watts is the current lead partner for BDO, and led the Group audit for FY26, which was his fourth year in this role.

The Committee annually considers whether an external audit tender is required in the interests of audit quality or auditor independence, taking into account the regulations for listed companies that require companies such as Mitie to tender the external audit at least every 10 years. FY26 marks BDO's ninth year as auditor, meaning the audit for the year ending 31 March 2028 (FY28) must be tendered under the regulations. In recognition of this, the Committee initiated a tender for the FY28 audit during the year, with the process expected to conclude during the year ending 31 March 2027. The Group has no contractual arrangements that restrict its choice of statutory auditor.

The Committee confirms that the Group is in compliance with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

External auditor effectiveness

The Audit & Risk Committee monitored the conduct and effectiveness of the external auditor through its assessment of:

- The experience, expertise and perceptiveness of the auditor
- The planning and execution of the agreed audit plan and quality of reports from the auditor
- The conduct of the auditor, including the Committee's experience of interaction with the auditor

In addition to receiving written reports from the external auditor and from management, the Committee also conducted private meetings with the external auditor and other meetings separately with management. These meetings provided the opportunity for open discussion and feedback on the audit process, the responsiveness of management and the effectiveness of both the internal and external audit teams.

Meetings with the external auditor included challenge from the Committee around the efficiency and effectiveness of the audit process, including use of data analytics techniques and opportunities to place more reliance on controls as part of the audit approach.

The Committee also discussed and agreed an appropriate audit fee, to support the performance of a thorough and effective audit process.

Non-audit services provided by the external auditor

The Group has a non-audit services policy, approved by the Committee, that ensures the external auditor remains independent and objective throughout the provision of its independent audit services and when formulating its audit opinion. This non-audit services policy is underpinned by principles that ensure that the external auditor does not:

- Audit its own work
- Make management decisions for the Group
- Create a conflict of interest
- Find itself in the role of advocate for the Group

The Group non-audit services policy reflects the requirements of the FRC's Revised Ethical Standard 2019, which limits the types of non-audit services that external auditors can provide. Under the requirements, permitted services are largely those required by law or regulation, loan covenant reporting, and other assurance services closely related to the audit of Annual Report and Accounts. The Committee confirms that the Group non-audit services policy is consistent with the FRC's Revised Ethical Standard 2019.

Under this policy, prior to the appointment of the external auditor to provide any permitted non-audit services, approval must be obtained from the Chair of the Audit & Risk Committee. A report of all non-audit services performed by the external auditor during FY26, irrespective of value, was submitted to the Committee.

A summary of the fees paid to the external auditor for FY26 is set out in Note 5 to the consolidated financial statements. Fees for other audit-related services of £253,000 were related to the review of the half-yearly financial report. No other non-audit services were provided by BDO during FY26. The Committee considered reports from both management and the external auditor, which included monitoring of fees for permitted non-audit services compared with the FRC fee cap, none of which raised concerns about external auditor independence.

Risk management

The Group's risk management framework provides a structured yet adaptable approach to identifying, assessing and managing risks across the organisation, supporting effective financial and non-financial reporting, operational resilience and regulatory compliance in a dynamic operating environment.

Ultimate responsibility for the Group's risk management and internal control framework rests with the Board. During FY26, the Board formally delegated the responsibility for overseeing management's implementation of these systems to the Audit & Risk Committee, and the Committee's Terms of Reference were updated accordingly.

The Group continues to operate management's Group Risk Committee, chaired by the Chief Legal Officer in their capacity as Chief Risk Officer. This Committee provides executive leadership and oversight of the Group's risk management framework, bringing together divisional leaders, functional heads and subject-matter experts to support consistent application of the framework and effective escalation and reporting of risks. The Chief Risk Officer reports to the Audit & Risk Committee on all risk management matters.

An overview of the Group's risk management framework is set out on page 85.

Risk management approach

The Board recognises that effective risk management and a sound system of internal controls are fundamental to successful delivery of the Group's strategy. Risks across the business are recorded on the Group's central risk management system and reviewed regularly, with the Group risk profile considered by the Group Risk Committee ahead of review by the Audit & Risk Committee and approval by the Board.

During FY26, the Group continued to strengthen its enterprise risk management approach through a series of targeted enhancements, including completion of comprehensive top-down assurance mapping across the principal risks, improving transparency of assurance coverage and accountability for control ownership.

A structured, risk-aligned methodology was implemented to identify and validate material controls, supported by thematic analysis of control performance and oversight by the Audit & Risk Committee. Risk monitoring was further enhanced through the design and launch of a Key Risk Indicator dashboard, improving visibility of risk trends and supporting more proactive management of the Group's principal risks.

Alongside these structural enhancements, the Group continued to invest in risk capability and resilience through targeted training programmes and leadership engagement, complemented by successful independent external assurance against recognised risk and business continuity standards.

During FY26, the Audit & Risk Committee continued to review emerging and principal risks through regular risk management updates from the Chief Risk Officer and the Director of Enterprise Risk Management. The Committee enhanced its oversight through the introduction of themed deep-dive reviews into key risk areas, enabling more focused challenge and assurance.

The Committee also reviewed the operation and effectiveness of the risk management framework in supporting the Group's going concern and viability assessments and maintained oversight of internal financial controls and wider control systems.

Risk identification, assessment and culture

The Audit & Risk Committee undertakes robust assessment of the Group's principal and emerging risks, informed by both internal and external perspectives. Risks are assessed using consistent impact and likelihood criteria and monitored against the Board-approved risk appetite. Horizon scanning and forward-looking assessments continue to support timely identification of changes in the risk profile, which are escalated through established governance forums as appropriate.

The Group recognises that a strong risk culture is critical to effective risk management. The 'One Mitie' vision and values, supported by the Employee Handbook and ethical business conduct policies, provide the foundation for expected behaviours and decision-making. Risk awareness and accountability are reinforced through training, leadership engagement and enterprise-wide initiatives, supporting consistent understanding of risk responsibilities across the Group.

Risk monitoring and review

Each risk is assigned to a named owner responsible for maintaining effective mitigation plans and controls. Control effectiveness and management actions are reviewed regularly, with oversight provided by the Group Risk Committee. Second-line assurance activity operates across the business, aligned to the Committee's objectives, while Internal Audit provides independent assurance over the design and effectiveness of the control environment.

The Audit & Risk Committee reviews assurance outcomes throughout the year and advises the Board on the effectiveness of the Group's risk management and internal control systems. The framework is designed to manage, rather than eliminate, risk and therefore provides reasonable, but not absolute, assurance. The Committee confirms that the processes described above were in place throughout FY26 and remained effective up to the date of approval of the Annual Report and Accounts.

Internal controls

The Board is accountable for maintaining an effective system of internal controls across Mitie. This responsibility is discharged through the Audit & Risk Committee, which provides independent assessment and oversight of financial reporting processes, the internal controls framework, risk management and compliance.

Management is responsible for maintaining a robust system of internal controls, supported by the independent Internal Audit function within the Group. The Group Internal Audit function comprises three distinct but interlinked teams: Internal Audit, Internal Controls and Investigations.

The Group's internal controls framework, designed in accordance with the Committee of Sponsoring Organisations (COSO) model, encompasses financial and non-financial reporting, operational and compliance-related controls. This framework continues to support a culture of compliance and accountability.

During FY26, the Group made strong progress in its readiness to achieve compliance with the UK Corporate Governance Code 2024 requirements (the Code), and in particular Provision 29 of the Code. This provision is applicable to the Group for the year ending 31 March 2027, requiring the Board to issue an annual formal declaration on the effectiveness of material internal controls.

Mitie has been proactively preparing for the changes to the Code, and a structured methodology, linked to Mitie's risk management framework, was used to validate material controls, which are being refined and prioritised to support the Board's formal declaration in FY27. The Committee has overseen this work closely, and an internal assessment is being undertaken to consolidate evidence and evaluate readiness.

The Audit & Risk Committee has also strengthened its oversight of control effectiveness by introducing a more structured review of control themes and trends. This has enabled the Committee to focus its challenge on areas of recurring weakness or slower remediation, and to ensure that improvement plans are appropriately prioritised, resourced and completed in a timely manner.

The Committee is encouraged by the way in which the Provision 29 readiness programme has been used to drive meaningful improvements in how Mitie designs, operates and monitors its processes and controls. The benefits of this work include clearer ownership on internal controls, stronger compliance, and a more embedded culture of accountability.

During FY26, the scope of independent testing of controls was also expanded across the Group, and in addition to core financial processes and focus on material controls, testing also covered areas such as health and safety, mergers and acquisitions, ESG reporting frameworks and IT general controls. These areas were prioritised due to their operational, compliance and regulatory significance.

Where improvement opportunities were identified, the Committee maintained oversight of the resulting actions, supporting timely remediation and providing appropriate challenge where required.

The top-down assurance mapping of all 16 principal risks was completed and approved by management and the Audit & Risk Committee. These maps provide a clear view of assurance coverage and have informed the prioritisation of improvements in assurance coverage. Regular updates were provided to the Committee, with an annual consolidated report submitted to the Committee as part of year-end governance.

In parallel with testing and mapping, the Group has continued to embed a more structured and consistent approach to controls ownership. This has resulted in business leaders increasing their engagement in the design and operation of controls, which is visible through their ongoing support for the work undertaken by the Internal Controls team, and supporting clearer documentation, training and walk-throughs. This has helped to reduce variability in control execution across divisions and improve the quality of evidence available to support assurance activities.

This approach has been particularly evident in the financial controls testing programme, where the Internal Controls team has worked closely with business units to ensure that lessons from testing and audit findings are shared and embedded. This has supported more consistent control performance and strengthened the link between control design and day-to-day execution.

Internal audit

The Internal Audit team continued to provide independent and objective assurance over the Group's governance, risk management and internal control frameworks.

The authority and responsibilities of the Internal Audit function are defined in its charter, which is reviewed regularly by the Audit & Risk Committee. The Internal Audit function reports directly to the Committee (administratively to the Chief Financial Officer), which allows the function to achieve objectivity and offers independence from those activities being audited. The Committee Chair also assesses the Internal Audit team's performance against objectives and oversees the appointment and removal of the Director of Internal Audit.

The internal audit plan for FY26 was developed in close consultation with key stakeholders across the Group, including Board members and wider Mitie leadership teams, and was approved by the Committee in March 2025. The plan was kept under continual review during the year to incorporate agility for timely responses to emerging risks and business priorities.

During FY26, 24 internal audits were delivered and key areas of focus included cyber security, procurement, project governance, health and safety, fleet and vehicle management, and acquisition integration. The Internal Audit team also reviewed critical financial and people-related processes, including payroll data, absence management and unbilled revenue.

A tailored audit report is produced to present the findings of each internal audit and any remedial action plans developed by management in response, which are tracked to completion by the Internal Audit team. These reports are reviewed and challenged by the Committee and are made accessible to the members of the Committee and BDO. Regular progress updates were also provided to the Committee throughout FY26 by the Director of Internal Audit.

The action tracking process was further strengthened in FY26 through a more robust review of evidence supporting closure of actions, which required action owners to demonstrate to the Internal Audit team that underlying root causes had been addressed. This has contributed to improved control maturity scores and a more sustainable approach to addressing risks.

To enhance the clarity and accessibility of assurance outputs, the Internal Audit team utilised innovative reporting formats such as summarised dashboards, the 'audit on a page' concept and ongoing assurance memorandums. The team also strengthened its capabilities in auditing emerging technologies, including Artificial Intelligence, and leveraged data analytics to improve audit quality and efficiency.

The year saw further improvement in the organisational culture, with senior leaders proactively commissioning audits to obtain assurance over critical areas, demonstrating a robust and embedded culture of accountability across the organisation.

Whistleblowing and allegations of fraud

The Investigations team supports the Group's whistleblowing and investigations process, providing dedicated expertise for fraud investigations and matters relating to conduct or compliance with Group policies.

During FY26, the Group continued to operate its independent whistleblowing service via the EthicsPoint platform, alongside other channels such as the CEO's direct mailbox, 'Grill Phil' and reporting to Group Internal Audit.

Investigations are taken seriously by management and the Board, and documented reports for investigations are created and approved via a formalised process. The improvement actions recommended by the Investigations team are agreed with management and tracked to completion through Group Internal Audit's action tracking process.

The Committee receives regular updates on whistleblowing and investigations from the Director of Internal Audit, including the nature of concerns raised, progress of investigations and the status of recommended actions. The Committee also monitors progress on these actions to help prevent recurrence and to support the continued enhancement of internal processes and controls.

Any themes emerging from investigations are also formalised and shared across the Group Internal Audit function, which ensures that recurring risks or control weaknesses are reflected in future internal audit and controls testing plans, enabling a coordinated and targeted response across the internal assurance functions.

The Committee is satisfied that the Group's whistleblowing and investigations process remains effective.

Fair, balanced and understandable

In accordance with Provision 27 of the Code, the Directors confirm that they consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable, and that it provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy. When arriving at this position, the Board was assisted by various processes, including the following:

- The Annual Report and Accounts was drafted by senior management with overall coordination by Group Finance to ensure consistency across the relevant sections
- A review was undertaken to assess the consistency of the Annual Report and Accounts with internally reported information and investor communications, and to assess the balance between reported measures and Alternative Performance Measures
- Reviews of drafts of the Annual Report and Accounts were undertaken by the Executive Directors, Chief Legal Officer & Company Secretary, other senior management and external advisors
- The final draft was reviewed by the Audit & Risk Committee prior to consideration by the Board

An explanation by the Directors of their responsibility for preparing the Annual Report and Accounts can be found on page 152.

"As Chair of the ESG Committee, I am proud to reaffirm Mitie's commitment to strong environmental, social and governance principles. ESG remains integral to our strategy, driving continuous improvement in sustainability and social value across our organisation. Through this ongoing focus, we aim to deliver meaningful benefits for our customers, colleagues and the communities in which we operate."

Salma Shah
Chair of the ESG Committee

ESG Committee members

Chair: Salma Shah

Committee members:
Penny James
Peter Dickinson
Kathryn Dolan (Chief People Officer) appointed 2 June 2025
Claire Lovegrove (Director of Corporate Affairs)
Jason Roberts (Group Director for Sustainability)
Jason Towse (Managing Director of Business Services)
Jon Hughes (Group Quality, Health, Safety and Environment Director)
Sameen Sheikh (Director of Internal Audit)
Helen Longfils (Group Director of Social Value)
Kate Heseltine (Group Investor Relations and Corporate Finance Director)

ESG Committee meetings

The Committee met six times during FY26.

Key purpose of the ESG Committee

The ESG Committee plays a central role in supporting the Board's oversight of environmental, social and governance matters and in ensuring that ESG considerations are embedded within the Group's strategy, decision-making and culture.

Key responsibilities of the ESG Committee

The Committee's responsibilities include oversight of:

- ESG strategy and priorities and their alignment with the Group's overall strategy
- Climate-related risks and opportunities, including transition planning
- Environmental performance and sustainability initiatives
- Social value, community engagement and stakeholder considerations

The Committee's Terms of Reference are available at www.mitie.com/investors/corporate-governance.

Introduction

As Chair of the ESG Committee, I am pleased to report on the work done by the Committee during the year. The report provides an overview of the Committee's activities and achievements during the year. The Committee has a key role in supporting the Board by providing guidance and direction on the Company's ESG ambitions. The Committee provides Board oversight for elements of the Group's strategy that relate to ESG priorities, in accordance with the Company's ESG strategy.

Key activities during the year

Governance and oversight

- Regular formal meetings of the ESG Committee were held throughout the period, with agendas, papers, minutes and action trackers reviewed and approved at each meeting
- The Committee reviewed and approved updates to its Terms of Reference, ensuring continued alignment with best practice and evolving governance expectations
- The Committee provided ongoing oversight of ESG governance structures, including the ESG Risk Group and ESG Working Group
- The Committee considered and approved the appointment of Kathryn Dolan

ESG strategy, targets and performance

- Reviewed performance against ESG targets and delivery plans, including monitoring progress against FY26 targets and identifying areas requiring additional focus (for example Scope 1 and 2 emissions)
- Reviewed and agreed draft ESG targets under a new five-year plan, including carbon re-baselining following the Marlowe acquisition and proposed targets for FY26–FY30, ahead of submission to the Board
- Considered the integration of ESG targets with executive remuneration and long-term incentive plans, ensuring alignment with strategic objectives

Environmental matters

- Environmental strategy updates were considered at Committee meetings, including progress on decarbonisation, fleet electrification and emissions reduction pathways
- The Committee discussed climate-related risks, Net Zero ambition and the implications of cost, capability and resourcing required to meet medium- and long-term targets
- Oversight was provided on water management and waste, with requests for deeper reviews of water-related activities added to the forward planner

Social value, people and communities
- Oversaw the development, launch and mobilisation of Plan Thrive, Mitie's social value strategy, including ongoing reporting on delivery and impact
- Reviewed people-related matters, including colleague engagement, reward and recognition, equality, diversity and inclusion, learning and development, apprenticeships and leadership diversity
- Monitored volunteering activity and voluntary, community and social enterprise spend, reviewing progress against internal targets and actions to strengthen delivery

Mitie Foundation
- Conducted a comprehensive review of the Mitie Foundation, including its purpose, governance, funding model and alignment with Plan Thrive and broader social value objectives
- Considered legal, financial and governance implications of maintaining the Foundation as an independent charity and noted management's recommendation to retain charitable status
- Agreed that future updates on the Foundation would be provided to the ESG Committee via Plan Thrive and social value reporting

Reporting, controls and assurance
- Oversaw ESG-related internal controls and assurance, including internal audit updates and development of assurance mapping to support governance and reporting obligations
- Reviewed draft sustainability and ESG disclosures, including preparation for increased regulatory and reporting requirements (e.g. Corporate Sustainability Reporting Directive (CSRD) related readiness work)

Horizon scanning and stakeholder engagement
- Undertook horizon scanning to identify emerging ESG risks, opportunities and themes relevant to Mitie's strategy and operations
- Considered investor and stakeholder expectations, including increased focus on social and reputational risk, and the quality of ESG disclosures

Key achievements during the year

As an industry leader in ESG, our innovative work in this field has seen us recognised with the following accreditations and awards.

Our awards

Salma Shah
Chair of the ESG Committee

ESG Committee governance framework

Board
The Board holds primary responsibility for overseeing sustainability, environmental and climate issues, such as TCFD risks and opportunities. It assesses climate-related risks and opportunities when determining principal risks and shaping business strategy.

REPORTING ↑ ↓ INFORMING

ESG Committee
The Committee oversees social value, sustainability, environmental issues and climate-related risks and opportunities (TCFD). It reviews and approves Mitie's climate risk assessment after ESG Risk Group approval and receives regular updates from ESG Risk Group meetings. At each Board meeting, the Chair of the Committee provides an overview of recent Committee meetings and any recommendations requiring approval by the Board.

REPORTING ↑ ↓ INFORMING

ESG Risk Group
The ESG Risk Group meets quarterly in line with the Audit & Risk Committee meetings, and reports to the Committee. This group comprises representation from Finance, Risk, Legal, ESG and Investor Relations. Its key responsibilities include:

- Overseeing and directing the ESG Working Group
- Reviewing and mitigating identified climate-related risks
- Realising climate-related opportunities
- Reviewing and approving Mitie's climate change risk assessment document (TCFD risks and opportunities)

REPORTING ↑ ↓ INFORMING

ESG Working Group
The ESG Working Group meets quarterly to explore environment, business ethics, sustainable procurement and labour and human rights, and reports to the ESG Risk Group. Its members include representation from Sustainability, Procurement, Property, Fleet, Energy, Waste, Water, HR, Ecology and Legal. Its key responsibilities include:

- Identifying and delivering actions to achieve Mitie's Plan Zero initiative objectives
- Driving down energy consumption and associated carbon emissions
- Transitioning to a circular economy, water stewardship and improving biodiversity
- Improving Mitie's processes around labour, human rights and business ethics
- Engaging our supply chain and embedding sustainability within our procurement processes
- Improving the accuracy of supply chain emissions data calculations
- Taking action in response to feedback from our reporting commitments, such as CDP and EcoVadis

← REPORTING

→ INFORMING

Interaction with Board Committees
All Board members have access to ESG Committee meeting materials through a secure electronic Board portal. The Committee works closely with other Board Committees to ensure effective and joined-up governance.

This includes the **Audit & Risk Committee**, in relation to ESG risks, controls and assurance, and the **Remuneration Committee**, in relation to the consideration of ESG measures within executive remuneration, where applicable.

Task Force on Climate-related Financial Disclosures (TCFD)

Board oversight of climate-related risks and opportunities
The Board and the ESG Committee share responsibility for overseeing climate-related risks and opportunities.

Given the Committee's action-oriented mandate, its membership predominantly consists of MGX representatives and senior management. As of 31 March 2026, three Committee members were also members of the MGX.

The governance framework at Mitie facilitates comprehensive assessment and management of climate-related risks and opportunities.

Mitie's climate change risk assessment (TCFD risks and opportunities) is overseen by Jason Roberts, Group Director for Sustainability, who serves as both a Committee member and Chair of the ESG Risk Group. Senior Finance team members disseminate this document across all business divisions, ensuring a thorough review of business and operational risks and opportunities.

Priorities for the year ahead
In the coming year, the ESG Committee expects to focus on:

- Oversee the revised ESG Strategy incorporating the social value framework of Plan Zero and Plan Thrive
- Continued oversight of climate-related risks, opportunities and transition planning
- Monitoring progress against ESG priorities and commitments
- Enhancing ESG governance, data and disclosures
- Keeping under review developments in ESG regulation and reporting expectations

DIRECTORS' REMUNERATION REPORT

STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

"Our approach remains focused on ensuring that executive remuneration is aligned to performance, supports the delivery of our strategy, and is fair and responsible in the context of the business as a whole."

Jennifer Duvalier
Chair of the Remuneration Committee

Remuneration Committee members

Throughout FY26, the Remuneration Committee comprised:

Chair: Jennifer Duvalier

Committee members:
Chet Patel
Salma Shah
Roger Yates (until 31 December 2025)

Remuneration Committee meetings

The Remuneration Committee met four times during FY26.

Key purpose of the Remuneration Committee

The purpose of the Remuneration Committee is to develop and oversee remuneration policies and practices that support Mitie's strategy and promote long-term sustainable success.

Key responsibilities of the Remuneration Committee

The Committee has responsibility for determining the remuneration of Mitie's Executive Directors and the Chair, taking into account the need to ensure Executive Directors are properly incentivised to perform in the interests of the Company and its shareholders.

The Committee is also responsible for setting the remuneration for other senior executives, including the Mitie Group Executive (MGX). The Committee also reviews workforce remuneration and related policies and takes these into account when setting the policy for Executive Directors.

The Committee regularly consults with the CEO and key HR executives on various matters relating to the appropriateness of rewards for the Executive Directors. However, the CEO and other Executive Directors are not present when matters relating directly to their own remuneration are determined.

This is also the case for other executives attending Committee meetings. The Company Secretary attended the meetings as Secretary to the Committee. The CEO and HR executives attended the meetings by invitation only.

The Remuneration Committee's Terms of Reference are available at www.mitie.com/investors/corporate-governance.

On behalf of the Board, I am pleased to present the Directors' remuneration report for the year ended 31 March 2026.

The report is split into two main parts:

- **Executive remuneration at a glance:** This sets out a summary of our policy, remuneration outcomes for this year and how we intend to operate our policy for next year
- **The Annual Report on Remuneration:** This provides more detail on the above, as well as setting out other remuneration-related disclosures

Business performance and context

FY26 has been another year of progress for Mitie, with double-digit growth in revenue and operating profit before Other items for the third consecutive year and good free cash flow generation. The acquisition of Marlowe was completed and the integration is progressing well, further developing Mitie's leadership into business-critical Facilities Compliance.

A record total order book and bidding pipeline position Mitie well going into the final year of our FY25-FY27 Strategic Plan.

Supporting our colleagues

Mitie is a people business; our exceptional colleagues are integral to the Group's success.

During FY26, we granted our first double free share award, with those earning the least receiving the most shares in line with previous awards.

For our hourly paid colleagues, we increased pay in line with the National Living Wage or Real Living Wage increases. In practice, this means that a considerable number of our people received increases of around 4%–6%. For our salaried colleagues, the overall pay budget increase for FY26 was set at 3%, balancing Group affordability with talent market pressures.

Remuneration decisions and outcomes in respect of FY26

Salary

The CEO's salary of £900,000 has been unchanged since his appointment in 2016. As in previous years, the Committee has decided to not implement any salary increase for Phil Bentley.

The CFO's salary has been unchanged since FY24. The Committee carried out a full review of the CFO's remuneration package, taking into account sustained Company performance, his individual contribution and delivery, the evolving scope and complexity of the role, internal relativities and external market positioning. The Committee determined a 9.2% salary increase to £450,000 effective 1 June 2026 is appropriate, recognising his continued strong performance and addressing a gap in

STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR
continued

market competitiveness, while also considering the need for stability during leadership transition. Further details, including external comparator groups, are shown on page 139. The Committee also made the decision to increase the CFO's bonus and LTIP opportunity for FY27 to 200% of base salary, within the current policy framework.

FY26 bonus

The annual bonus for FY26 was based on operating profit before Other items, revenue, free cash flow and strategic/individual performance. At the end of the year, the Committee assessed performance against the targets and was mindful of the latest shareholder guidance and market sentiment. As such, the Committee gave careful consideration to the year's context, taking into account the experience of colleagues, stakeholders and shareholders.

FY26 was a year of good Group performance. Operating profit before Other items of £264.1m was between target and maximum, revenue of £5,619m was between threshold and target and free cash flow of £162.1m exceeded the maximum. Assessment against strategic non-financial objectives was such that 76% of the maximum overall bonus was determined for the CEO and CFO on a formulaic basis.

Whilst FY26 was a year of progress for the Group, with good free cash flow generation, double digit growth in revenue, a record total order book – which reached £16.3bn – and the further development of our leadership into business-critical Facilities Compliance (through Marlowe), there were also material headwinds that impacted profitability. These included contract losses and underperformance in certain contracts, as well as the impact of £18.6m of under-recovered National Insurance and labour cost increases.

The Group's management made the judgment that the formulaic annual bonus outcome was not commensurate with the overall experience of the business, nor with the wider workforce context, where many household budgets are under pressure from rising taxation and costs. Against that backdrop, it was felt that reducing the senior leadership bonus pool was both appropriate and equitable.

Accordingly, management recommended a reduction in the total bonus pool, compared with the formulaic outcome, with more senior roles bearing a higher proportion of the reduction. The Committee considered this recommendation carefully and, against the context described above, concluded that it was appropriate for a 45ppt reduction to be applied to the Executive Directors, resulting in a final bonus outcome of 31% of maximum.

2023 LTIP

The Committee assessed the outcome of the June 2023 Long Term Incentive Plan (LTIP) award against three performance measures: earnings per share (EPS), cash conversion and ESG targets. In assessing the outcome of the award, the Committee also had reference to a return on invested capital (ROIC) underpin.

Following a review of performance against targets, the Committee determined that the formulaic outcome was that 97.5% of the award would vest in June 2026.

As part of its assessment, the Committee also took into account the wider performance of the Group over the three year performance period, and the shareholder experience. This included recognition that when the targets were set in 2023, the market was expecting an EPS before Other items of c.9.8p for FY26, compared with the actual EPS before Other items of 12.6p for FY26 (after adjusting to exclude the benefit of share buybacks on the weighted average number of shares used in the calculation), which is an outperformance of c.30%. Also, when the targets were set, the Group had just reported its results for FY23, including revenue of £3.9bn and operating profit before Other items of £162.1m, and the share price was c.95p. Three years later, the Group has reported its results for FY26, including revenue of £5.6bn and operating profit before Other items of £264.1m, representing significant growth over the performance period, and the share price has increased by c.80%.

In this context, the Committee determined that the outcome of 97.5% was appropriate. The Committee's objective with both short term and longer term remuneration is the same: to ensure that the outcomes fairly and accurately reflect the performance of the business and the experience of shareholders, and are appropriate in the context of the wider workforce. We believe this year's incentives outcomes achieve that.

Performance against the targets for this award are described in more detail on page 142 in the Annual Report on Remuneration.

Incentives approach for FY27

For FY27, the Committee is intending to operate the annual bonus and LTIP using the same framework and measures used in FY26:

- Phil Bentley's maximum bonus opportunity will be unchanged at 200% of salary. As stated in the FY24 report, Phil will not be granted an LTIP award in FY27
- Simon Kirkpatrick's maximum bonus opportunity and LTIP opportunity have been increased to 200% of base salary
- The annual bonus will continue to be based on financial and strategic targets, with 80% based on financial measures and 20% on strategic and personal objectives. The mix for FY27 will be: revenue (27.5%), profit (27.5%), free cash flow (25%) and non-financial measures (20%)
- The LTIP measures will continue to be: EPS (33.3%), ROIC (33.3%) and revenue (33.3%). The Committee will also have reference to ESG and leverage during the period, and has the discretion to adjust the award accordingly. As part of its assessment of the appropriate vesting amount, the Committee will take into account all relevant factors including the wider performance of the Group and the context of both the shareholder and employee experience

Engaging with the workforce

The Mitie Board values the views of our colleagues and has multiple engagement routes. In addition to my role as the Chair of the Remuneration Committee, I act as the designated Non-Executive Director responsible for oversight of the Board's engagement with the workforce. In this role, I regularly engage with the workforce on a broad range of topics, including reward and benefits. In addition, we undertake engagement surveys in order to better understand the views of a wider range of colleagues. The engagement surveys include a range of specific questions on pay practices and presents an opportunity for the workforce to ask its own questions about colleague or executive reward.

Through the feedback from surveys, supplemented with my findings from regular direct engagement with the workforce, the voice of Mitie people is heard at Remuneration Committee meetings. This enables the Remuneration Committee to take into account the views of colleagues when considering executive remuneration and the pay and employment conditions throughout the wider workforce.

I attended a listening session with frontline colleagues specifically focused on reward and executive remuneration. Colleagues fed back on their benefits package, noting their thanks for the ongoing free share awards. Colleagues were interested in understanding the Executive Directors' incentive arrangements and were reassured to hear about the Board's rigour and fairness for the consideration of reward for executives in relation to that of the wider workforce.

Conclusion

We will be seeking approval for the Directors' remuneration report (advisory vote) at the 2026 AGM. I welcome your views and feedback on the report.

Jennifer Duvalier
Chair of the Remuneration Committee

jennifer.duvalier@mitie.com

EXECUTIVE REMUNERATION AT A GLANCE

How we intend to operate our policy for FY27

The following table provides an overview of our remuneration policy and summarises the approach for remuneration arrangements for Executive Directors for FY26 alongside how the Committee intends to apply it for FY27. The full policy approved at the 2024 AGM is available on our website (www.mitie.com/investors/corporate-governance) and in the Annual Report and Accounts 2024.

At a glance	Overview of policy	FY26	FY27
Base salary	Salaries are generally reviewed annually, effective from 1 April. The review may be influenced by: • The individual's role, experience and performance • Business performance and the wider market and economic conditions • The range of increases across the Group • An external comparator group comprising sector comparators and size-adjusted comparator organisations	CEO: £900,000 CFO: £412,000	CEO: £900,000 (no increase) CFO: £450,000 (+9.2% increase)
Benefits	The Group provides a range of benefits, which may include a company car/car allowance, private health insurance, life assurance and annual leave. Benefits are reviewed periodically against market and new benefits may be added and/or amended as required to support the attraction and retention of key talent.	Benefits for FY26 include private medical cover, car allowance/car and financial/tax planning advice	No changes to benefits are planned for FY27
Pension	Executive Directors are eligible to participate in the defined contribution pension scheme or to receive a cash allowance in lieu of a pension contribution.	3% of base salary (in line with the workforce)	3% of base salary (in line with the workforce)
Maximum bonus opportunity	Maximum bonus opportunity is 200% of base salary.	CEO: 200% of base salary CFO: 175% of base salary	CEO: 200% of base salary CFO: 200% of base salary
Bonus deferral	50% of the bonus is normally deferred into shares that vest after a minimum of two years (subject to continued employment).	50% of bonus deferred into shares that vest after at least two years	50% of bonus deferred into shares that vest after at least two years
Bonus performance measures – mix	Measures and targets are set annually and payout levels are determined by the Committee after the year end based on performance against those targets.	80% financial, 20% strategic non-financial	80% financial, 20% strategic non-financial
Bonus performance measures – metrics	Bonuses are based on stretching financial and strategic objectives assessed by the Committee at the end of the year, with the underlying aim of encouraging and rewarding the generation of sustainable returns to shareholders.	Revenue (27.5%) Profit[1] (27.5%) Free cash flow (25%) Individual (10%) Other strategic (10%)	Revenue (27.5%) Profit[1] (27.5%) Free cash flow (25%) Strategic and personal objectives (20%)
Maximum LTIP opportunity	Awards may be made up to a maximum level of 200% of base salary.	CEO: nil[2] CFO: 175% of base salary	CEO: nil[2] CFO: 200% of base salary
LTIP performance measures	Performance over at least three financial years is measured against stretching objectives that have the underlying aim of encouraging and rewarding the generation of sustainable returns to shareholders.	EPS (33.3%) ROIC (33.3%) Revenue (33.3%)	EPS (33.3%) ROIC (33.3%) Revenue (33.3%)

1. Operating profit before Other items.
2. In line with the CEO reward plan approved at the 2024 AGM, a one-off LTIP award of 600% of base salary was made in respect of FY25. No LTIP awards were made to the CEO in FY26 and none will be made to the CEO in FY27. The maximum LTIP opportunity applicable for a new CEO under the remuneration policy is 200% of base salary.

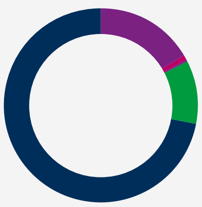
EXECUTIVE REMUNERATION AT A GLANCE
continued

At a glance	Overview of policy	FY26	FY27
LTIP holding period of two years after vest	Awards will normally be subject to an additional holding period of at least two years.	Shares released after at least five years (vesting after three years plus two-year holding period)	Shares released after at least five years (vesting after three years plus two-year holding period)
Share ownership requirements	Executive Directors are required, over time, to build and maintain a minimum shareholding in the Company worth 200% of base salary. Executive Directors will be expected to maintain their shareholding at 100% of their ownership requirement for one year post-departure, reducing to 50% for the second year post-departure, or in either case the actual shareholding on departure if lower.		
Malus and clawback provisions	Recovery provisions (malus and clawback) have applied to incentives for a number of years. Further details of the recovery provisions, including the circumstances and timeframe for which they can be applied, are set out in the remuneration policy.		

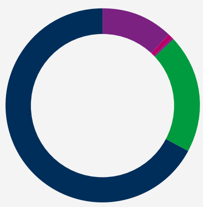
Single figure for FY26

The table below reports a single figure of total remuneration for each of the Executive Directors for the financial year ended 31 March 2026 and their comparative figures for the financial year ended 31 March 2025.

Phil Bentley

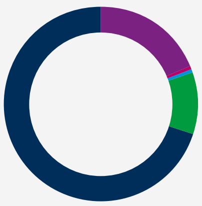


	2026
Salary	£900,000
Benefits	£47,866
Pensions	£27,000
Bonus	£565,003
LTIP	£3,948,103
Total	**£5,487,972**

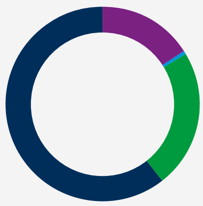


	2025
Salary	£900,000
Benefits	£61,428
Pensions	£27,000
Bonus	£1,472,400
LTIP	£4,991,651
Total	**£7,452,479**

Simon Kirkpatrick



	2026
Salary	£412,000
Benefits	£9,444
Pensions	£12,360
Bonus	£226,315
LTIP	£1,535,372
Total	**£2,195,491**



	2025
Salary	£412,000
Benefits	£4,308
Pensions	£12,360
Bonus	£599,872
LTIP	£1,572,370
Total	**£2,600,910**

Further information on the above is provided in the Annual Report on Remuneration.

SUMMARY OF REMUNERATION POLICY

The standard remuneration approach for the Executive Directors comprises the following elements:

Fixed: Base salary + Benefits + Pension

Variable: + Annual bonus + LTIP

= Total

Executive incentives and link to strategy

The following table sets out how the intended measures across the incentive plans for FY27 support the Group's strategy and KPIs:

	Accelerating growth	Operating margin progression	Cash generation	ESG leadership
Annual bonus	✔ 27.5% revenue	✔ 27.5% profit	✔ 25% free cash flow	✔ 20% strategic and individual objectives (inc. ESG)
LTIP[1]	✔ 33.3% revenue	✔ 33.3% EPS	✔ 33.3% ROIC	

1. Under the LTIP 2026, the Committee will also have reference to ESG and leverage during the period, and has the discretion to adjust the award accordingly, including to nil.

Note: details of the FY27 annual bonus targets will be disclosed in the FY27 remuneration report.

Malus and clawback

The Committee has the discretion to apply malus and/or clawback in the event of the following circumstances in relation to awards under the Annual Bonus Plan (ABP) or the LTIP in the circumstances set out in the relevant plan rules and award documentation, which currently includes: misstatement of results or an error in the calculation of performance; misconduct; reputational damage; or failure of risk management or control.

The malus and clawback provisions under the ABP and the LTIP may be operated if it comes to light within two years from vesting that information used to determine performance was materially inaccurate and resulted in a material overstatement of an award or in the event of any act/omission by an individual that would give grounds for summary dismissal (with no time limit). The period of operation of these malus and clawback provisions has been chosen to align with the Company's long-term business strategy and performance goals, while also ensuring that any potential misconduct or poor performance can be appropriately addressed and remedied within a reasonable timeframe. For the avoidance of doubt, the clawback provisions apply to any cash payments made and/or any shares into which bonus is deferred in relation to the ABP and LTIP awards made after the 2024 AGM.

In line with the new UK Corporate Governance Code requirements, the Committee also confirms that there was no application of malus and clawback provisions in the reporting period.

SUMMARY OF REMUNERATION POLICY
continued

The following table sets out how the remuneration policy addresses the factors set out in the UK Corporate Governance Code:

Clarity	The Committee considers that Mitie's remuneration structures are transparent and welcomes open and frequent dialogue with shareholders on its approach to remuneration. Major shareholders were consulted on the Committee's approach to remuneration, including the changes to the remuneration policy, which were approved by shareholders at the 2024 AGM.
Simplicity	The remuneration policy is designed to be comprehensive without becoming overcomplicated and to encourage Executive Directors to concentrate on the profitable growth of the business. When developing the remuneration arrangements, the Committee was conscious of ensuring the overarching structure remained simple and easy to understand for both shareholders and participants.
Risk	The Committee considers that the structures of the incentive arrangements do not encourage inappropriate risk-taking. The following best-practice measures are in place to minimise risks: • Deferral under the ABP, the LTIP holding period and the shareholding requirement, including post cessation, provides a clear link to the ongoing performance of Mitie's business and the experience of shareholders • The Committee has discretion to adjust the formulaic outcomes if it considers that they are not reflective of the underlying performance of Mitie or the individual • Malus and clawback provisions apply to the ABP and LTIP
Predictability	One of the Committee's principles is that the majority of reward opportunity for Executive Directors should be provided through performance-related incentives linked to the Group's strategic goals and taking account of the Group's attitude to risk; reward under these incentives is linked to both individual and Group performance. Page 146 of the 2024 Annual Report and Accounts sets out four illustrations of the application of the remuneration policy, including the potential opportunity levels resulting from threshold, target and maximum performance under the ABP and LTIP.
Proportionality	Performance measures and target ranges under the ABP and LTIP are designed to be sufficiently stretching in order to ensure outcomes are fully aligned with Mitie's performance. As above, the Committee has discretion to override formulaic outcomes in order to ensure performance is reflective of Mitie's underlying performance.
Alignment to culture	The Committee believes in an approach to executive pay that is commensurate with value creation for shareholders. The remuneration policy and the Company's incentive schemes have been designed to drive appropriate behaviours consistent with Mitie's purpose, values and strategy.

Executive Director remuneration (subject to audit)

The table below reports a single figure of total remuneration for each of the Executive Directors for FY26 and their comparative figures for FY25:

	Year	Salary	Benefits[1]	Pension[2]	Total fixed pay	Annual bonus[3]	LTIP[4]	Total variable pay	Total
Phil Bentley	**2026**	**£900,000**	**£47,866**	**£27,000**	**£974,866**	**£565,003**	**£3,948,103**	**£4,513,106**	**£5,487,972**
	2025	£900,000	£61,428	£27,000	£988,428	£1,472,400	£4,991,651	£6,464,051	£7,452,479
Simon Kirkpatrick	**2026**	**£412,000**	**£9,444**	**£12,360**	**£433,804**	**£226,315**	**£1,535,372**	**£1,761,687**	**£2,195,491**
	2025	£412,000	£4,308	£12,360	£428,668	£599,872	£1,572,370	£2,172,242	£2,600,910

1. Benefits are calculated in terms of UK taxable values and relate to the cost of private medical cover, car allowance and financial/tax planning advice. Simon Kirkpatrick's benefits include the use of an electric car. Phil Bentley's benefits include the matching shares element from his Share Incentive Plan (SIP) purchases based on the share price upon purchase.
2. The pension benefit disclosed above for Phil Bentley comprises cash allowances in lieu of pension contributions of 3% of base salary. For Simon Kirkpatrick, the pension benefit disclosed comprises a combination of employer pension contributions and a cash allowance in lieu of pension contributions, totalling 3% of base salary.
3. Annual bonus payable in respect of the financial year includes any deferred element at face value at the date of award. Further information about how the level of the award for FY26 was determined is provided on pages 140 and 141.
4. The LTIP figures disclosed for FY26 are in respect of the 2023 LTIP awards and have been valued, in line with the regulations, using the average share price of the last three months of FY26 (172.30p) and include dividend equivalents accrued over the vesting period. The share price at grant (using the average closing middle market price for the last five trading days prior to the start of the financial year on 1 April 2023) was 80.9p, and 113% of the LTIP amounts included in the table above are attributable to share price appreciation. Further information about how the level of vesting (97.5%) was determined is provided on page 142. The LTIP figures disclosed for FY25 include the 2022 LTIP for which the figures included in the FY25 remuneration table have been adjusted to reflect the actual valuation based on the closing share price on the date of vesting, which was 143.2p, and include dividend equivalents accrued until the vesting dates.

Non-Executive Director remuneration (subject to audit)

The fees for the Non-Executive Directors for FY26 and their comparative figures for FY25 are set out below:

	2026[1] £'000	**2025[1] £'000**
Derek Mapp[2]	**88**	274
Christopher Rogers[2]	**285**	10
Jennifer Duvalier	**88**	71
Penny James	**72**	54
Chet Patel	**62**	54
Mary Reilly	**65**	64
Salma Shah	**75**	65
Roger Yates[2]	**55**	63
Total	**790**	655

1. All amounts were paid in cash and no other UK taxable benefits were received in either year.
2. Christopher Rogers joined the Board on 19 March 2025 and was appointed Chair following Derek Mapp's retirement from the Board on 22 July 2025; Roger Yates retired from the Board on 31 December 2025.

Base salary and benefits

For salaried colleagues, the overall pay budget increase for 2026 was set at 3%, balancing Group affordability with talent market pressures.

The CEO's salary of £900,000 has been unchanged since his appointment in 2016. As in previous years, the Committee decided to not implement any salary increase for Phil Bentley, and as discussed in the 2024 Annual Report and Accounts, his salary will remain frozen until at least 1 April 2027.

Following its annual review of Executive Director base salaries, the Committee undertook a full assessment of the CFO's remuneration, taking into account sustained Company performance, his individual contribution and delivery, the evolving scope and complexity of the role, internal relativities and external market positioning. Since his appointment in April 2021, the CFO has played a central role in supporting Mitie's strong operational and financial progress and in strengthening Mitie for continued delivery. Over this period, the Committee has exercised relative restraint on his base salary progression, with increases generally modest and broadly aligned with the wider workforce, including no increase in FY26, and the CFO's current salary remaining below that of the last non-interim CFO (£430,000).

The Committee also reviewed independent external benchmarking for CFO roles in (i) companies in the top half of the FTSE 250 (consistent with Mitie's current positioning); and (ii) companies of a comparable market capitalisation. This analysis indicated that the CFO's current salary is positioned below the market midpoint across both comparator groups. The Committee therefore determined that an increase of 9.2% from £412,000 to £450,000 is appropriate, moving salary closer to, but still below, the market medians.

The primary rationale for the salary adjustment is to recognise sustained strong performance and to address a clear competitiveness gap in base salary positioning. As a supporting consideration, the Committee also recognised the importance of maintaining stability and continuity within the executive team as Mitie progresses through a period of leadership transition.

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Non-Executive Director fees

Fees are reviewed on a periodic basis and at least every three years. Fees for the Non-Executive Directors were last reviewed in FY25, with subsequent increases effective from 1 January 2025. No increases were made in FY26. Non-Executive Director fees are summarised in the table below:

	From 1 April 2026 £'000	From 1 April 2025 £'000
Chair fees[1]	285	285
Non-Executive Director core fees[2]	62	62
Additional fees:		
Senior Independent Director	11	11
Chair of a Committee	13	13
Designated Non-Executive Director for workforce engagement	10	10

1. The Chair's fee is inclusive of the Non-Executive Director core fee and no additional fees are paid to the Chair where he or she is Chair or a member of other Committees.
2. For Non-Executive Directors, individual fees comprise the core fee and additional supplemental fees for the Senior Independent Director, for chairing Committees; and for the designated Non-Executive Director for workforce engagement, to reflect the greater responsibility and time commitment required.

Annual Bonus Plan (ABP) FY26

Awards in respect of FY26 were considered under the ABP. Phil Bentley was eligible for a maximum bonus opportunity of 200% of base salary. Simon Kirkpatrick was eligible for a maximum bonus opportunity of 175% of base salary.

The awards were structured by reference to performance against a blend of financial measures (80% of the bonus opportunity) and strategic/individual objectives (the remaining 20%). At the threshold level of performance for financial targets, 25% of the maximum bonus opportunity is due, with 50% of the maximum bonus opportunity due at the target level and 100% at the maximum level. Between these points, the outcome is determined on a linear sliding scale basis.

The table below shows actual performance and the corresponding outcomes for each measure on a formulaic basis. Whilst FY26 was a year of progress for the Group, with good free cash flow generation, double digit growth in revenue, a record total order book – which reached £16.3bn – and the further development of our leadership into business-critical Facilities Compliance (through Marlowe), there were also material headwinds that impacted profitability. These included contract losses and underperformance in certain contracts, as well as the impact of £18.6m of under-recovered National Insurance and labour cost increases.

The Group's management made the judgment that the formulaic annual bonus outcome was not commensurate with the overall experience of the business, nor with the wider workforce context, where many household budgets are under pressure from rising taxation and costs. Against that backdrop, it was felt that reducing the senior leadership bonus pool was both appropriate and equitable.

Accordingly, management recommended a reduction in the total bonus pool, compared with the formulaic outcome, with more senior roles bearing a higher proportion of the reduction. The Committee considered this recommendation carefully and, against the context described above, concluded that it was appropriate for a 45ppt reduction to be applied to the Executive Directors, resulting in a final bonus outcome of 31% of maximum.

Performance measure	Weighting	Performance range	Performance	Formulaic outcome (% of bonus opportunity)
Operating profit[1]	27.5% of the award	£244.8m threshold £257.7m target £270.6m maximum	£264.1m	21% out of 27.5%
Revenue	27.5% of the award	£5,471m threshold £5,699m target £5,927m maximum	£5,619m	11% out of 27.5%
Free cash flow	25% of the award	£107.2m threshold £126.1m target £145.0m maximum	£162.1m	25% out of 25%
Strategic non-financial objectives	20% of the award	The Committee considered performance against the strategic objectives set out below and determined that the outcome was 19% of the maximum for the CEO and CFO.		19% out of 20%
Total formulaic outcome				76% of maximum
Adjustment	As noted in the Committee Chair's statement and above the Committee supported management's proposal that an adjustment of 45ppts would be appropriate.			
Annual bonus outcome				31% of maximum

1. Operating profit before Other items.

Performance against the strategic targets and individual objectives set for Phil Bentley and Simon Kirkpatrick were as follows:

Phil Bentley (CEO)

Non-financial strategic objectives

- Successful acquisition of Marlowe and integration progressing well, further developing Mitie's leadership into business-critical Facilities Compliance.
- New capabilities in refrigeration maintenance and heat pumps added through acquisitions completed during the year.
- Supporting customers in high-growth European locations, including the Nordics, where we strengthened our regional capability through two infill Fire & Security acquisitions.
- Advancing AI leadership including integrating Intelligent Solutions through Mozaic360, a unified data and AI insight platform for real-time visibility into service, asset and environmental performance.
- Launch of Plan Thrive, our social value framework aligned to our purpose: Better Places; Thriving Communities.
- Significant savings through ongoing programmes of margin enhancement initiatives.
- Strengthened leadership capability by refreshing the Mitie Group Executive team and launching a new development programme to accelerate the growth of senior talent across the organisation, enhancing succession depth and future-ready leadership capability.

Simon Kirkpatrick (CFO)

Non-financial strategic objectives

- Acquisition of Marlowe completed, with integration progressing well and early cost synergies of £7.0m
- Short-term bridge facility put in place to facilitate the acquisition of Marlowe, which was then successfully refinanced at competitive rates.
- Completed implementation of new organisational and reporting structure, and delivered savings from margin enhancement initiatives of £25.1m.
- Increased levels of engagement with investors in the UK, Europe and North America.
- Strong cost control programme has mitigated labour and NIC pressures and strengthened operational performance.
- Implemented further working capital process improvements, supporting good free cash inflow of £162.1m for FY26.
- Further progress on Mitie's controls framework, using a structured methodology to validate material controls, ahead of Provision 29 implementation.

The bonus outcome is therefore as follows:

		Total bonus payable		
	% of maximum	Total bonus £'000	Cash £'000	Deferred shares £'000
Phil Bentley	31% of maximum	565	283	283
Simon Kirkpatrick	31% of maximum	226	113	113

Annual Bonus Plan FY27

Financial performance for the FY27 ABP continues to be based on revenue, operating profit before Other items and free cash flow, with a combined weighting of 80%. The remaining 20% is based on non-financial objectives. However, if none of the financial targets have been achieved, no bonus will be payable by reference only to the non-financial objectives. Details of the targets set will be disclosed in the FY27 remuneration report.

LTIP awards granted in 2025 (subject to audit)

On 19 June 2025, the following conditional LTIP awards were granted to the Executive Directors:

	Award	Type	Number of shares[1]	Face value (£'000)	% of base salary	Performance conditions	Performance period
Phil Bentley[2]	–	–	–	–	–	–	–
Simon Kirkpatrick	Performance LTIP June 25	Nil-cost options	628,048	£721,000	175%	Performance conditions are set out in the table below	Three financial years ending 31 March 2028

1. Number of shares was calculated based on the lowest average closing middle market price of 114.8p for the five trading days prior to the start of the financial year on 1 April 2025.
2. As explained in the FY24 Annual Report on Remuneration, Phil Bentley was not granted an LTIP award in 2025.

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The LTIP awards granted on 19 June 2025 are subject to three performance measures: EPS, ROIC and revenue. These awards will vest in June 2028 conditional on performance in respect of the period of three years ending 31 March 2028 against the following measures:

Performance measure	Weighting	Performance range	Vesting of portion of the award	
EPS	33.3% of the award	Threshold = 15.9p Target = 16.7p Maximum = 17.5p	25% 70% 100%	Straight line vesting between these points
ROIC	33.3% of the award	Threshold = 20.0% Target = 22.0% Maximum = 24.0%	25% 70% 100%	Straight line vesting between these points
Revenue	33.3% of the award	Threshold = £5,990m Target = £6,300m Maximum = £6,620m	25% 70% 100%	Straight line vesting between these points

The Committee will also have reference to leverage (average debt/EBITDA) and ESG underpins such that if leverage and/or progress against the firm's ESG strategy is poor, there is specific discretion to allow the award to be reduced accordingly, including to nil.

Notwithstanding the above, the Committee still has full discretion to determine the performance measures and how the performance ranges applicable to the award are applied, including discretion to adjust them in the event of changes in UK IFRS accounting standards, while ensuring that they are not materially easier or harder to satisfy than the original performance measures and ranges.

LTIP 2026

Simon Kirkpatrick will be granted an LTIP award in 2026 at 200% of base salary. The award will vest in 2029 conditional on performance in respect of the period of three years ending 31 March 2029 against EPS (33.3% of the award), ROIC (33.3% of the award) and revenue (33.3% of the award). 25% of the award will vest at threshold performance, 70% of the award will vest at target and 100% of the award will vest at maximum performance. There will be straight line vesting between these points.

Performance measure	Weighting	Performance range	Vesting of portion of the award	
EPS	33.3% of the award	Threshold = 17.0p Target = 17.9p Maximum = 18.8p	25% 70% 100%	Straight line vesting between these points
ROIC	33.3% of the award	Threshold = 20.0% Target = 21.5% Maximum = 23.0%	25% 70% 100%	Straight line vesting between these points
Revenue	33.3% of the award	Threshold = £6,460m Target = £6,800m Maximum = £7,140m	25% 70% 100%	Straight line vesting between these points

The Committee will also have reference to ESG and leverage during the period, and has the discretion to adjust the award accordingly. Notwithstanding the above, the Committee still has full discretion to ensure that the level of any vesting outcome is appropriate based on the overall performance of the Group and the shareholder and employee experience. Awards are also subject to an additional post-vesting holding period of at least two years.

Details of June 2023 LTIP award vesting in FY27

The performance period for the June 2023 LTIP awards (in FY24) ended on 31 March 2026 (FY26). The Committee assessed performance against three performance measures:

Performance measure	Weighting	Performance range	Vesting of portion of the award	Mitie performance	Vesting (% of max)
EPS[1]	50% of the award	Threshold = 9.9p Target = 11.0p Maximum = 12.0p	25% 70% 100%	12.6p	100%
Cash conversion	35% of the award	Threshold = 70% Target = 80% Maximum = 90%	25% 70% 100%	93%	100%
ESG targets	15% of the award	• Greenhouse gas emissions: (a) revenue intensity of Scope 1 and 2 emissions reduced by 4%; and (b) 5% p.a. reduction in Scope 3 emissions • Fleet zero carbon: 100% of Mitie's total fleet zero tailpipe emissions (where such vehicles exist) • Employee engagement: improve employee engagement by 4ppt • Customer engagement: improve NPS by 4 • Diversity: increase gender and ethnic diversity among senior leaders		5 out of 6 achieved	83%

1. Earnings per share before Other items has (for the purpose of the LTIP performance measure) been adjusted to exclude the benefit of share buybacks on the weighted average number of shares used in the calculation.

This results in 97.5% vesting of the 2023 LTIP awards on a formulaic basis.

The Committee also had reference to a return on invested capital (ROIC) underpin and was satisfied that the underpin was met.

As is usual, as part of its assessment, the Committee also took into account the wider performance of the Group and the context of both the shareholder and employee experience. In doing so, it determined that this outcome was appropriate.

The June 2023 LTIP awards will vest in June 2026 and LTIP awards granted to Executive Directors are subject to a two-year post-vesting holding period. Furthermore, in-employment and post-employment shareholding guidelines also ensure that the true value delivered to Executive Directors will be established only in the years ahead and not at 2026 share prices.

Loss of office payments (subject to audit)

There have been no loss of office payments to past Directors during FY26.

Payments to past Directors (subject to audit)

There have been no payments to past Directors during FY26 that relate to their period as a Director.

Percentage change in remuneration of Directors and employees

The table below sets out the change in remuneration of the Directors who served on the Board and Mitie's UK employees, which is considered the most appropriate group for comparison purposes.

	FY21/FY22			FY22/FY23			FY23/FY24			FY24/FY25			**FY25/FY26**		
	Salary[2]	Benefits[3]	Bonus	Salary	Benefits[3]	Bonus	Salary	Benefits[3]	Bonus	Salary	Benefits[3]	Bonus	**Salary**	**Benefits[3]**	**Bonus**
Average pay based on Mitie's UK employees[1]	4.1%	5.7%	99.4%	8.1%	(0.5)%	130.6%	5.7%	(0.5)%	(5.8)%	6.0%	1.9%	47.0%	**4.9%**	**27.0%**	**(13.2)%**
Executive Directors															
Phil Bentley	14.3%	10.1%	20.9%	0%	83.5%	(38.7)%	0%	8.2%	54.1%	0%	36.2%	14.0%	**0%**	**(22.1)%**	**(61.6)%**
Simon Kirkpatrick[4]	N/A	N/A	N/A	8.0%	(49.6)%	(31.6)%	5.8%	15.2%	67.1%	3.0%	6.8%	21.3%	**0%**	**119.2%**	**(62.3)%**
Non-Executive Directors															
Derek Mapp[5]	14.3%	–	–	0%	–	–	10.0%	–	–	10.9%	–	–	**N/A**	–	–
Christopher Rogers[6]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**N/A**	–	–
Jennifer Duvalier	14.3%	–	–	11.7%	–	–	0%	–	–	6.0%	–	–	**23.9%**	–	–
Penny James[7]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–	–	**33.3%**	–	–
Chet Patel[8]	N/A	N/A	N/A	N/A	N/A	N/A	0%	–	–	3.8%	–	–	**14.8%**	–	–
Mary Reilly	14.3%	–	–	3.3%	–	–	0%	–	–	3.2%	–	–	**1.6%**	–	–
Salma Shah[8]	N/A	N/A	N/A	N/A	N/A	N/A	15.1%	–	–	4.8%	–	–	**15.4%**	–	–
Roger Yates[9]	14.3%	–	–	3.4%	–	–	0%	–	–	3.3%	–	–	**N/A**	–	–

1. The average UK employee figures reflect the changes in average annual pay for UK employees employed throughout FY25 and FY26 for FY25/26, FY24 and FY25 for FY24/25, FY23 and FY24 for FY23/24, FY22 and FY23 for FY22/23, and FY21 and FY22 for FY21/22. Employees who were on furlough during the relevant period have been excluded for the purposes of this analysis.
2. The increases in salary for Directors for FY22 compared with FY21 following the reductions in salary for FY21 arose from the Non-Executive Directors and Phil Bentley volunteering 30% reductions in their fees/salaries respectively for five months from 1 April 2020 as part of Mitie's actions to mitigate the impact of Covid.
3. Includes taxable benefits such as private medical cover, car allowance/car and financial/tax planning advice. The increase of the benefit in kind tax on electric vehicles has impacted the benefits in FY22 and FY23. The car allowance for Phil Bentley has impacted the benefits in FY23, and the move from car allowance to electric vehicle for Simon Kirkpatrick has impacted his benefits figure. Also includes Phil Bentley's matching shares element from his Share Incentive Plan (SIP) purchases for January 2022 onwards based on the share price upon purchase.
4. Simon Kirkpatrick was appointed to the Board on 1 April 2021 and therefore there are no appropriate prior year comparatives in terms of Director remuneration for FY21 or FY22.
5. Derek Mapp retired from the Board on 22 July 2025.
6. Christopher Rogers joined the Board on 19 March 2025 and therefore there were no prior year comparatives.
7. Penny James joined the Board on 1 February 2024 and therefore there are no meaningful prior year comparatives for FY24 or FY25..
8. Chet Patel and Salma Shah joined the Board on 1 April 2022 and therefore there are no prior year comparatives for FY21, FY22 or FY23.
9. Roger Yates retired from the Board on 31 December 2025.

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CEO pay ratio

The table below sets out the CEO pay ratio in respect of FY26. CEO pay ratio data for previous financial years is provided for reference.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY26	**Option B**	**210:1**	**193:1**	**169:1**
FY25[1]	Option B	298:1	274:1	234:1
FY24	Option B	713:1	653:1	583:1
FY23	Option B	316:1	289:1	240:1
FY22	Option B	191:1	163:1	142:1
FY21	Option B	151:1	129:1	116:1
FY20	Option B	154:1	139:1	108:1

1. The FY25 single figure has been updated as a result of reflecting the actual valuation on the closing share price on the first date of vesting of the LTIP award.

The pay ratios set out above were calculated using the Group's FY26 pay data based on employees as at 5 April 2025 under method B. Method B was selected because it made use of robust, readily available data and did not require additional analysis into the 67,000 UK people employed by the Group. Total pay was calculated for a sample of employees at each quartile in order to ensure that the three identified employees were suitably representative of their quartile. A full-time equivalent total pay figure was calculated for each identified employee using the single figure methodology.

In line with the Committee's principles, the majority of the CEO's reward opportunity is provided through performance-related incentives linked to the Group's strategic goals. The CEO pay ratios for FY26 have decreased compared with FY25. This is primarily due to a lower level of annual bonus payout for the CEO compared with the prior year. As a Real Living Wage service provider, Mitie continues to increase pay levels among its various contracts and to invest in competitive pay for all employees. Given that Mitie's workforce profile is made up of predominantly frontline customer-facing roles, the employees at each quartile used to compare Mitie's CEO's remuneration all operate within a frontline role. The Committee is comfortable that the pay ratios are consistent with the pay, reward and progression policies at Mitie.

The following table sets out the base salary and total pay figures for the employees identified at each quartile.

Year	Element of pay	25th percentile employee	Median employee	75th percentile employee
FY26	**Base salary (FTE)**	**£24,183**	**£28,068**	**£32,533**
	Total pay (FTE)	**£26,098**	**£28,500**	**£32,533**

Relative spend on pay

The table below shows the total cost of remuneration in the Group, compared with dividends distributed.

	2026 £m	2025 £m	Change
Aggregate employee remuneration	**2,942**	2,523	16.6%
Equity dividends	**54.7**	54.5	0.4%

Assessing pay and performance

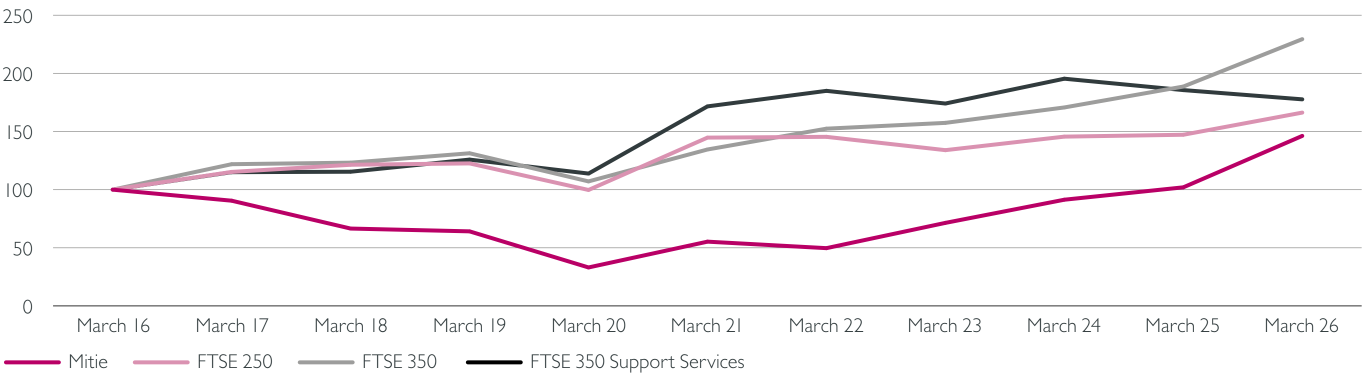
The table below provides a summary of the CEO's single figure remuneration over the past 10 years, as well as the payout and vesting levels of variable pay plans in relation to the maximum opportunity.

	FY17 Ruby McGregor-Smith[1]	FY17 Phil Bentley[1]	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Single figure remuneration	£530,628	£479,073	£1,102,549	£2,248,948	£2,029,856	£2,891,623	£3,908,161	£6,814,848	£16,730,160	£7,452,479[4]	**5,487,972**
Annual bonus element (actual as a % of max)	0%	waived	waived	79%	waived	78.6%	95%	58.2%	89.6%	81.8%	**31%**
Long-term incentives element (actual vesting as a % of max)	0%	N/A	N/A	N/A	79.7%[2]	50%	100%	90%	91.9%[3]	100%	**97.5%**

1. Ruby McGregor-Smith stepped down as Chief Executive Officer on 12 December 2016. Phil Bentley joined the Board on 1 November 2016 and assumed the position of Chief Executive Officer on 12 December 2016. The figures above include Phil Bentley's remuneration from 1 November 2016.
2. This figure includes two LTIP awards that vested based on performance to 31 March 2020 at 100% and 53% respectively.
3. This figure includes the one-off Enhanced Delivery Plan (EDP) award and the LTIP award that vested based on performance to 31 March 2024 at 92.5% and 90.2% respectively.
4. The single remuneration figure for FY25 has been adjusted from the figure published in the FY25 remuneration table to reflect the actual valuation of Phil Bentley's 2022 LTIP award based on the closing share price on the date of vesting, being 143.2p.

The chart below shows the historical Total Shareholder Return (TSR) performance over the same period, with Mitie's TSR restated for the bonus element of the 2020 rights issue. Three indices (FTSE 250, FTSE 350 Support Services and FTSE 350) have been chosen as they are widely recognised and Mitie has been a member of these indices during the period.

TSR (rebased to 100)



Share ownership (subject to audit)

	Number of shares owned as at 31 March 2026[1]	Value of target holding	Target shareholding[2]	Percentage of salary held as at 31 March 2026	Percentage of target achieved as at 31 March 2026	Compliance with share ownership guidelines
Phil Bentley	13,302,823	£1,800,000	1,065,341	2,497%	1,249%	Achieved
Simon Kirkpatrick	738,965	£824,000	487,689	303%	152%	Achieved

1. Includes shares owned by connected persons.
2. Target shareholding has been calculated using the average closing share price for the five business days prior to the end of FY26 (168.96p).

Directors' outstanding share interests (subject to audit)

The following tables ('Directors' interests granted under the share schemes' and 'Directors' share ownership') provide the outstanding share interests for the Executive Directors:

Directors' interests granted under the share schemes

	Year of grant	Options outstanding as at 31 March 2025	Granted in year	Lapsed in year	Exercised in year	**Options outstanding as at 31 March 2026**[9]	Exercise price	Earliest normal exercise date
Phil Bentley								
	Aug 2020 LTIP[1]	4,750,732	–	–	(4,750,732)	–	Nil-cost	Aug 2023[8]
	Sep 2021 LTIP[2]	2,683,264	–		–	**2,683,264**	Nil-cost	Sep 2024[8]
	July 2021 EDP[3]	8,806,611	–		–	**8,806,611**	Nil-cost	July 2024[8]
	June 2022 LTIP[4]	3,266,787	–	–	–	**3,266,787**	Nil-cost	June 2025[8]
	June 2023 LTIP[5]	2,224,969	–	–	–	**2,224,969**	Nil-cost	June 2026[8]
	June 2023 DBP[10]	440,220	–	–	(440,220)	–	Nil-cost	June 2025
	June 2024 DBP[11]	551,363		–	–	**551,363**	Nil-cost	June 2026
	July 2024 LTIP[6]	5,162,523		–	–	**5,162,523**	Nil-cost	July 2027[8]
	June 2025 DBP[12]	–	514,357	–	–	**514,357**	Nil-cost	June 2027
Simon Kirkpatrick								
	Sep 2021 LTIP[2]	782,618	–		–	**782,618**	Nil-cost	Sep 2024[8]
	July 2021 EDP[3]	1,391,322	–		–	**1,391,322**	Nil-cost	July 2024[8]
	June 2022 LTIP[4]	1,029,038	–	–	–	**1,029,038**	Nil-cost	June 2025[8]
	June 2023 LTIP[5]	865,265	–	–	–	**865,265**	Nil-cost	June 2026[8]
	June 2023 DBP[10]	155,386	–	–	(155,386)	–	Nil-cost	June 2025
	June 2024 DBP[11]	211,025		–	–	**211,025**	Nil-cost	June 2026
	July 2024 LTIP[6]	689,292		–	–	**689,292**	Nil-cost	July 2027[8]
	June 2025 DBP[12]	–	209,547	–	–	**209,547**	Nil-cost	June 2027
	June 2025 LTIP[7]	–	628,048	–	–	**628,048**	Nil-cost	July 2028[8]

1. The performance criteria applicable to the 2020 LTIP awards were disclosed on pages 108 and 109 of the FY21 remuneration report.
2. The performance criteria applicable to the 2021 LTIP awards were disclosed on page 123 of the FY22 remuneration report.
3. The performance criteria applicable to the 2021 EDP awards were disclosed on page 124 of the FY22 remuneration report.
4. The performance criteria applicable to the 2022 LTIP awards were disclosed on page 124 of the FY23 remuneration report.
5. The performance criteria applicable to the 2023 LTIP awards were disclosed on page 135 of the FY24 remuneration report.
6. The performance criteria applicable to the 2024 LTIP awards were disclosed on page 132 of the FY25 remuneration report.
7. The performance criteria applicable to the 2025 LTIP awards are disclosed on page 142 of this FY26 remuneration report.
8. Awards are subject to an additional two-year holding period.
9. The closing market price of the Company's shares as at 31 March 2026 was 169p. The highest and lowest closing market prices during FY26 were 183p and 112p respectively.
10. The Deferred Bonus Plan award on 16 June 2023 represents the deferral of 50% of the bonus awarded for FY23, with the number of shares based on the lowest closing middle market price for the five trading days before the date of grant (95.2p).
11. The Deferred Bonus Plan award on 14 June 2024 represents the deferral of 50% of the bonus awarded for FY24, with the number of shares based on the lowest closing middle market price for the five trading days before the date of grant (117.13p).
12. The Deferred Bonus Plan award on 19 June 2025 represents the deferral of 50% of the bonus awarded for FY25, with the number of shares based on the lowest closing middle market price for the five trading days before the date of grant (143.13p).

Directors' share ownership

	Number of ordinary shares owned as at 31 March 2026 (or date of cessation if earlier)[1]	Number of ordinary shares owned as at 31 March 2025 (or date of cessation if earlier)
Executive Directors		
Phil Bentley	**13,302,823**	9,814,790[2]
Simon Kirkpatrick	**738,965**	583,579[2]
Non-Executive Directors		
Derek Mapp[3]	**703,423**	687,617
Christopher Rogers[4]	**194,000**	–
Jennifer Duvalier	**95,665**	95,665
Penny James	**47,091**	47,091
Chet Patel	**100,864**	100,864
Mary Reilly	**131,669**	124,441
Salma Shah	**35,566**	25,233
Roger Yates[5]	**160,000**	160,000

1. The number of shares owned since 31 March 2026 has changed due to planned purchases that took place on 1 April 2026 for Non-Executive Directors. The revised figures are as follows: Mary Reilly – 133,137 shares, Salma Shah – 37,495 shares. In addition, Phil Bentley made two SIP transactions: one on 13 April, where an additional 123 shares were acquired, and one on 13 May, where an additional 133 shares were acquired.
2. The number of shares owned as at 31 March 2026 excludes any shares that are still subject to performance and/or holding periods. Prior year disclosures have been restated to reflect this methodology.
3. Derek Mapp retired from the Board on 22 July 2025 and his interest in shares is shown up to this date.
4. Christopher Rogers joined the Board on 19 March 2025.
5. Roger Yates retired from the Board on 31 December 2025 and his interest in shares is shown up to this date.

There have been no changes, other than those in Note 1 above, between 1 April 2026 and 3 June 2026, the last practicable date prior to the date of this report.

Share dilution

The Company manages dilution rates within the standard guidelines of 10% of issued ordinary share capital in respect of all employee schemes and 5% in respect of discretionary schemes. In calculating compliance with these guidelines, the Company allocates available headroom on a 10-year flat line basis, making adjustments for projected lapse rates and projected increases in issued share capital.

LTIP, EDP and deferred bonus awards are satisfied through the market purchase of shares held by the Mitie Group plc Employee Benefit Trust. The potential dilution of the Company's issued share capital is set out below in respect of all awards granted in the last 10 years under the Company's equity-based incentive schemes which are being satisfied through the allotment of new shares or treasury shares.

Share dilution at 31 March 2026	**Dilution 2026**	Dilution 2025
All share plans (maximum 10%)	**7.8%**	6.4%
Discretionary share plans (maximum 5%)	**2.3%**	2.7%

Shareholder voting

Mitie remains committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the Group seeks to understand the reasons for any such vote, and will detail here any actions in response to it.

A resolution to approve the Directors' remuneration policy as set out in the Annual Report and Accounts 2024 was passed at the Company's 2024 AGM. At the Company's 2025 AGM, a resolution was passed to approve the 2025 Directors' remuneration report. The results of the votes on these resolutions were as follows:

Number of votes	Votes in favour	Votes against	Withheld[1]
2024 Directors' remuneration policy – 2024 AGM	710.1m	143.9m	100.0m
	83.1%	16.9%	
2025 Directors' remuneration report – 2025 AGM	892.5m	15.0m	3.3m
	98.35%	1.65%	

1. Votes withheld are not counted in the calculation of the proportion of votes for or against a resolution.

ANNUAL REPORT ON REMUNERATION

continued

Remuneration Committee and its advisors

The Remuneration Committee seeks and considers advice from independent remuneration advisors where appropriate.

Deloitte LLP have acted as independent remuneration advisors to Mitie since September 2017. The advisors attended Committee meetings and provided advice and analysis of executive remuneration. During their tenure, the advisors have provided no other services to the Company (save in relation to services connected to executive remuneration and share plans) and have also complied with the Code of Conduct for Remuneration Consultants. The advisors' total cost of advice to the Committee for the year was £34,000 (such fees being charged in accordance with their standard terms of business).

The Committee specifically considered the position of the advisors and was satisfied that the advice the Committee received from them was objective and independent, given that they provided no other services to the Company.

DIRECTORS' REPORT

The Directors present their report, together with the audited financial statements of the Company and the Group, for the year ended 31 March 2026 as required by the Companies Act 2006.

The Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule 7.2 requires a corporate governance statement in the Directors' report to include certain information. The information that fulfils these requirements can be found in this Directors' report, the corporate governance report, the Board Committee reports and the Directors' remuneration report.

The Directors' report required under the Companies Act 2006 comprises the corporate governance statement on pages 99 to 121. The corporate governance statement fulfils the requirement under the FCA's Disclosure Guidance and Transparency Rules (DTR 7.2.1). For the purposes of DTR 4.1.8R, the management report for the year ended 31 March 2026 comprises the Strategic report and this Directors' report.

Cross-references

Employee engagement	Refer to pages 75 to 82 of the Strategic report for a detailed overview of Mitie's employee engagement practices. Details can also be found in the How the Board monitors culture section on pages 110 to 113.
Equality, diversity and inclusion (including employment of disabled persons)	Mitie holds Disability Confident Leader (Level 3) accreditation under the UK Government's Disability Confident scheme. Information on Mitie's commitment to equality, diversity and inclusion, including in relation to the employment of disabled persons, can be found on pages 75 to 82.
Business relationships	Details of how the Directors have considered the need to foster Mitie's business relationships with suppliers, customers and others, and the effect of this on the principal decisions taken by the Company during the year, can be found in the Strategic report on page 96.
Greenhouse gas emissions, energy consumption and efficiency	Details of greenhouse gas emissions, energy consumption and efficiency can be found in the Strategic report on pages 64 to 75.
Environmental data	Environmental data can be found in the Strategic report on pages 64 to 75.

The information required to be disclosed by Listing Rule 6.6.1 can be found in the following locations:

Details of any long-term incentive schemes	Directors' remuneration report on pages 133 to 148 and Note 28 to the consolidated financial statements
Shareholder waiver of dividends and future dividends	Directors' report on page 149

No shareholder is considered a controlling shareholder as defined in the FCA Handbook.

The remaining disclosures required by Listing Rule 6.6.1 are not applicable to the Company.

Principal Group activities

The Company is the holding company of the Group and its principal activity is to provide management services to the Group. The Group's activities are focused on the provision of strategic outsourcing services, further details of which can be found on page 7 of the Strategic report.

The Company does not have any branches registered overseas, but certain subsidiaries of the Company have registrations/branches across the UK, Republic of Ireland, Guernsey, Jersey, Isle of Man, Ascension Island, Belgium, Cyprus, Denmark, Falkland Islands, Finland, France, Germany, Ghana, Gibraltar, Italy, the Netherlands, Nigeria, Norway, Oman, Poland, Saudi Arabia, Spain, Switzerland, the United Arab Emirates and the USA. Details of the Company's subsidiaries are set out in Note 33 to the consolidated financial statements.

Given the nature of its activities, no material research and development work is carried out by the Group.

The Board's view on the likely future development of the Group is set out in the Strategic report on pages 24 to 29.

Financial results

A detailed commentary on the operational and financial results of the Group for the year is contained within the Strategic report, including the Finance review on pages 46 to 51.

The Group's profit before tax for the year ended 31 March 2026 was £123.7m (FY25: £145.4m).

Dividends

An interim dividend of 1.4p per ordinary share (FY25: 1.3p) with a total value of £18.1m (FY25: £16.0m) was paid to shareholders on 20 February 2026.

The Directors recommend a final dividend of 3.1p per ordinary share (FY25: 3.0p) with a total value of £39.5m (FY25: £36.6m) based upon the number of shares in issue (excluding treasury shares and shares held by the Employee Benefit Trust) as at 2 June 2026. Subject to approval at the 2026 Annual General Meeting (AGM), the final dividend will be paid on 27 August 2026 to shareholders on the register as at close of business on 17 July 2026.

Total dividends per ordinary share for the year ended 31 March 2026 will be 4.5p (FY25: 4.3p).

As at 31 March 2026, the Company had distributable reserves of £266.9m (FY25: £261.7m).

Mitie operates a Dividend Re-Investment Plan (DRIP) that allows shareholders to use their cash dividend to purchase additional ordinary shares. Further details of the operation of the DRIP and how to apply are available from Mitie's Registrar, MUFG Corporate Markets. Contact details for MUFG Corporate Markets can be found on page 226.

In FY26 the trustees of the Company's Employee Benefit Trust waived dividends payable on ordinary shares held by the Trust.

In accordance with Section 726 of the Companies Act 2006, no dividends are paid on ordinary shares held in treasury.

Directors

Full biographical details of the Directors, including Committee membership and external appointments, are set out on pages 101 to 103. Derek Mapp and Roger Yates retired from the Board on 22 July 2025 and 31 December 2025 respectively.

Director independence

The Board considered the independence of all Non-Executive Directors during FY26 and determined that, as at 31 March 2026, all Non-Executive Directors continued to be independent in mind and judgement, and free from any material relationship that could interfere with their ability to discharge their duties effectively. Further information can be found in the Nomination Committee report on page 117.

Indemnification of Directors and insurance

The Directors and the Company Secretary benefit from an indemnity provision under the Company's Articles of Association (the Articles).

Additionally, Directors and the Chief Legal Officer & Company Secretary have been granted a qualifying third-party indemnity provision (as defined by Section 234 of the Companies Act 2006), which has been in force throughout FY26 and remains in force as at the date of this report.

Certain colleagues who are directors of a subsidiary of the Company have also been granted a qualifying third-party indemnity provision, which has been in force throughout FY26 and remains in force as at the date of this report.

The Group maintains Directors' and Officers' liability insurance, which provides appropriate cover for any legal action brought against the Group's Directors and/or Officers. The Group also maintains pension trustees' liability insurance, which provides cover in respect of legal action brought against the trustees of Mitie's pension schemes.

Share capital

The Group is financed through equity share capital and debt instruments. Details of the Company's share capital are given in Note 25 to the consolidated financial statements. Details of the Group's debt instruments are set out in Note 21 to the consolidated financial statements. Throughout FY26, the Company's issued share capital was publicly listed on the London Stock Exchange and it remains so as at the date of this report.

The Company has a single class of shares divided into ordinary shares of 2.5 pence each (ordinary shares). The holders of ordinary shares are entitled to one vote each per share at general meetings and have no right to any fixed income.

In accordance with the Articles, holders of ordinary shares are entitled to participate in any dividends pro rata to their holding. The Board may propose and pay interim dividends and recommend a final dividend to shareholders for approval at an AGM. A final dividend may be declared by the shareholders at an AGM by ordinary resolution, but such dividend cannot exceed the amount recommended by the Board.

Financial instruments

The Group's financial instruments include bank borrowing facilities, lease liabilities, overdrafts and US private placement loan notes.

The principal objective of these instruments is to raise funds for general corporate purposes and to manage financial risk. Further details of these instruments are given in Note 22 to the consolidated financial statements.

Restrictions on the transfer of shares

The Company is not aware of any agreements between holders of its securities that may result in restrictions on the transfer of securities or voting rights. No person has any special rights of control over the Company's share capital. There are no specific restrictions on the size of any shareholding or on the transfer of shares, which are both governed by the provisions of the Articles.

Under Mitie's Rules on Share Dealing, persons with access to certain confidential Company information or inside information are required to follow a clearance to deal procedure and may be restricted from dealing in the Company's shares. Persons subject to these requirements are notified individually and appropriately informed of the rules.

Significant interests in the Company's share capital

As at 31 March 2026, insofar as it is known to the Company by virtue of notifications made pursuant to the Companies Act 2006 and/or Chapter 5 of the Disclosure Guidance and Transparency Rules or otherwise, the following persons were, directly or indirectly, interested (within the meaning of the Companies Act 2006) in 3% or more of the Company's total voting rights (being the threshold for notification that applies to shareholders pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules):

	Number of ordinary shares	% of voting rights
Fidelity International Limited	91,911,354	7.00%
J.P. Morgan Asset Management (UK) Limited	91,402,147	6.96%
Oasis Management Company Ltd.	77,472,601	5.90%
The Vanguard Group, Inc.	64,805,070	4.93%
Fidelity Management & Research Company LLC	59,841,081	4.55%
BlackRock Investment Management (UK) Ltd.	58,372,847	4.44%

No changes have been notified to the Company pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules between 31 March 2026 and 2 June 2026, the latest practicable date prior to the date of this report.

Directors' interests in the Company's share capital are set out in the Directors' remuneration report on pages 133 and 148.

2026 Annual General Meeting

Mitie's 2026 AGM will be held on 21 July 2026 at 11.30am at Level 12, The Shard, 32 London Bridge Street, London SE1 9SG, and will be viewable via a webcast.

The Board recognises that the AGM is an important event in the Company's corporate calendar, providing an opportunity to engage with shareholders. Shareholders will be able to attend the meeting in person to vote and ask questions or view the meeting via a live webcast. Shareholders can also ask questions via email to investorrelations@mitie.com. Instructions on how to register and join the webcast are set out in the Notice of AGM.

The Board encourages shareholders to appoint the Chairman of the AGM as their proxy and to provide voting instructions in advance of the meeting in accordance with the instructions set out in the Notice of AGM.

A statement regarding the 2025 AGM resolution to re-elect Roger Yates will remain available at www.mitie.com/investors/corporate-governance until the 2026 AGM. Roger Yates retired from the Board on 31 December 2025.

Powers of the Company to issue or buy back its own shares

At the AGM held on 22 July 2025, the Company's shareholders authorised:

- The Company to make market purchases of its own shares up to a total of 125,635,092 ordinary shares, equating to 10% of the issued share capital of the Company (excluding treasury shares) as at 3 June 2025
- The Directors to allot ordinary shares up to an aggregate nominal amount of £3,140,877.30 equating to 10% of the issued share capital of the Company (excluding treasury shares) as at 3 June 2025

These authorities will expire on the earlier date of 30 September 2026 and the conclusion of the 2026 AGM. A renewal of these authorities will be put to shareholders at the 2026 AGM. Further details are included in the notes to the Notice of AGM.

During FY26, the Company utilised the above authorities to undertake market purchases in relation to the share buyback programme announced on 14 October 2025 of 35,918,950 ordinary shares (representing 2.73% of the issued share capital of the Company (including treasury shares) as at 31 March 2026). The aggregate nominal value of the shares purchased was £897,973.75 and the total aggregate amount paid was £59,717,501.19 (excluding expenses). Of these shares, 3,048,419 were transferred into treasury and 32,870,531 were cancelled.

The reasons for the share buyback programme were detailed in the announcement made on 14 October 2025, which is available at www.mitie.com/investors/regulatory-announcements.

On 5 August 2025, in connection with the acquisition of Marlowe plc, 86,565,085 new ordinary shares were listed on the FCA's Official List and began trading on the London Stock Exchange's main market.

During FY26, the Company utilised the authorities granted at the AGM held on 23 July 2024 to undertake market purchases in relation to the share buyback programme announced on 16 April 2025 of 2,000,000 ordinary shares (representing 0.15% of the issued share capital of the Company (including treasury shares) as at 31 March 2026). The aggregate nominal value of the shares purchased was £50,000 and the total aggregate amount paid was £2,804,749.95 (excluding expenses). These 2,000,000 shares were transferred into treasury. The reasons for the share buyback programme were detailed in the announcement made on 16 April 2025, which is available at www.mitie.com/investors/regulatory-announcements.

No new shares were allotted under the authority granted at the 2024 AGM in FY26.

During FY26, the Employee Benefit Trust acquired 20.3m ordinary shares through market purchases (FY25: 11.7m shares) and distributed 22.5m shares to satisfy awards under Mitie Group plc's Long Term Incentive Plan, Deferred Bonus Plan, Conditional Share Plan and to the Share Incentive Plan Trust.

The total number of ordinary shares held by the Company in treasury as at 31 March 2026 was 2,081,540, representing 0.16% of the issued share capital of the Company (FY25: 4,454,307, representing 0.35% of the issued share capital of the Company). During FY26, 7,421,186 shares were distributed from treasury in connection with the exercise of options by colleagues participating in the Mitie Group plc Save As You Earn scheme for aggregate consideration of £4,304,516.

Articles

Amendments to the Articles must be approved by at least 75% of those voting in person or by proxy at a general meeting of the Company. The Articles are available at www.mitie.com/investors/corporate-governance.

Significant agreements – change of control

There are a number of agreements with provisions that take effect, alter or terminate upon a change of control of the Company (including following a takeover bid), such as bank facility agreements and other financial arrangements and employee share scheme rules. None of these are considered to be significant in terms of their likely impact on the normal course of business of the Group. The Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs solely because of a change of control.

Disclosure of information to the auditor

Each Director in office as at the date of this Directors' report confirms that:

- So far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware
- He/she has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

Post balance sheet events

Details of post balance sheet events can be found in Note 32 to the consolidated financial statements.

By order of the Board

Peter Dickinson
Chief Legal Officer & Company Secretary

3 June 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES
in respect of the Annual Report, remuneration report and financial statements

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and applicable law and have elected to prepare the Company financial statements in accordance with UK Accounting Standards and applicable law, including Financial Reporting Standard 101 Reduced Disclosure Framework.

Under company law, the Directors must not approve the financial statements unless they are satisfied that these give a true and fair view of the state of affairs of the Group and Company and of the Group's profit or loss for the period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and accounting estimates that are reasonable, relevant, reliable and prudent
- For the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements
- For the Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group or Company will continue in business
- Prepare a Directors' report, Strategic report and Directors' remuneration report that comply with the requirements of the Companies Act 2006

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Directors' responsibilities pursuant to DTR4.1.12

The Directors confirm that to the best of their knowledge:

- The Group financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- The management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face

Website publication

The Directors are responsible for ensuring that the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board

Phil Bentley
Chief Executive Officer

3 June 2026

Simon Kirkpatrick
Chief Financial Officer

3 June 2026

Financial statements

Report on the audit of the financial statements

Opinion

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2026 and of the Group's profit and the Group's cash flows for the year then ended
- The Group financial statements have been properly prepared in accordance with UK adopted international accounting standards
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements of Mitie Group plc (the Parent Company) and its subsidiaries (the Group) for the year ended 31 March 2026 which comprise of the following:

Group	Parent Company
Consolidated income statement	Company statement of financial position
Consolidated statement of comprehensive income	Company statement of changes in equity
Consolidated statement of financial position	Notes 1 to 14 to the Company financial statements including material accounting policy information
Consolidated statement of changes in equity	
Consolidated statement of cash flows	
Notes 1 to 34 to the consolidated financial statements including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group and the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Considering the principal risks identified by the Directors that are associated with the Group's customers, suppliers, workforce and wider economic and macro-level risks. We assessed these against our own views of the risks, based on our understanding of the business and its performance in the year ended 31 March 2026
- Obtaining the Directors' cash flow forecasts covering the period to 30 September 2027 and challenging the key assumptions in respect of revenue growth, gross profit margins, and cash generation with reference to our knowledge of the business, its historical performance and current results. We evaluated whether the Directors had considered appropriate risks and uncertainties in the preparation of the cash flow forecasts, based on our assessment of the risks and issues relating to the business
- Testing the integrity of the forecast model and assessing its consistency with approved budgets
- Obtaining and critically reviewing the Directors' reverse stress test analysis, performed to determine the point at which a downturn in revenues, a deterioration in gross margin or an increase in costs would result in a covenant breach or liquidity shortfall and without further mitigation, would potentially impact the going concern of the business. Our consideration included an assessment of whether the reverse stress test analysis appropriately considered the key risks and issues to which the models were sensitive, and we challenged the nature and feasibility of the mitigating actions available to the business, as identified by the Directors
- Challenging the Directors' conclusion that the likelihood of the downside sensitivities required for either a covenant breach or liquidity shortfall was remote, by reference to our knowledge of the business and the wider environment in which it operates. This included an assessment of reverse stress test sensitivities and current trading performance
- Assessing covenants at year end to check that the Group was compliant under the terms of the financing agreements
- Evaluating forecast covenant compliance and headroom calculations with reference to the covenants stated in the relevant financing agreements
- Reviewing the adequacy and completeness of disclosures in the financial statements in respect of going concern, in line with the Directors' going concern assessment

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Company's ability to continue as a going concern.

In relation to the Group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2026	2025
Key audit matters	Appropriateness of revenue recognition in relation to certain fixed price, input method projects that are ongoing at year end	✔	✔
	Accounting for the acquisition of Marlowe plc	✔	✘
	Contract-specific provision of £10.8m relating to a significant liability risk on a certain contract	✘	✔
	Based upon the current contract status, we do not consider the contract-specific provision noted above to be a key audit matter on the basis that the contract is further progressed, and we do not consider there to be a significant risk of material misstatement when considered against the current year materiality outlined below.		
Materiality	*Group financial statements as a whole* £13.2m (2025: £9.2m) based on 5% (2025: 5%) of profit before tax and Other items (2025: profit before tax and Other items excluding amortisation and net finance costs).		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the Group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the Group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

The Group comprised 147 legal entities as at the year end, which are grouped into divisions based on the nature of their operations. Although each division includes multiple legal entities, each division has its own distinct management structure, controls and IT systems, and common business characteristics. Group management, and ultimately the Board, monitor the position of the business on a divisional basis.

A consolidation of financial results occurs at the divisional level.

Based on our scoping assessment, we identified eight separate components which are considered unique due to their specific characteristics. These components are primarily based on the divisions mentioned above; however, in certain instances, further disaggregation was deemed appropriate due to factors such as separate management teams, IT systems or legal entities located in different jurisdictions. These factors led us to consider them as separate components for the purposes of the Group audit. The components identified for the purposes of the Group audit are detailed in the table below.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- Procedures on the entire financial information of the component, including performing substantive procedures and tests for operating effectiveness of controls for certain IT systems
- Procedures on one or more classes of transactions, account balances or disclosures

Procedures performed at the component level

We performed procedures to respond to Group risks of material misstatement at the component level that included the following:

Component name	Entity	Group Audit scope
Mitie Group plc	Mitie Group plc (Parent Company)	Statutory audit and procedures on one or more classes of transactions, account balances or disclosures
Business Services – United Kingdom	Businesses comprising the Business Services segment in Note 3 excluding the legal entities registered in Spain and Marlowe entities	Procedures on the entire financial information of the component
Business Services – Spain	Legal entities registered in Spain	Risk assessment procedures
Marlowe	Legal entities acquired through the acquisition of Marlowe plc	Risk assessment procedures
Technical Services – excluding Advisory, Design & Build (AD&B) business unit	Businesses comprising the Technical Services segment in Note 3 excluding AD&B Projects and Landmarc	Procedures on the entire financial information of the component
Technical Services – AD&B business unit	Businesses comprising the AD&B business unit within Technical Services	Procedures on one or more classes of transactions, account balances or disclosures
Technical Services – Landmarc	Landmarc	Risk assessment procedures
Corporate Centre	Businesses comprising the Corporate Centre	Procedures on one or more classes of transactions, account balances or disclosures

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls in relation to payroll, defined benefit pension schemes, insurance provisions, Other items, cash and lease accounting. We therefore designed and performed procedures centrally in these areas.

The Group predominantly operates a centralised IT function that supports IT processes for certain components. This IT function is subject to specified risk-focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

Disaggregation

The financial information relating to Group risks of material misstatement is highly disaggregated across the Group. We performed procedures at the component level in relation to these risks in order to obtain comfort over the residual population of Group balances.

Locations

Mitie Group Plc's operations are primarily focused in the United Kingdom, spread over a number of different geographical locations, with a shared service centre based in India. We visited all the components that are located in the United Kingdom. The risk assessment performed over the entities in Spain has been performed remotely by the Group Engagement team.

In addition, our teams worked remotely, holding calls and video conferences with Mitie Group plc, and with digital information obtained from Mitie Group plc.

Changes from the prior year

In the prior year, for the purposes of the Group audit, procedures were performed on one or more classes of transactions for Landmarc. In the current year, we have performed risk assessment procedures over Landmarc and identified no specific risks attributable to the entity. We have therefore scoped Landmarc out of the Group audit.

How climate change affected the scope of our audit

The Group has determined that climate change does not currently have a material impact on its operations. Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements, and adequately disclose climate-related risks within the Annual Report and Accounts
- Review of the minutes of Board and Audit & Risk Committee meeting and other papers related to climate change, and performed a risk assessment as to how the impact of the Group's commitment as set out in the Annual Report and Accounts may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment and viability assessment.

The management disclosures on pages 52 to 83 form part of the Strategic report. Our responsibilities in relation to these disclosures are described in the relevant section of this report and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit or otherwise appear to be materially misstated.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit responded to the risk
Appropriateness of revenue recognition in relation to certain fixed price, input method projects that are ongoing at year end Refer to Note 1(b) – Revenue recognition policy, project works, accrued and deferred income within Material accounting policies.	The Group undertakes contracts for specific projects where contractual obligations span more than one financial period. There is a risk that revenue is incorrectly recognised due to inaccurate measurement of performance to date and uncertainties dependent on the outcome of future events. We consider this risk to specifically relate to fixed price, input-based projects that are open at year end, where revenue has been recognised during the year, or accrued/deferred income exists above an agreed threshold. In such cases, management judgement and estimation are required to determine forecast costs to complete.	We completed the following audit procedures in relation to revenue recognition: • Agreed a sample of journals recorded within revenue, selected using specific risk criteria, to appropriate supporting evidence • For contracts where revenue is recognised over time, we tested the accuracy of the revenue recognised by evaluating management's process for capturing costs incurred to date and forecast costs to complete, for contracts where income is recognised using the input method. We selected a sample of actual costs incurred and agreed these through to supporting documentation and assessed the reasonableness of costs to complete • For projects completed post year end, we obtained post year end completion evidence and assessed the percentage of completion as at year end based on the total project costs. For ongoing projects not completed post year end, we held discussions with the relevant project managers to understand the project status, we have tested a sample of the costs incurred in April 2026 to those forecast as at year end, and where subcontractors were involved, we checked the forecast costs to complete against contracts or purchase order **Key observations** Based on the procedures performed, we did not identify any matters to suggest that the revenue recognised, accrued and deferred income in relation to projects revenue is not appropriate.
Accounting for the acquisition of Marlowe plc	On 4 August 2025, the Group completed the acquisition of Marlowe plc (Marlowe) for total consideration of £351.5m. This comprised cash consideration of £228.2m and the issuance of 86.6m ordinary shares with a fair value of £123.3m at the acquisition date. The accounting for this transaction is complex and involves judgement in respect of the valuation of the assets and liabilities acquired in the acquisition balance sheet, the identification and valuation of acquired intangible assets, and the measurement of residual goodwill arising on the acquisition. The Group engaged an external valuation specialist to support the purchase price allocation (PPA). Given the magnitude of the transaction and the level of judgement involved, there is a risk that errors in the valuation of acquired assets and liabilities, or in the assumptions applied, could result in a material misstatement in the financial statements.	We completed the following audit procedures in relation to the acquisition accounting for Marlowe: • Reviewed the public announcement, court order, and key transaction documentation, and corroborated the total consideration paid to third-party evidence to understand the transaction terms, acquisition date, and determination of the acquirer in accordance with IFRS 3 Business Combinations • Critically assessed the judgements applied in determining the acquisition balance sheet, including evaluating whether the recognition and measurement of assets and liabilities at the acquisition date, and the associated fair value adjustments, are appropriate and consistent with the Group's accounting policies and IFRS requirements • Reviewed the purchase price agreement process, methodology and assumptions used by Management's expert, including the identification and valuation of the separately identifiable intangible assets and goodwill • Challenged the completeness of the identified intangible assets, ensuring it is consistent with expectations of customer relationships and brand intangibles • Assessed the competence, independence and objectivity of management's expert to complete the assessment • Engaged with our auditor's expert to assess the appropriateness of the valuation methods used, audit the valuation model, and the key inputs and judgements including the sensitivity of inputs **Key observations** Based on the procedures performed, we did not identify any matters to suggest that the accounting for the acquisition of Marlowe is materially misstated.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent Company financial statements	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Materiality	**13.2**	9.2	**12.35**	8.7
Basis for determining materiality	5% of profit before tax and Other items	5% of profit before tax and Other items, excluding amortisation and net finance costs	95% of Group materiality	95% of Group materiality
Rationale for the benchmark applied	We consider this to be the most appropriate threshold as this is a key metric for shareholders.	We considered this to be the most appropriate threshold since this removes the impact of certain one-off items on the profit of the Group.	The Parent Company does not trade and materiality was set at a percentage of Group materiality.	
Performance materiality	**9.75**	6.4	**9.26**	6.0
Basis for determining performance materiality	**75% of materiality**	70% of materiality	**75% of materiality**	70% of materiality
Rationale for the percentage applied for performance materiality	The level of performance materiality was set after considering a number of factors including significant transactions in the year, the expected value of known and likely misstatements, and Management's attitude towards proposed adjustments.			

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 50% and 75% (2025: 30% and 75%) of Group performance materiality dependent on a number of factors including consideration of the control environment, history of misstatements, disaggregation across components, size of the components, any significant changes affecting the component since the prior year and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £4.9m to £7.3m (2025: £1.9m to £6.1m).

Reporting threshold

We agreed with the Audit & Risk Committee that we would report to them all individual audit differences in excess of £660,000 (2025: £460,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The UK Listing Rules sourcebook requires us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 168 • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 98 • The Directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on page 98
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 129 • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 127 • The section of the Annual Report and Accounts that describes the review of effectiveness of risk management and internal control systems set out on page 127 • The section describing the work of the Audit & Risk Committee set out on page 122

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • The information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements • The Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • The Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • Certain disclosures of Directors' remuneration specified by law are not made; or • We have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates
- Discussion with management and those charged with governance, the Audit & Risk Committee and in-house legal counsel
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be the Companies Act 2006, Corporate and VAT legislation, Task Force on Climate-related Financial Disclosures (TCFD), Employment Law, Health and Safety and the Bribery Act 2010, the UK Listing Rules and the applicable accounting standards.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation and employment laws.

Our procedures in respect of the above included:

- Enquires of management whether there were any litigations and claims
- Enquires of the internal legal team of the Group and the Parent Company
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations
- Review of financial statement disclosures and agreeing to supporting documentation
- Involvement of tax specialists in the audit
- Review of legal expenditure accounts to understand the nature of expenditure incurred

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management, the Audit & Risk Committee, in-house legal counsel and internal audit regarding any known or suspected instances of fraud
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud
  - Internal controls established to mitigate risks related to fraud
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements
- Involvement of forensics specialists in the audit during the engagement team fraud discussions
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls through inappropriate journal entries, costs to complete estimates in projects revenue where the input method of revenue recognition is being used, and bias in key estimates and judgements.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation
- Testing a sample of contracts for accuracy of estimation where revenue is recognised over time (refer to revenue recognition key audit matter)
- Assessing significant estimates made by management for bias

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed, and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Audit & Risk Committee, we were appointed by the Board of Directors on 19 September 2017 to audit the financial statements for the year ended 31 March 2018 and subsequent financial periods.

Our total uninterrupted period of engagement is nine years, covering the periods ended 31 March 2018 to 31 March 2026.

Our audit opinion is consistent with the additional report to the Audit & Risk Committee.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R – 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Greg Watts (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

3 June 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2026

	Notes	2026 Before Other items £m	2026 Other items[1] £m	2026 Total £m	2025 Before Other items £m	2025 Other items[1] £m	2025 Total £m
Revenue	3	5,618.6	–	5,618.6	5,082.6	–	5,082.6
Cost of sales		(4,962.3)	–	(4,962.3)	(4,512.9)	–	(4,512.9)
Gross profit		656.3	–	656.3	569.7	–	569.7
Administrative expenses		(393.5)	(112.7)	(506.2)	(341.4)	(72.5)	(413.9)
Other income		1.7	–	1.7	5.9	–	5.9
Share of loss of joint ventures and associates		(0.4)	–	(0.4)	(0.1)	–	(0.1)
Operating profit/(loss)[2]	3, 5	264.1	(112.7)	151.4	234.1	(72.5)	161.6
Finance income	7	3.3	–	3.3	3.3	–	3.3
Finance costs	7	(31.0)	–	(31.0)	(19.5)	–	(19.5)
Net finance costs		(27.7)	–	(27.7)	(16.2)	–	(16.2)
Profit/(loss) before tax		236.4	(112.7)	123.7	217.9	(72.5)	145.4
Tax	8	(58.0)	24.6	(33.4)	(51.6)	14.6	(37.0)
Profit/(loss) after tax		178.4	(88.1)	90.3	166.3	(57.9)	108.4
Attributable to:							
Equity holders of the parent		169.2	(86.6)	82.6	157.6	(56.2)	101.4
Non-controlling interests	34	9.2	(1.5)	7.7	8.7	(1.7)	7.0
Profit/(loss) for the year		178.4	(88.1)	90.3	166.3	(57.9)	108.4
Earnings per share (EPS) attributable to owners of the parent							
Basic	10	13.6p		6.6p	12.7p		8.2p
Diluted	10	12.6p		6.1p	11.8p		7.6p

Notes:
1. Other items are as described in Note 4.
2. Including net reversal of impairment losses on trade receivables, accrued income and other receivables of £0.5m (2025: net impairment loss of £1.0m) (see Note 22).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 £m	2025 £m
Profit for the year		**90.3**	108.4
Items that will not be reclassified to profit or loss in subsequent years			
Remeasurement of net retirement benefit assets/liabilities	29	**9.0**	13.7
Tax charge relating to items that will not be reclassified to profit or loss in subsequent years	8	**(2.2)**	(4.6)
		6.8	9.1
Items that may be reclassified to profit or loss in subsequent years			
Exchange differences on translation of foreign operations		**1.1**	(0.7)
		1.1	(0.7)
Other comprehensive income for the year		**7.9**	8.4
Total comprehensive income for the year		**98.2**	116.8
Attributable to:			
Equity holders of the parent		**90.4**	109.6
Non-controlling interests	34	**7.8**	7.2
Total comprehensive income for the year		**98.2**	116.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 £m	2025 £m
Non-current assets			
Goodwill	11	**642.5**	397.8
Other intangible assets	12	**376.5**	266.7
Property, plant and equipment	13	**262.7**	246.9
Interests in associates		**0.5**	1.6
Trade and other receivables	14	**19.7**	20.5
Contract assets		**3.7**	1.9
Retirement benefit assets	29	**18.2**	16.3
Total non-current assets		**1,323.8**	951.7
Current assets			
Inventories	15	**26.7**	14.9
Trade and other receivables	14	**1,082.2**	967.9
Contract assets		**1.1**	0.7
Current tax receivable		**1.6**	4.1
Cash and cash equivalents	20	**108.9**	180.4
Total current assets		**1,220.5**	1,168.0
Total assets		**2,544.3**	2,119.7
Current liabilities			
Trade and other payables	16	**(1,128.8)**	(1,012.6)
Deferred income	17	**(138.6)**	(140.9)
Current tax payable		**(5.4)**	(3.4)
Financing liabilities	21	**(62.5)**	(52.2)
Provisions	18	**(36.9)**	(37.4)
Total current liabilities		**(1,372.2)**	(1,246.5)
Net current liabilities		**(151.7)**	(78.5)
Non-current liabilities			
Trade and other payables	16	**(10.7)**	(22.2)
Deferred income	17	**(31.2)**	(33.1)
Financing liabilities	21	**(490.9)**	(322.9)
Provisions	18	**(53.0)**	(46.7)
Retirement benefit liabilities	29	**(2.8)**	(2.4)
Deferred tax liabilities	19	**(51.0)**	(17.9)
Total non-current liabilities		**(639.6)**	(445.2)
Total liabilities		**(2,011.8)**	(1,691.7)
Net assets		**532.5**	428.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026
continued

	Notes	2026 £m	2025 £m
Equity			
Share capital	25	**32.7**	31.3
Share premium	25	**132.0**	132.0
Merger reserve	26	**278.1**	157.0
Own shares reserve	26	**(71.4)**	(65.1)
Share-based payments reserve	26	**50.6**	40.4
Capital redemption reserve	26	**6.1**	5.3
Translation reserve	26	**(1.7)**	(2.8)
Retained profits		**87.9**	112.3
Equity attributable to owners of the parent		**514.3**	410.4
Non-controlling interests	34	**18.2**	17.6
Total equity		**532.5**	428.0

The consolidated financial statements of Mitie Group plc, company registration number SC019230, were approved by the Board of Directors and authorised for issue on 3 June 2026. They were signed on its behalf by:

Phil Bentley
Chief Executive Officer

Simon Kirkpatrick
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital £m	Share premium £m	Merger reserve £m	Own shares reserve £m	Share-based payments reserve £m	Capital redemption reserve £m	Translation reserve £m	Retained profits/(losses) £m	**Equity attributable to owners of parent £m**	Non-controlling interests £m	**Total equity £m**
At 1 April 2024	33.3	132.0	157.0	(69.8)	42.1	3.3	(2.1)	157.4	**453.2**	20.5	**473.7**
Profit for the year	–	–	–	–	–	–	–	101.4	**101.4**	7.0	**108.4**
Other comprehensive (expense)/income	–	–	–	–	–	–	(0.7)	8.9	**8.2**	0.2	**8.4**
Total comprehensive (expense)/income	–	–	–	–	–	–	(0.7)	110.3	**109.6**	7.2	**116.8**
Transactions with owners											
Dividends paid	–	–	–	–	–	–	–	(54.5)	**(54.5)**	–	**(54.5)**
Purchase of own shares[1]	–	–	–	(14.6)	–	–	–	–	**(14.6)**	–	**(14.6)**
Share buybacks[2]	(2.0)	–	–	(12.2)	–	2.0	–	(92.5)	**(104.7)**	–	**(104.7)**
Share-based payments	–	–	–	31.5	(1.7)	–	–	(11.0)	**18.8**	–	**18.8**
Tax on share-based payments	–	–	–	–	–	–	–	2.6	**2.6**	–	**2.6**
Non-controlling interest dividends	–	–	–	–	–	–	–	–	**–**	(10.1)	**(10.1)**
Total transactions with owners	(2.0)	–	–	4.7	(1.7)	2.0	–	(155.4)	**(152.4)**	(10.1)	**(162.5)**
At 31 March 2025	31.3	132.0	157.0	(65.1)	40.4	5.3	(2.8)	112.3	**410.4**	17.6	**428.0**
At 1 April 2025	31.3	132.0	157.0	(65.1)	40.4	5.3	(2.8)	112.3	**410.4**	17.6	**428.0**
Profit for the year	–	–	–	–	–	–	–	82.6	**82.6**	7.7	**90.3**
Other comprehensive income	–	–	–	–	–	–	1.1	6.7	**7.8**	0.1	**7.9**
Total comprehensive income	–	–	–	–	–	–	1.1	89.3	**90.4**	7.8	**98.2**
Transactions with owners											
Dividends paid	–	–	–	–	–	–	–	(54.7)	**(54.7)**	–	**(54.7)**
Issue of shares[3]	2.2	–	121.1	–	–	–	–	–	**123.3**	–	**123.3**
Purchase of own shares[1]	–	–	–	(29.1)	–	–	–	–	**(29.1)**	–	**(29.1)**
Share buybacks[2]	(0.8)	–	–	(7.7)	–	0.8	–	(55.2)	**(62.9)**	–	**(62.9)**
Share-based payments	–	–	–	30.5	10.2	–	–	(15.1)	**25.6**	–	**25.6**
Tax on share-based payments	–	–	–	–	–	–	–	11.3	**11.3**	–	**11.3**
Non-controlling interest dividends	–	–	–	–	–	–	–	–	**–**	(7.2)	**(7.2)**
Total transactions with owners	1.4	–	121.1	(6.3)	10.2	0.8	–	(113.7)	**13.5**	(7.2)	**6.3**
At 31 March 2026	32.7	132.0	278.1	(71.4)	50.6	6.1	(1.7)	87.9	**514.3**	18.2	**532.5**

Notes:

1. The Employee Benefit Trust acquired 20.3m (2025: 11.7m) ordinary shares through market purchases for a consideration together with associated fees and stamp duty of £27.5m (2025: £13.2m) and the Share Incentive Plan Trust acquired 1.1m (2025: 1.1m) shares for a consideration of £1.6m (2025: £1.4m). See Note 26.
2. The share buybacks resulted in the purchase of 37.9m ordinary shares (2025: 89.0m), of which 32.9m ordinary shares (2025: 78.9m) were purchased for £55.2m (2025: £92.5m) and were subsequently cancelled. The remaining 5.0m ordinary shares (2025: 10.1m) were bought into treasury for a total consideration of £7.7m (2025: £12.2m). See Notes 25 and 26.
3. As part of the consideration for the acquisition of Marlowe Limited (formerly Marlowe plc), 86.6m shares were issued with a premium of £121.1m arising (see Notes 25 and 27). These share issues qualified for merger relief under Section 612 of the Companies Act 2006, such that the premium was credited to the merger reserve, as it was not required to be credited to the share premium account (see Note 26).

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2026

	Notes	2026 £m	2025 £m
Operating profit before Other items	3	**264.1**	234.1
Other items	4	**(112.7)**	(72.5)
Operating profit		**151.4**	161.6
Adjustments for:			
Share-based payments expense	28	**22.9**	15.5
Defined benefit pension expense	29	**12.0**	9.4
Defined benefit pension contributions	29	**(4.7)**	(10.1)
Pension settlement[1]	29	**1.6**	–
Depreciation of property, plant and equipment	13, 23	**85.8**	67.9
Amortisation of other intangible assets	12	**51.2**	38.1
Share of loss of joint ventures and associates		**0.4**	0.1
Amortisation of contract assets		**0.9**	0.4
Impairment of right-of-use assets	23	**1.9**	–
Loss on disposal of other intangible assets	12	**0.3**	2.4
Loss on disposal of property, plant and equipment	13	**0.8**	0.3
Loss on disposal of shares in interests in associates		**0.2**	–
Operating cash flows before movements in working capital		**324.7**	285.6
Increase in inventories		**(0.4)**	(0.2)
Increase in receivables		**(42.5)**	(168.9)
Increase in contract assets		**(3.1)**	(1.5)
(Decrease)/increase in deferred income		**(8.5)**	61.9
Increase in payables		**32.3**	82.5
Decrease in provisions		**(12.1)**	(10.7)
Cash generated from operations		**290.4**	248.7
Income taxes paid		**(18.1)**	(11.0)
Interest paid		**(25.7)**	(17.7)
Net cash generated from operating activities		**246.6**	220.0
Investing activities			
Acquisition of businesses, net of cash acquired[2]	27	**(234.3)**	(49.1)
Investment in associates and joint ventures		**–**	(0.8)
Interest received		**2.5**	3.0
Purchase of property, plant and equipment		**(33.4)**	(24.0)
Purchase of other intangible assets		**(6.7)**	(7.6)
Disposal of property, plant and equipment		**0.6**	0.6
Disposal of other intangible assets		**0.1**	–
Net cash used in investing activities		**(271.2)**	(77.9)

Note:
1. In January 2026, the Group completed the buyout of the Landmarc pension scheme with an authorised insurance company, and the Group received a £1.6m refund relating to the scheme surplus. See Note 29.
2. Acquisition of businesses is net of cash acquired of £12.4m (2025: £9.7m). See Note 27.

	Notes	2026 £m	2025 £m
Financing activities			
Purchase of own shares	26	**(29.1)**	(14.6)
Shares bought back	25, 26	**(62.9)**	(104.7)
Capital element of lease rentals	23	**(67.5)**	(56.1)
Proceeds from new private placement notes	21	**180.0**	60.0
Repayment of private placement notes	21	**–**	(30.0)
Proceeds from bridge loan facility	21	**240.0**	–
Repayment of bridge loan facility and other bank loans	21	**(249.0)**	(0.4)
Payment of arrangement fees		**(1.1)**	(0.6)
Proceeds received on settlement of share-based payment transactions	26	**4.3**	4.7
Equity dividends paid	9	**(54.7)**	(54.5)
Dividends paid to non-controlling interest	34	**(7.2)**	(10.1)
Net cash used in financing activities		**(47.2)**	(206.3)
Net decrease in cash and cash equivalents		**(71.8)**	(64.2)
Net cash and cash equivalents at beginning of the year		**180.4**	244.9
Effect of foreign exchange rate changes		**0.3**	(0.3)
Net cash and cash equivalents at end of the year	20	**108.9**	180.4

1. Basis of preparation and material accounting policies

(a) Basis of preparation

Mitie Group plc (the Company) is a company incorporated in the United Kingdom and registered in Scotland. It was incorporated on 16 July 1936 under the Companies Act 1929. The Company's registered office is at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU. The Group comprises the Company and all of its subsidiaries. The Group's consolidated financial statements are presented in pounds sterling, which is the Company's functional and presentational currency. All amounts have been rounded to the nearest one hundred thousand pounds, unless otherwise indicated.

The Group's consolidated financial statements for the year ended 31 March 2026 have been prepared in accordance with UK-adopted International Accounting Standards.

The Group's consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are required to be measured at fair value.

Going concern

The consolidated financial statements for the year ended 31 March 2026 have been prepared on a going concern basis. In adopting the going concern basis, the Directors have considered the Group's business activities as set out on pages 6 to 83 of the Annual Report and Accounts 2026, the principal risks and uncertainties as set out on pages 84 to 95 and the Viability statement on page 98 of the same.

The Directors have carried out an assessment of the Group's ability to continue as a going concern for the period of at least 12 months from the date of approval of the consolidated financial statements (the Going Concern Assessment Period). This assessment was based on the latest medium-term cash forecasts from the Group's cash flow model (the Base Case Forecasts), which is based on the Board-approved budget. These Base Case Forecasts indicate that the debt facilities currently in place are adequate to support the Group over the Going Concern Assessment Period.

The Group's principal debt financing arrangements as at 31 March 2026 were a £250m revolving credit facility maturing in October 2028, which was undrawn as at 31 March 2026, and £360m of US Private Placement (USPP) notes. These financing arrangements are subject to certain financial covenants which are tested every six months on a rolling 12-month basis, as set out in the Finance review on page 51.

Of the Group's USPP notes, £120m were issued in December 2022, allocated equally across 8, 10 and 12 year maturities, with an average coupon of 2.94%. In October 2024, the Group entered into a three year uncommitted shelf facility with initial capacity of approximately £320m, which was increased to approximately £360m in March 2026. As at 31 March 2026, undrawn capacity under the facility was approximately £120m, available for drawdown until October 2027.

In December 2024, the Group issued £60m of new USPP notes under the shelf facility, replacing an existing £30m note that matured in the same month. These notes have a seven year maturity and carry a coupon rate of 5.71%.

To facilitate the acquisition of Marlowe, the Group secured a £240m bridge facility during the year ended 31 March 2026. The facility was scheduled to mature in June 2026, with an option to extend to June 2027. In October 2025, £60m of the facility was repaid, with the remaining £180m refinanced through a drawdown under the Group's US Private Placement shelf facility on 12 November 2025. The new USPP notes have maturities ranging from three to seven years and carry a weighted average fixed interest rate of 5.44%.

Mitie currently operates within the terms of its agreements with its lenders, with consolidated net debt (i.e. net debt adjusted for covenant purposes, primarily by the exclusion of lease liabilities) of £256.8m as at 31 March 2026. The Base Case Forecasts indicate that the Group will continue to operate within these terms and that the headroom provided by the Group's debt facilities currently in place is adequate to support the Group over the Going Concern Assessment Period.

The Directors have also completed a reverse stress test using the Group cash flow model to assess the point at which the financial covenants, or facility headroom, would be breached. The sensitivities considered have been chosen after considering the Group's principal risks and uncertainties.

The primary financial risks related to adverse changes in the economic environment and/or a deterioration in commercial or operational conditions are listed below. These risks have been considered in the context of any further UK fiscal and monetary policy changes, the current economic climate including high inflation, as well as wider geopolitical uncertainties such as the Russian invasion of Ukraine and conflict in the Middle East:

- A downturn in revenues: This reflects the risks of not being able to deliver services to existing customers, or contracts being terminated or not renewed
- A deterioration of gross margin: This reflects the risks of contracts being renegotiated at lower margins, or planned cost savings not being delivered
- An increase in costs: This reflects the risks of a shortfall in planned overhead cost savings, including margin enhancement initiatives not being delivered, or other cost increases such as sustained higher cost inflation
- A downturn in cash generation: This reflects the risks of customers delaying payments due to liquidity constraints, the removal of ancillary debt facilities or any substantial one-off settlements related to commercial issues

As a result of completing this assessment, the Directors concluded that the likelihood of the reverse stress scenarios arising was remote. In reaching the conclusion of remote, the Directors considered the following:

- All stress test scenarios would require a very severe deterioration compared to the Base Case Forecasts. Revenue is considered to be the key risk, as this is less within the control of management. Revenue would need to decline by approximately 28% in the year ending 31 March 2027 compared to the Base Case Forecasts, which is considered to be very severe given the high proportion of the Group's revenue that is fixed in nature and the fact that, even in the Covid-hit year ended 31 March 2021, Mitie's revenue excluding Interserve declined by only 1.6%
- In the event that results started to trend significantly below those included in the Base Case Forecasts, additional mitigation actions have been identified that would be implemented. These include the short-term scaling down of capital expenditure, overhead efficiency/reduction measures including cancellation of discretionary bonuses and reduced discretionary spend, asset disposals and reductions in cash distributions and share buybacks

Based on these assessments, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of no less than 12 months from the date of approval of these consolidated financial statements. In addition, the Directors have concluded that the likelihood of the reverse stress scenarios arising is remote and therefore no material uncertainty exists.

1. Basis of preparation and material accounting policies continued

Accounting standards that are newly effective in the current year

The following amendment became effective during the year ended 31 March 2026 and has not had a material impact on the Group:

- Amendments to International Accounting Standard (IAS) 21 – The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

Accounting standards that are not yet mandatory and have not been applied by the Group

At the date of authorisation of these consolidated financial statements, the Group has not applied the following revised standards that have been issued but are not yet effective, none of which are expected to have a material effect on the Group other than presentational changes required under IFRS 18 Presentation and Disclosure in Financial Statements, the impact of which is still being assessed:

- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures
- IFRS 20 – Regulatory Assets and Regulatory Liabilities

(b) Material accounting policies

The material accounting policies adopted in the preparation of the Group's IFRS financial information are set out below.

Basis of consolidation

The Group's consolidated financial statements comprise the financial statements of Mitie Group plc and all of its subsidiaries. The Company's separate financial statements are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS) 100 issued by the Financial Reporting Council (FRC). Accordingly, for the year ended 31 March 2026, the Company reported under FRS 101 as issued by the FRC.

In preparing these Group consolidated financial statements, the Group's accounting policies and methods of computation were, with the exception of the changes to accounting standards referred to above, the same as those that applied in the preparation of the Group's consolidated financial statements for the year ended 31 March 2025, which were prepared in accordance with UK-adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The results, assets and liabilities of joint ventures and associates are accounted for under the equity method of accounting.

Joint ventures and associates

Joint ventures are those entities over whose activities the Group has joint control, whereby the Group has rights to the net assets of the entity, rather than rights to its individual assets and obligations for its individual liabilities.

Associates are those entities over whose financial and operating policies the Group has significant influence, but not control or joint control.

The results, assets and liabilities of joint ventures and associates are incorporated in the Group's consolidated financial statements using the equity method of accounting, except when classified as held for sale.

Under the equity method of accounting, an investment in a joint venture or associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture or associate and dividends received. Any excess of the cost of acquisition over the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture or associate at the date of acquisition is recognised as goodwill. Where the Group entity transacts with a joint venture or associate, profits and losses are eliminated to the extent of the Group's interest in the joint venture or associate.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control have the right to the assets, and obligations for the liabilities, relating to the arrangement, or other facts and circumstances indicate that is the case. The Group's share of the results, assets and liabilities of contracts carried out in joint operations with another party are included under each relevant financial statement line item in the consolidated income statement and consolidated statement of financial position.

Statutory and non-statutory measures of performance

The consolidated financial statements contain all the information and disclosures required by the relevant accounting standards and regulatory obligations that apply to the Group.

In the consolidated financial statements, the Group has elected to provide some further disclosures and performance measures, reported as 'before Other items', in order to present its financial results in a way that helps to demonstrate the performance of its operations.

Other items are items of financial performance which management believes should be separately identified on the face of the consolidated income statement to assist in understanding the underlying financial performance achieved by the Group. The Group separately reports acquisition and disposal costs within 'Other items'. These include the amortisation of acquisition-related intangible assets, integration costs, employment-linked earnout charges, and gains or losses on business disposals. Other items also include cost of restructuring programmes, impairments of goodwill and acquired intangible assets, charges arising on the exit of pension schemes and other exceptional items, together with the associated tax effects. Should these items be reversed, disclosure of this would also be included as Other items. The associated post-acquisition trading results generated by acquired businesses and the benefits from restructuring programmes are not included as Other items.

1. Basis of preparation and material accounting policies continued

Separate presentation of these items is intended to enhance understanding of the financial performance of the Group in the year and the extent to which results are influenced by material unusual and/or non-recurring items. Further detail of Other items is set out in Note 4.

In addition, following the guidelines on Alternative Performance Measures (APMs) issued by the European Securities and Markets Authority (ESMA), the Group has included an APM appendix to the consolidated financial statements on pages 223 to 225.

Revenue recognition

The Group operates contracts with a varying degree of complexity across its service lines, so a range of methods are used for the recognition of revenue based on the principles set out in IFRS 15. Revenue represents income recognised in respect of services provided during the year based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

IFRS 15 provides a single, principle-based five-step model to be applied to all sales contracts as outlined below. It is based on the transfer of control of goods and services to customers and replaces the separate models for goods, services and construction contracts.

Step 1 – Identify the contract(s) with a customer

For all contracts with customers, the Group determines if the arrangement creates enforceable rights and obligations. This assessment results in certain Framework arrangements or Master Service Agreements (MSAs) not meeting the definition of contracts under IFRS 15 unless they specify the minimum quantities to be ordered. Usually the work order and any change orders together with the Framework or MSA will constitute the IFRS 15 contract.

Duration of contract

The Group frequently enters into contracts with customers which contain extension periods at the end of the initial term, automatic annual renewals, and/or termination for convenience and break clauses that could impact the duration of the contract. Judgement is applied to assess the impact that such clauses have in determining the relevant contract term. The term of the contract affects the period over which amortisation of contract assets and revenue from performance obligations is recognised. In forming this judgement, management considers certain influencing factors, including the amount of discount provided, the presence of significant termination penalties in the contract, and the relationship, experience and performance of contract delivery with the customer and/or the wider industry, in understanding the likelihood of extension or termination of the contract.

Contract modifications

Where the Group's contracts are amended for changes to customer requirements, such as change orders and variations, a contract modification takes place when the amendment creates new enforceable rights and obligations or changes the existing price or scope (or both) of the contract, and the modification has been approved. Contract modifications can be approved in writing, by oral agreement, or implied by customary business practices.

If the parties to the contract have not approved a contract modification, revenue is recognised in accordance with the existing contractual terms. If a change in scope has been approved but the corresponding change in price is still being negotiated, change to the total transaction price is estimated.

Contract modifications, including contract renewals, are accounted for as a separate contract if the contract scope changes due to the addition of distinct goods or services and the change in contract price reflects the stand-alone selling price of the distinct goods or services. If the price of additional distinct goods or services is not commensurate with the stand-alone selling prices for those goods or services, then this is considered a termination of the original contract and the creation of a new contract which is accounted for prospectively from the date of modification. Where new goods or services are not distinct from those in the original contract, then these are considered to form part of the original contract, with any update to pricing recognised as a cumulative catch up to revenue. The facts and circumstances of any modification are considered in isolation, as these are specific to each contract and may result in different accounting outcomes.

Step 2 – Identify the performance obligations in the contract

Performance obligations are the contractual promises by the Group to transfer distinct goods or services to a customer. For arrangements with multiple components to be delivered to customers, such as in the Group's integrated facilities management contracts, judgement is applied to consider whether those promised goods or services are:

i. Distinct and accounted for as separate performance obligations
ii. Combined with other promised goods or services until a bundle is identified that is distinct
iii. Part of a series of distinct goods or services that are substantially the same and have the same pattern of transfer over time, i.e. where the customer is deemed to have simultaneously received and consumed the benefits of the goods or services over the life of the contract, the Group treats the series as a single performance obligation

Where the customer reimburses the Group for contract mobilisation activities, this is typically not considered to be a distinct performance obligation. Amounts received from the customer in relation to mobilisation activities for the contract are deferred and allocated to the remaining distinct performance obligations.

Step 3 – Determine the transaction price

At contract inception, the total transaction price is determined, being the amount to which management expects the Group to be entitled and has rights under the contract. This includes the fixed price stated in the contract and an assessment of any variable consideration. Variability in revenue can arise from a number of factors, including discounts, rebates or service penalties. Variable consideration is typically estimated based on the expected value method and is only recognised to the extent it is highly probable that a subsequent change in its estimate would not result in a significant revenue reversal.

Certain contracts across the Group incorporate indexation-related adjustments to consideration, whereby pricing is adjusted based on an external metric (such as Consumer Prices Index or Retail Prices Index). Variable consideration related to indexation adjustments is only recognised once these are confirmed.

1. Basis of preparation and material accounting policies continued

Step 4 – Allocate the transaction price to the performance obligations in the contract
The Group allocates the total transaction price to the identified performance obligations based on their relative stand-alone selling prices. This is predominantly based on an observable price or a cost-plus margin arrangement. It is necessary to estimate the stand-alone selling price when the Group does not sell equivalent goods or services in similar circumstances on a stand-alone basis. When estimating the stand-alone selling price, the Group maximises the use of external inputs by observing the stand-alone selling prices for similar goods and services using an industry recognised price list or cost indices in applying a cost-plus reasonable margin approach.

Step 5 – Recognise revenue when or as the entity satisfies its performance obligations
For each performance obligation, management determines if revenue will be recognised over time or at a point in time. For each performance obligation to be recognised over time, the Group applies the relevant output or input revenue recognition method for measuring progress that best depicts the Group's performance in transferring control of the goods or services to the customer. The Group applies the relevant method consistently to similar performance obligations.

Certain long-term contracts use output methods based upon surveys of performance completed, appraisals of results achieved, or milestones reached which allow the Group to recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services under the contract. For certain long-term service contracts where the series guidance is applied, the Group often uses a method of time elapsed which requires minimal estimation.

Under the input method, measured progress and revenue are recognised in direct proportion to costs incurred where the transfer of control is most closely aligned to the Group's efforts in delivering the service.

Where deemed appropriate, the Group will utilise the practical expedient within IFRS 15, allowing revenue to be recognised at the amount which the Group has the right to invoice, where that amount corresponds directly with the value to the customer of the Group's performance obligations completed to date.

If performance obligations do not meet the criteria to recognise revenue over time, revenue is recognised at the point in time when control of the goods or services passes to the customer. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria. Sales of goods are recognised when goods are delivered and control has passed to the customer.

Long-term facilities management contracts
The Group has a number of long-term contracts which are predominantly integrated facilities management arrangements. Typically, these contracts involve the provision of multiple service lines, with a single management team providing an integrated service. Such contracts tend to be transformational in nature where the business works with the customer to identify and implement cost-saving initiatives across the life of the contract.

Management considers that the majority of services provided within integrated facilities management contracts meet the definition of a series of distinct goods or services that are substantially the same and have the same pattern of transfer over time. The series constitutes services provided in distinct time increments (e.g. monthly or quarterly) and therefore the Group treats the series of such services as one performance obligation.

The Group has a number of long-term Private Finance Initiative lifecycle contracts to maintain properties over periods of up to 30 years. A fund is established at the start of the contract and amounts are drawn down by the Group as maintenance work is performed. For certain contracts, the Group is also entitled to share in any surplus left in the fund. Revenue is recognised over time to reflect the rendering of the service, including an assessment of the appropriate proportion of the likely surplus in the fund, subject to being highly probable not to reverse. The amount of surplus available is dependent on the rate of wear and tear of the assets, which is substantially outside the control of the entity and the customer. As such, the Group does not deem there to be a significant financing component.

Project works
The Group also delivers project works that include performance obligations under which revenue is recognised over time as value from the service is transferred to the customer due to an enforceable right to payment for performance to date where the Group creates or enhances an asset that the customer controls and/or creates an asset with no alternative use. The Group measures progress using either an output method, where the value of work transferring over time is based on observable outputs such as monthly external surveys of works or an input method where, in most cases, the most appropriate input is the proportion of costs incurred to date compared to total forecast costs and applied to the total consideration. A consistent methodology is applied for projects of a similar nature. During a project, there may be variations to amend or extend the original project as well as claims for additional consideration. Variations are accounted for as contract modifications (see Step 1).

Repeat service-based contracts (single and bundled contracts)
The Group operates a number of single or joint service-line arrangements where repeat services meet the definition of a series of distinct services that are substantially the same (e.g. the provision of cleaning, security, waste and landscaping services). They have the same pattern of transfer of value to the customer, as the series constitutes core services provided in distinct time increments (e.g. monthly or quarterly). The Group therefore treats the series of such services as one performance obligation.

Short-term service-based arrangements
The Group delivers a range of other short-term service-based performance obligations and professional services work across certain reporting segments for which revenue is recognised at the point in time when control of the service has transferred to the customer. This may be at the point when the customer obtains control of the service in a contract with customer-specified acceptance criteria, e.g. the delivery of a strategic operating model or report.

1. Basis of preparation and material accounting policies continued

Contract costs

The Group incurs pre-contract expenses (e.g. legal costs) when it is expected to enter into a new contract. The incremental costs to obtain a contract with a customer are recognised within contract assets if it is expected that those costs will be recoverable. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense in the year.

Contract fulfilment costs

Costs incurred to ensure that the project or programme has appropriate organisational, operational and technical infrastructures, and mechanisms in place to enable the delivery of full services under the contract target operating model, are defined as contract fulfilment costs. Only costs which meet all three of the criteria below are included within contract assets on the consolidated statement of financial position:

i. The costs directly relate to the contract (e.g. direct labour, materials, subcontractors)
ii. The Group is building an asset that will subsequently be used to deliver contract outcomes
iii. The costs are expected to be recoverable, i.e. the contract is expected to be profitable after amortising the capitalised costs

Contract fulfilment costs covered within the scope of another accounting standard, such as inventories, intangible assets, or property, plant and equipment, are not capitalised as contract fulfilment assets but are treated in accordance with the relevant standard.

Amortisation and impairment of contract assets

The Group amortises contract assets (pre-contract costs and contract fulfilment costs) on a systematic basis that is consistent with the entity's transfer of the related goods or services to the customer. The expense is recognised in the consolidated income statement.

A capitalised pre-contract cost or contract fulfilment cost is derecognised either when it is disposed of or when no further economic benefits are expected to flow from its use.

Management is required to determine the recoverability of contract-related assets at each reporting date. An impairment exists if the carrying amount of any asset exceeds the amount of consideration the entity expects to receive in exchange for providing the associated goods and services, less the remaining costs that relate directly to providing those goods and services under the relevant contract. In determining the estimated amount of consideration, management uses the same principles as it does to determine the contract transaction price. An impairment is recognised immediately where such losses are forecast.

Accrued income and deferred income

The Group's customer contracts include a diverse range of payment schedules that are often agreed at the inception of long-term contracts under which it receives payments throughout the term of the arrangement. Payments for goods and services transferred at a point in time may be at the delivery date, in arrears or part payment in advance.

Where revenue recognised at the year-end date is more than amounts invoiced, the Group recognises accrued income for the difference. Where revenue recognised at the year-end date is less than amounts invoiced, the Group recognises deferred income for the difference.

Where price step-downs are required in a contract and output is not decreasing, revenue is deferred from initial periods to subsequent periods in order for revenue to be recognised on a consistent basis.

Providing the option for a customer to obtain extension periods or other services at a significant discount may lead to a separate performance obligation where a material right exists. Where this is the case, the Group allocates part of the transaction price from the original contract to deferred income which is then amortised over the discounted extension period or recognised immediately when the extension right expires.

Finance costs

Finance costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Finance costs are recognised in the consolidated income statement in the year in which they are incurred, with the finance charges relating to the direct cost of debt issue spread over the period to redemption using the effective interest method. The Group has elected to classify cash flows from interest paid as operating activities and interest received as investing activities. Interest paid includes the interest portion of the lease liabilities.

1. Basis of preparation and material accounting policies continued

Taxation

The tax expense represents the sum of the current tax and deferred tax expense.

The current tax expense is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based upon tax rates and legislation that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition costs incurred are expensed. The identifiable assets, liabilities and contingent liabilities of the acquiree that meet the conditions for recognition are recognised at their fair value at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

The Group recognises any non-controlling interest in an acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Where a business combination is achieved in stages, the Group's previously held interest in the acquired entity is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in the consolidated income statement.

The fair value of customer contracts or customer relationships recognised as a result of a business combination is determined using forecast customer cash flows from the contracts or relationships and expected renewal rates, and applying an appropriate discount rate specific to the asset. In determining the cash flows, management uses judgement to estimate revenue growth, profit margins, contract renewal probability and the average contract duration remaining, as well as the discount rate. Amortisation is charged on a straight-line basis through Other items over its useful economic life, up to a maximum of 15 years.

Where applicable, the consideration for an acquisition includes any assets or liabilities resulting from a contingent consideration arrangement, measured at fair value at the acquisition date. Subsequent changes in such fair values are adjusted against the cost of acquisition where they result from additional information, obtained within one year from the acquisition date, about facts and circumstances that existed at the acquisition date. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are recognised in the consolidated income statement, in accordance with IFRS 9.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary, i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, of an investment in an associate or a joint venture.

The Group measures the lease liability for acquired leases at the present value of the remaining lease payments discounted using an appropriate discount rate. As required by IFRS 3 – Business Combinations, the Group treats acquired leases as new leases, thereby recording the right-of-use asset as equal to the lease liability.

1. Basis of preparation and material accounting policies continued

Acquisition-related liabilities or employment-linked earnouts are the estimated amounts payable to previous owners. The estimated future payments that are accrued over the period the sellers are required to remain with the business are accounted for as remuneration for post-acquisition services and recognised within the consolidated income statement and classified as Other items. The amounts not linked to employment are considered to be contingent consideration and estimated and recognised at acquisition at their discounted fair value, with the unwind of the discount recorded as part of finance costs.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses. It is reviewed for impairment at least annually. Any impairment is recognised immediately in the consolidated income statement for the year and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) and is monitored for internal management purposes by operating segment. The allocation is to the CGUs expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first, to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

When a business reorganisation results in changes to the composition of CGUs, goodwill is reallocated to updated CGUs. The goodwill allocated to a prior CGU is wholly reallocated to an updated CGU, where the goodwill wholly arose on the acquisition of businesses comprised within the updated CGU. Where this is not possible, a relative value approach is taken to allocate goodwill to updated CGUs.

Other intangible assets

Other intangible assets identified in a business acquisition are capitalised at fair value as at the date of acquisition.

Customer contracts and relationships are amortised over their useful lives based on the period of time over which they are anticipated to generate benefits. Other acquisition-related intangibles include brands and acquired software and technology, which are amortised over their useful lives.

Software and development expenditure is capitalised as an intangible asset if the asset created can be identified, if it is probable that the asset created will generate future economic benefits and if the development cost of the asset can be measured reliably. Software and development expenditure includes internally generated intangible assets and is amortised over its useful life once it has been brought into use.

Upfront configuration and customisation costs incurred in implementing Software as a Service (SaaS) arrangements are recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems and meets the definition of, and recognition criteria for, an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

Following initial recognition, the carrying amount of an intangible asset is its cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are reviewed for impairment annually, or more frequently when there is an indication that they may be impaired. Amortisation expense is charged to administrative expenses in the consolidated income statement on a straight-line basis over the useful life of the asset as follows:

Customer contracts and relationships	5–15 years
Brands, software and development expenditure	3–10 years

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is charged so as to write off the cost less expected residual value of the assets over their estimated useful lives and is calculated on a straight-line basis as follows:

Buildings	50 years or lease term if shorter
Plant and vehicles	3–10 years

The Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, management estimates the recoverable amount of the CGU to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised as income immediately.

1. Basis of preparation and material accounting policies continued

Financial instruments – classification and measurement

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group derecognises financial assets and liabilities only when the contractual rights and obligations are transferred, discharged or expire.

Financial assets principally comprise cash and cash equivalents, trade receivables, accrued income and other receivables. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and bank overdrafts are only offset where the overdraft is part of the Group's cash pooling arrangements and the Group has both the legal right to offset and intends to settle on a net basis at the period end through cash sweeping arrangements.

Cash where access is constrained is classified as restricted cash. Bank transactions are recorded on their settlement date. All of the Group's cash flows from customers are solely payments of principal and interest, and do not contain a significant financing component. Financial assets generated from all of the Group's revenue streams are therefore initially measured at their transaction price and are subsequently remeasured at amortised cost.

Financial liabilities principally comprise trade and other payables, accruals, financing liabilities and contingent consideration payable. These are measured at initial recognition at fair value and subsequently at amortised cost, with the exception of contingent consideration payable which is measured at fair value through profit or loss. Financing liabilities are stated at the amount of the net proceeds after deduction of transaction costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the consolidated income statement.

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial instruments – impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECLs) on all receivable balances from customers measured at amortised cost using the simplified approach. Under this approach, the Group recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated on the basis of historical credit loss experience, adjusted for forward-looking factors that incorporate macroeconomic conditions, for example changes in interest rates and inflation, and applied to customers with common risk characteristics, such as sector type (e.g. government or non-government).

For other receivables, ECLs are measured using those expected to arise in the 12 months subsequent to the statement of financial position date.

For cash and cash equivalents, the Group does not currently anticipate any future credit losses given the high-quality credit rating of the financial institutions with which balances are held.

Leases

The Group has various lease arrangements for properties (e.g. office buildings and storage facilities), vehicles and other equipment, including IT equipment and machinery. At inception of a lease contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a certain period of time, and whether it obtains substantially all the economic benefits from the use of that asset, in exchange for consideration. The Group recognises a lease liability and a corresponding right-of-use asset with respect to all lease arrangements in which it is a lessee, except low-value leases and short-term leases of 12 months or less, costs for which are recognised as an operating expense within the consolidated income statement as they are incurred.

A right-of-use asset is capitalised on the consolidated statement of financial position and presented within property, plant and equipment at cost, which comprises the present value of future lease payments determined at the inception of the lease adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred in addition to an estimate of costs to remove or restore the underlying asset. Where a lease incentive is receivable, the amount is offset against the right-of-use asset at inception. Right-of-use assets are depreciated using the straight-line method over the shorter of the estimated life of the asset or the lease term and are reviewed for impairment to account for any loss when events or changes in circumstances indicate the carrying value may not be fully recoverable.

The lease liability is initially measured at amortised cost using the effective interest rate method to calculate the present value of future lease payments and is subsequently increased by the associated interest cost and decreased by lease payments made. The effective interest rate is based on the rate implicit in the lease or, where not available, the incremental borrowing rate. Lease payments made are apportioned between a capital repayment amount and an interest charge, which are disclosed within the financing and operating activities sections of the consolidated statement of cash flows respectively. Lease payments comprise fixed lease rental payments only, with the exception of property leases for which the associated fixed service charge is also included. The majority of the Group's lease contracts include inflationary-linked rent review clauses. Future increases or decreases in rentals linked to an index or rate are not included in the lease liability until the change in cash flows takes effect. Lease liabilities are classified between current and non-current and presented within financing liabilities on the consolidated statement of financial position.

The lease term comprises the non-cancellable period in addition to the determination of the enforceable period which is covered by an option to extend the lease, where it is reasonably certain that the option will be exercised, and the period covered by the option to terminate the lease to a point in time where no more than an 'insignificant penalty' is incurred. The Group assesses an insignificant penalty with reference to the wider economics of the lease, including any investment in non-transferable leasehold improvements which may result in an impairment charge should the lease be terminated.

A modification to a lease which changes the lease payment amount (e.g. due to a renegotiation or market rent review) or amends the term of the lease, results in a reassessment of the lease liability with a corresponding adjustment to the right-of-use asset.

1. Basis of preparation and material accounting policies continued

Provisions and contingent liabilities

Provisions have been made for contract-specific costs, onerous contracts, insurance exposures, legal claims, property-related commitments including dilapidations and restructuring-related costs.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where management expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contract-specific cost provisions are made when the Group expects to incur future remedial and rectification costs required to meet customers' contractual terms. Costs are estimated using either the work of external consultants or internal experts. The amount recognised as a provision represents management's best estimate and is inherently uncertain and could change materially over time. The provision is reviewed at least on a biannual basis for changes in cost estimates. Any change in cost estimate is recognised as a charge or a release to the provision when it occurs.

The insurance reserve relates to employers' and motor and fleet liabilities retained in the Group's self-insurance arrangement. The insurance reserve includes the full estimated value of the liability, gross of amounts expected to be recovered from the Group's insurer. Any related insurance reimbursement asset that is virtually certain to be received is separately presented gross within trade and other receivables on the consolidated statement of financial position.

No provisions are recognised and only a disclosure in the consolidated financial statements is made for contingent liabilities. Contingent liabilities are possible obligations dependent on whether some uncertain future event occurs, or where a present obligation exists but an outflow of resources is not probable, or the amount of the obligation cannot be measured reliably.

Onerous contracts

Onerous contract provisions arise when the unavoidable costs of meeting contractual obligations exceed the remuneration expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is lower of the cost of fulfilling a contract and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises both incremental costs and an allocation of other direct costs related to contract activities.

Where a customer has an option to extend a contract and it is likely that such an extension will be made, the expected net cost arising during the extension period is included within the calculation. However, where a profit can be reasonably expected in the extension period, no credit is taken on the basis that such profits are uncertain given the potential for the customer to either not extend or offer an extension under lower pricing terms.

Share-based payments

The Group operates a number of executive and employee share option schemes. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. For grants of share options and awards, the fair value as at the date of grant is calculated using the Black-Scholes model or the share price at grant date, and the corresponding expense is recognised on a straight-line basis over the vesting period based on management's estimate of shares that will eventually vest, taking into account the non-market performance and service conditions associated with the schemes. At each statement of financial position date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. Save As You Earn (SAYE) options are treated as cancelled when employees cease to contribute to the scheme, resulting in an acceleration of the remainder of the related expense.

The own shares reserve in equity includes the shares owned by the Employee Benefit Trust (EBT) and treasury shares. The EBT is treated as an extension of the Group and the Company, where shares are purchased and held in the EBT, the cost of the shares is deducted from the Company's equity until the shares are cancelled or issued. When shares are transferred to employees upon exercise of options and awards, the own shares reserve is reduced by the relevant cost or value.

Retirement benefit costs

The Group operates a number of defined contribution retirement benefit schemes for all qualifying employees. Payments to the defined contribution and stakeholder pension schemes are charged as an expense as the related service is provided.

In addition, the Group operates and participates in a number of defined benefit schemes. In respect of the schemes in which the Group makes contributions under Admitted Body status to clients' defined benefit schemes in respect of certain employees who transferred to the Group under Transfer of Undertakings (Protection of Employment) Regulations 2006, the Group accounts for its legal and constructive obligations over the period of its participation which is for a fixed period only.

For the defined benefit pension schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each statement of financial position date by qualified third-party actuaries. Actuarial gains and losses on obligations, the return on scheme assets (excluding interest) and the effect of the asset ceiling (if applicable, excluding interest) are recognised in the consolidated statement of comprehensive income in the year in which they occur.

Defined benefit pension costs (including curtailments) are recognised in the consolidated income statement, in administrative expenses, while the net interest cost is recognised in finance costs.

The Group's liability in respect of defined benefit schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount using the market yield on a high-quality corporate bond and deducting the fair value of any scheme assets. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the scheme, where the Group has the unconditional right to the surplus or reductions in future contributions to the scheme. Assets recognised are adjusted for tax, where relevant.

1. Basis of preparation and material accounting policies continued

Insurance buy-in policies included within plan assets are measured at fair value. The timing and amount of payments exactly match a portion of benefits in the scheme and therefore the present value of the related obligations (determined using the project unit credit method as set out above) is deemed to be the fair value of the insurance policies. Defined benefit pension scheme buyouts are accounted for as settlements under IAS 19 where the Group is relieved of its obligations. On settlement, the related defined benefit obligation and plan assets are derecognised.

For schemes where sufficient information is not available to use defined benefit accounting, no liability is recognised on the consolidated statement of financial position.

2. Critical accounting judgements and sources of estimation uncertainty

The preparation of consolidated financial statements under IFRS requires management to make judgements, estimates and assumptions that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual results may differ from these judgements, estimates and assumptions.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, made by management in the process of applying the Group's accounting policies, that have the most significant effect on the amounts recognised in the Group's consolidated financial statements.

Profit before Other items

Other items are items of financial performance which management believes should be separately identified on the face of the consolidated income statement to assist in understanding the underlying financial performance achieved by the Group. Determining whether an item should be classified within Other items requires judgement as to whether an item is or is not part of the underlying performance of the Group. See Note 1, which details the Group's accounting policy for Other items.

Other items after tax of £88.1m were charged (2025: £57.9m) to the consolidated income statement for the year ended 31 March 2026. A complete analysis of the amounts included in Other items is detailed in Note 4.

Significant sources of estimation uncertainty

The significant accounting estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Measurement of defined benefit pension obligations

At 31 March 2026, net retirement benefit assets of £18.2m (2025: £16.3m) and net retirement benefit liabilities of £2.8m (2025: £2.4m) were recognised. The measurement of gross defined benefit obligations of £214.1m (2025: £252.2m) requires judgement, and is dependent on material key assumptions, including discount rates, inflation and life expectancy. See Note 29 for further details and a sensitivity analysis for the key assumptions.

Other sources of estimation uncertainty

The below estimates are not considered to be a significant source of estimation uncertainty as per the requirements of IAS 1 – Presentation of Financial Statements (IAS 1) but represent areas of focus for management.

Revenue recognition

The Group's revenue recognition policies, which are set out under Revenue recognition in Note 1, are central to how the Group measures the work it has performed in each financial year.

Some of the Group's contracts, including Private Finance Initiative contracts, contain variable consideration where management assesses the extent to which revenue is recognised. For certain contracts, judgements were made on whether it is considered highly probable that a significant reversal of revenue will not occur when the associated uncertainty with the variable consideration is subsequently resolved and there is estimation uncertainty involved in determining the applicable revenue constraint.

Business combinations – purchase price allocation

When the Group completes a business combination, the identifiable assets and liabilities acquired are recognised at their acquisition date fair values in accordance with IFRS 3 Business Combinations. The determination of these fair values involves selection and application of appropriate valuation techniques and assumptions, which results in estimation uncertainty.

During the year ended 31 March 2026, the Group completed the acquisition of Marlowe plc, representing a transaction that was material to the Group. Total consideration of £351.5m resulted in provisional goodwill of £223.8m, after recognising provisional fair values of identifiable net assets acquired of £127.7m (see Note 27). The most significant fair value adjustments related to the recognition and measurement of intangible assets for customer relationships and contracts, with a provisional fair value of £143.0m recognised together with a corresponding provisional deferred tax liability of £35.8m.

The fair value of customer relationships and contracts was determined using the multi-period excess earnings method, applying an appropriate discount rate to forecast post-tax cash flows. In applying this valuation technique, management was required to exercise judgement in estimating the inputs for the model including customer attrition rates, revenue growth, earnings before interest, tax, depreciation and amortisation (EBITDA) margins (including the expected impact of market participant synergies) and the discount rate.

Of the inputs in the model, significant estimation uncertainty was noted on customer attrition rates used in determining the valuation of customer contracts and relationships. A reasonably possible increase of two percentage points in the assumed attrition rate would result in a decrease in the provisional fair value of these intangible assets of approximately £19.3m, with a corresponding increase in goodwill of £14.5m (net of deferred tax). A reasonably possible decrease of two percentage points would increase the fair value of customer contracts and relationships by approximately £24.0m, with a corresponding reduction in goodwill of £18.0m (net of deferred tax). The sensitivity could lead to material movements in the valuation of customer relationships and contracts; however, this is considered a longer-term uncertainty and is not expected to result in a material change within the 12 months following 31 March 2026.

2. Critical accounting judgements and sources of estimation uncertainty continued

Contract-specific cost provisions

The Group is, from time to time, party to legal proceedings and claims. Judgements are required in order to assess whether these legal proceedings and claims are probable, and the liability can be reasonably estimated, resulting in a provision or, alternatively, whether the items meet the definition of contingent liabilities.

Provisions are liabilities of uncertain timing or amount and, therefore, in making a reliable estimate of the quantum and timing of liabilities, judgement is applied and re-evaluated at each reporting date. Estimation is required in determining the probable outflow in respect to contract-specific costs, for which the Group recognised provisions at 31 March 2026 of £26.5m (2025: £33.0m), see Note 18.

Within this total, £10.8m (2025: £10.8m) relates to a certain contract where a liability has been estimated in relation to a commercial dispute. Management sought external assistance at the time of the acquisition of Interserve to value the potential risk exposure to the Group and has periodically updated this assessment. The actual exposure to the Group may differ from the amount provided at 31 March 2026 due to the multiple variables associated with the particular issues involved in the dispute. The value of the provision represents management's best estimate at the reporting date. Management will continue to assess the value of the provision recorded in arriving at its best estimate of any potential resolution at each subsequent reporting date.

Onerous contract provisions

The recognition of onerous contract provisions is based on assumptions that are subject to longer-term uncertainties. Onerous contract provisions totalling £12.1m have been recognised at 31 March 2026 (2025: £10.0m), see Note 18.

Onerous contract assessments are performed by the Group at an individual contract level at each reporting date. Determining the carrying value of onerous contract provisions requires assumptions and judgements to be made about the future performance of the Group's contracts. The level of uncertainty in the estimates made, either in determining whether a provision is required, or in the measurement of a provision booked, is linked to the complexity of the underlying contracts.

The sources of judgement when measuring the level of provision to book are:

- The level of accuracy in forecasting future variable revenue and costs to complete the contract
- The ability of the Group to maintain or improve operational performance to ensure cost assumptions are in line with expected levels, including contract-specific key performance indicators (KPIs)
- Identifying cost-saving initiatives that are considered to be probable in terms of timing and scale
- Expectations around the resolution of contract-specific disputes and the likelihood of incurring future costs associated with remediation or reactive work

3. Business segment information

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Chief Operating Decision Maker in deciding how to allocate resources and in assessing performance. The Group has determined the Chief Operating Decision Maker to be its Board of Directors.

The Group manages its business on a service division basis. During the year, the Group reorganised its Communities division, where the Healthcare, Local Government & Education business was transferred into the Technical Services division, and the Immigration & Justice business was transferred into the Business Services division. The Compliance business, which was previously reported within the Technical Services division, has also transferred to the Business Services division. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.

As a result of the reorganisation, Communities is not considered to be an operating segment for the year ended 31 March 2026, and the Group therefore has two reportable segments (2025: three segments). The change in operating segments reflects how the Chief Operating Decision Maker evaluates the divisions and their performance and decides on resource allocation. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.

Revenue, operating profit before Other items and operating profit margin before Other items are the primary measures of performance that are reported to and reviewed by the Board. Segment assets and liabilities have not been disclosed as they are not reviewed by the Board.

No single customer accounted for more than 10% of external revenue in the year ended 31 March 2026 or in the comparative year. The UK Government is not considered to be a single customer.

Consolidated income statement information

	2026			2025 (restated)[1]		
	Revenue £m	Operating profit/(loss) before Other items[2] £m	Operating margin before Other items[2] %	Revenue £m	Operating profit/(loss) before Other items[2] £m	Operating margin before Other items[2] %
Business Services	**2,985.1**	**187.1**	**6.3**	2,538.0	180.4	7.1
Technical Services	**2,633.5**	**135.9**	**5.2**	2,544.6	109.1	4.3
Corporate Centre	**–**	**(58.9)**	**–**	–	(55.4)	–
Total Group	**5,618.6**	**264.1**	**4.7**	5,082.6	234.1	4.6

Notes:
1. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.
2. Other items are as described in Note 4.

3. Business segment information continued

A reconciliation of segment operating profit before Other items to total profit before tax is provided below:

	2026 £m	2025 £m
Operating profit before Other items[1]	264.1	234.1
Other items[1]	(112.7)	(72.5)
Net finance costs	(27.7)	(16.2)
Profit before tax	**123.7**	145.4

Note:
1. Other items are as described in Note 4.

Geographical segments

Revenue, operating profit before Other items and operating margin before Other items from external customers by geographical segment are shown below:

	2026			2025		
	Revenue £m	Operating profit before Other items[1] £m	Operating margin before Other items[1] %	Revenue £m	Operating profit before Other items[1] £m	Operating margin before Other items[1] %
United Kingdom	5,271.4	241.3	4.6	4,826.1	219.3	4.5
Spain	226.7	14.1	6.2	167.2	9.7	5.8
Ireland	62.5	3.3	5.3	60.1	2.8	4.7
Other countries[2]	58.0	5.4	9.3	29.2	2.3	7.9
Total	**5,618.6**	**264.1**	**4.7**	5,082.6	234.1	4.6

Notes:
1. Other items are as described in Note 4.
2. No other individual countries are considered material in the context of the Group's overall revenue to be separately presented.

The carrying amount of non-current assets, excluding financial instruments, retirement benefit assets, and interest in associates, by geographical segment is shown below:

	2026 £m	2025 £m
United Kingdom	1,245.3	879.0
Spain	29.0	24.0
Ireland	10.4	10.2
Other countries	0.7	0.1
Total	**1,285.4**	913.3

Supplementary information

	2026			2025 (restated)[1]		
	Depreciation of property, plant and equipment £m	Amortisation of other intangible assets £m	Amortisation of contract assets £m	Depreciation of property, plant and equipment £m	Amortisation of other intangible assets £m	Amortisation of contract assets £m
Business Services	12.6	1.0	0.9	7.3	0.1	0.4
Technical Services	4.2	0.3	–	4.1	0.3	–
Corporate Centre	69.0	49.9	–	56.5	37.7	–
Total	**85.8**	**51.2**	**0.9**	67.9	38.1	0.4

Note:
1. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.

3. Business segment information continued

Disaggregated revenue

The Group disaggregates revenue from contracts with customers by sector (government and non-government). Management believes that this best depicts how the nature and amount of revenue and cash flows are affected by economic factors. The following table includes a reconciliation of disaggregated revenue with the Group's reportable segments.

	2026			2025 (restated)[1]		
	Sector[2]			Sector[2]		
	Government £m	Non-government £m	Total £m	Government £m	Non-government £m	Total £m
Business Services	1,259.2	1,725.9	2,985.1	1,202.5	1,335.5	2,538.0
Technical Services	1,535.4	1,098.1	2,633.5	1,441.7	1,102.9	2,544.6
Total revenue	**2,794.6**	**2,824.0**	**5,618.6**	2,644.2	2,438.4	5,082.6

Notes:
1. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.
2. Sector is defined by the end customer on any contract. For example, if the Group is a subcontractor to a company repairing a government building, then the contract would be classified as government.

Transaction price allocation to the remaining performance obligations

The table below shows the secured forward order book for each segment at the reporting date with the time bands of when the Group expects to recognise secured revenue on its contracts with customers. Secured revenue corresponds to all work contracted with customers and excludes the impact of anticipated variable works and projects.

	2026			2025 (restated)[1]		
	Less than 1 year £m	More than 1 year £m	Total secured revenue £m	Less than 1 year £m	More than 1 year £m	Total secured revenue £m
Business Services	2,222.7	5,271.6	7,494.3	1,387.3	5,840.1	7,227.4
Technical Services	1,460.7	4,101.3	5,562.0	983.4	3,690.9	4,674.3
Total Group	**3,683.4**	**9,372.9**	**13,056.3**	2,370.7	9,531.0	11,901.7

Note:
1. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.

4. Other items

Other items are items of financial performance which management believes should be separately identified on the face of the consolidated income statement to assist in understanding the underlying financial performance achieved by the Group.

The Group separately reports acquisition and disposal costs within Other items. These include the amortisation of acquisition-related intangible assets, integration costs, employment-linked earnout charges, and gains or losses on business disposals. 'Other items' also include cost of restructuring programmes, impairments of goodwill and acquired intangible assets, charges arising on the exit of pension schemes and other exceptional items, together with the associated tax effects.

	2026 £m	2025 £m
Restructuring costs	(27.2)	(16.6)
Acquisition and disposal costs	(74.9)	(43.1)
Other exceptional items	(10.6)	(12.8)
Total Other items before tax	**(112.7)**	(72.5)
Tax charge on Other items	24.6	14.6
Total Other items after tax	**(88.1)**	(57.9)

Restructuring costs

The Group has been undertaking a major transformation programme involving the restructuring of operations to reposition the business for its next phase of growth. Material transformation programmes are included as Other items where initiatives are not considered to be normal operating costs of the business. The costs are analysed below:

	2026 £m	2025 £m
Target Operating Model[1]	(25.5)	(16.6)
Process Re-imagination & Optimisation[2]	(1.7)	–
Restructuring costs	**(27.2)**	(16.6)
Tax	6.8	4.1
Restructuring costs net of tax	**(20.4)**	(12.5)

Notes:
1. The Target Operating Model (TOM) transformation programme includes the further outsourcing of back-office functions, process optimisation and system consolidation and optimising the organisation structure. Since its launch in the year ended 31 March 2022, cumulative costs of £70.7m have been recognised within the consolidated income statement and classified as Other items, of which £66.9m were cash costs. The programme is expected to complete by 31 March 2027.
2. During the year ended 31 March 2026, the Group launched the Process Re-imagination & Optimisation programme, to redefine ways of working, leveraging technology and AI to support enhanced customer service and further margin expansion. This will be a major 'step change' for the business, requiring significant investment, including estimated programme costs of c.£20–25m in the year ending 31 March 2027.

The costs associated with the Group restructuring programmes include £9.3m (2025: £3.7m) of external consultancy costs, fixed-term staff costs of £6.2m (2025: £5.5m) to manage and implement changes, redundancy costs of £5.3m (2025: £4.7m), impairment of right-of-use assets of £1.3m (2025: £nil), other property exit costs of £2.1m (2025: £nil), dual-run licence costs in relation to decommissioned operating systems of £2.7m (2025: £0.5m) and loss on disposal of software of £0.3m (2025: £2.2m).

Acquisition and disposal costs

	2026 £m	2025 £m
Amortisation of acquisition-related intangible assets	(41.5)	(29.6)
Integration costs[1]	(16.6)	(0.7)
Transaction costs[2]	(9.1)	(3.6)
Employment-linked earnout charges[3]	(6.3)	(8.6)
Other acquisition-related costs	(1.4)	(0.6)
Acquisition and disposal costs	**(74.9)**	(43.1)
Tax	15.1	7.6
Acquisition and disposal costs net of tax	**(59.8)**	(35.5)

Notes:
1. Comprises costs in relation to professional fees of £6.9m (2025: £0.7m), fixed-term staff costs of £4.7m (2025: £nil), redundancy costs of £3.0m (2025: £nil), impairment of right-of-use assets of £0.6m (2025:£nil), other property exit costs of £0.9m (2025: £nil), and £0.5m (2025: £nil) of accelerated amortisation in relation to software that is in the process of being replaced due to integration activities.
2. Relates to professional fees.
3. Comprises earnout amounts payable to former owners of acquired businesses under the terms of the sale and purchase agreements where a condition of receiving the payment is the continued employment by the Group of the individual receiving the payment. These payments are accrued over the period that the related employment services are received, up until the point at which the consideration becomes payable.

4. Other items continued

Other exceptional items

	2026 £m	2025 £m
Pension-related costs[1]	**(9.3)**	(9.4)
Digital supplier platform[2]	**(1.3)**	(3.4)
Other exceptional items	**(10.6)**	(12.8)
Tax	**2.7**	2.9
Other exceptional items net of tax	**(7.9)**	(9.9)

Notes:
1. Comprises a £7.9m contract settlement charge to reverse the gross surplus on three Local Government Pension Schemes (2025: £5.3m), where an asset ceiling had been applied and therefore no net surplus was recognised on the consolidated statement of financial position. The reversal of the asset ceiling has been credited to other comprehensive income. In addition, one-off past service costs of £1.3m were recognised due to changes in certain pension scheme rules (2025: £1.1m), together with £0.6m of administrative expenses relating to the Landmarc pension scheme buyout (2025: £0.2m). The costs were partially offset by a £0.5m release of an accrual following the final settlement agreement with the trustees of the Plumbing Scheme in respect of the Section 75 debt, relating to the previously disposed Social Housing business (2025: £2.8m charge). See Note 29.
2. Comprises costs in relation to the implementation of a new digital supplier platform, resulting in a step change in the Group's supply chain management capabilities. These costs comprise fixed-term staff costs of £1.3m (2025: £2.3m), and during the year ended 31 March 2025, third-party implementation costs of £1.1m were also incurred. The roll-out of the digital supplier platform was completed in the year ended 31 March 2026, and cumulative cash costs of £16.2m were recognised within the consolidated income statement and classified as Other items since its launch in 2022.

5. Operating profit

Operating profit includes the following expenses:

Total Group	2026 £m	2025 £m
Depreciation of property, plant and equipment (Notes 13 and 23)	**85.8**	67.9
Amortisation of other intangible assets (Note 12)	**51.2**	38.1
Amortisation of contract assets	**0.9**	0.4
Loss on disposal of property, plant and equipment	**0.8**	0.3
Loss on disposal of other intangible assets	**0.3**	2.4
Impairment of right-of-use assets (Note 23)	**1.9**	–
Impairment (reversal)/loss recognised on trade and other receivables (Note 22)	**(0.5)**	1.0

A detailed analysis of auditor's remuneration is provided below:

	2026 £'000	2025 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**347**	336
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation – current year	**4,946**	4,113
Total audit fees – current year	**5,293**	4,449
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation – prior year	**75**	453
Total audit fees	**5,368**	4,902
Audit-related assurance services to the Group (interim review)	**253**	241
Total non-audit fees	**253**	241
Total	**5,621**	5,143

6. Employees

The average number of people employed during the financial year was:

Number of people	2026	2025 (restated)[1]
Business Services	61,101	51,757
Technical Services	19,808	21,054
Corporate Centre	206	171
Total Group	81,115	72,982

Note:
1. The comparatives for the year ended 31 March 2025 have been restated for the change in the composition of reportable segments.

The total employment costs, including Directors, were:

	2026 £m	2025 £m
Wages and salaries	2,532.7	2,225.6
Social security costs	318.3	225.3
Other pension costs[1]	68.2	55.9
Share-based payments (Note 28)	22.9	16.1
Total	2,942.1	2,522.9

Note:
1. Other pension costs for the year ended 31 March 2026 excludes £9.3m (2025: £9.4m) of pension-related costs charged to Other items (see Note 4). Including these expenses, other pension costs total £77.5m (2025: £65.3m).

Executive and Non-Executive Directors' aggregate emoluments are shown below:

	2026 £m	2025 £m
Short-term employment benefits	3.0	4.0
Post-employment benefits	0.1	0.1
Share-based payments	4.1	4.7
Total	7.2	8.8

7. Finance costs and income

Finance costs	2026 £m	2025 £m
Interest on bank loans	6.9	3.5
Interest on private placement loan notes	10.7	5.3
Bank fees	2.0	1.2
Interest on lease liabilities (Note 23)	10.2	8.7
Other interest	1.2	0.8
Total	31.0	19.5

Finance income	2026 £m	2025 £m
Bank interest	2.3	3.0
Net interest on defined benefit pension scheme assets and liabilities (Note 29)	1.0	0.3
Total	3.3	3.3

8. Tax

Total Group	2026 £m	2025 £m
Current tax	34.6	20.4
Deferred tax (Note 19)	(1.2)	16.6
Tax charge for the year	33.4	37.0

Corporation tax is calculated at 25% (2025: 25%) of the estimated taxable profit for the year. A reconciliation of the tax charge to the elements of profit before tax per the consolidated income statement is as follows:

	2026			2025		
Total Group	Before Other items £m	Other items[1] £m	Total £m	Before Other items £m	Other items[1] £m	Total £m
Profit/(loss) before tax	236.4	(112.7)	123.7	217.9	(72.5)	145.4
Tax at UK rate of 25% (2025: 25%)	59.1	(28.2)	30.9	54.5	(18.1)	36.4
Reconciling tax charges for:						
Non-deductible items	1.2	3.6	4.8	0.5	3.5	4.0
Credit for losses not previously recognised	(0.3)	–	(0.3)	–	–	–
Overseas tax rates	(1.0)	–	(1.0)	(1.0)	–	(1.0)
Adjustments in respect of prior years	(1.0)	–	(1.0)	(2.4)	–	(2.4)
Tax charge/(credit) for the year	58.0	(24.6)	33.4	51.6	(14.6)	37.0
Effective tax rate for the year	24.5%	21.8%	27.0%	23.7%	20.1%	25.4%

Note:
1. Other items are as described in Note 4.

The tax charge during the year ended 31 March 2026, consists of charges with respect to current tax of £34.6m, and credits with respect to deferred tax of £1.2m. The effective tax rate for the Group of 27.0% is higher than the UK headline rate of 25.0% primarily due to non-deductible items.

Certain expenditure is not deductible for tax purposes as set out in tax legislation. The main categories of non-deductible expenditure are certain acquisition-related costs, such as employment-linked earnout charges and professional fees that are classified as capital in nature for tax purposes.

Deferred tax is provided on items where the timing of tax relief differs from when the amounts are included in the financial statements such as tax depreciation, retirement benefit assets/liabilities, share options and short-term timing differences.

The Group does not have any material uncertain tax positions.

In addition to the amounts charged to the consolidated income statement: (i) a £1.1m credit for current tax (2025: £1.2m charge) and a £3.3m charge for deferred tax (2025: £3.4m) relating to remeasurements of retirement benefit liabilities has been recognised within the consolidated statement of comprehensive income; and (ii) a £7.4m credit for current tax (2025: £4.7m) and a £3.9m credit for deferred tax (2025: £2.1m charge) relating to share options have been recognised directly within equity.

Impact of Pillar Two legislation

Pillar Two legislation has either been enacted or substantively enacted in jurisdictions in which the Group operates, and has been effective for the Group since 1 April 2025. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply and the Pillar Two effective tax rate is therefore close to 15%. A charge of £0.2m (2025: £0.2m) as a result of the Pillar Two income taxes has been included in the overall tax charge for the year.

Tax strategy

The Group's tax strategy is published on its website and has been adhered to during the year (www.mitie.com).

9. Dividends

	2026 Pence per share	2026 £m	2025 Pence per share	2025 £m
Amounts recognised as distributions in the year:				
Final dividend for the prior year	3.0	36.6	3.0	38.5
Interim dividend for the current year	1.4	18.1	1.3	16.0
	4.4	54.7	4.3	54.5
Proposed final dividend for the year ended 31 March	3.1	39.5	3.0	36.7

Dividends are recognised as distributions in the year in which they are declared. Subject to approval at the Annual General Meeting on 21 July 2026, the final dividend for the year ended 31 March 2026 will be paid on 27 August 2026 to shareholders on the register on 17 July 2026. The ordinary shares will be quoted ex-dividend on 16 July 2026.

10. Earnings per share

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

	2026 £m	2025 £m
Net profit before Other items attributable to owners of the parent	169.2	157.6
Other items net of tax attributable to owners of the parent[1]	(86.6)	(56.2)
Net profit attributable to owners of the parent	**82.6**	101.4

Note:
1. Other items are as described in Note 4.

Number of shares	2026 million	2025 million
Weighted average number of ordinary shares for the purpose of basic EPS[1]	1,245.6	1,237.7
Effect of dilutive potential ordinary shares[2]	102.1	101.5
Weighted average number of ordinary shares for the purpose of diluted EPS[1,2]	1,347.7	1,339.2

Notes:
1. The weighted average number of ordinary shares in issue during the year excludes those accounted for in the Own shares reserve.
2. The dilutive potential ordinary shares relate to instruments that could potentially dilute basic earnings per share in the future, such as share-based payments.

	2026 Pence per share	2025 Pence per share
Basic earnings before Other items[1]	13.6	12.7
Basic earnings	6.6	8.2
Diluted earnings before Other items[1]	12.6	11.8
Diluted earnings	6.1	7.6

Note:
1. Other items are as described in Note 4.

11. Goodwill

	£m
Cost	
At 1 April 2024	394.2
Arising on business combinations	36.1
At 31 March 2025	430.3
Arising on business combinations (Note 27)	244.7
At 31 March 2026	**675.0**
Accumulated impairment losses	
At 1 April 2024, 31 March 2025 and 31 March 2026	**32.5**
Net book value	
At 31 March 2026	**642.5**
At 31 March 2025	397.8

Goodwill impairment testing

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination. The Group tests goodwill at least annually for impairment, or more frequently if there are indicators that goodwill may be impaired.

The Group has reorganised its business in the year ended 31 March 2026, and the determination of CGUs has been updated accordingly to meet the criteria included in IAS 36 – Impairment of Assets. Business Services, Technical Services and Spain have been determined to be the relevant CGUs for the year ended 31 March 2026. The information presented for the year ended 31 March 2025 has been re-presented to reflect these changes, and, as a result, the £81.0m of goodwill previously allocated to the Communities CGU has been reallocated on a relative value approach.

A summary of the goodwill balances and the discount rates used to assess the forecast cash flows from each CGU are as follows:

	2026		2025
	Pre-tax discount rate %	**Goodwill £m**	Goodwill (restated)[1] £m
Business Services	**10.9**	**423.2**	188.3
Technical Services	**10.9**	**211.5**	204.3
Spain	**11.6**	**7.8**	5.2
Total		**642.5**	397.8

Note:
1. The 2025 goodwill allocation by CGU has been restated to reflect the changes in the year to the way in which the Group monitors CGUs for goodwill impairment purposes.

At 31 March 2025 and under the previous organisational structure, the goodwill was allocated as follows:

	2025	
	Pre-tax discount rate %	Goodwill (as presented) £m
Business Services	9.5	167.5
Technical Services	9.5	144.1
Communities	9.5	81.0
Spain	10.2	5.2
Total		397.8

Key assumptions

The recoverable amounts for each CGU are based on value-in-use, which is derived from discounted cash flow calculations. The key assumptions applied in value-in-use calculations are those regarding forecast operating profits, growth rates and discount rates.

11. Goodwill continued

Forecast operating profits

For all CGUs, the Group prepared cash flow projections derived from the most recent forecasts for the year ended 31 March 2027 and the Group's strategic plan to 31 March 2031. Forecast revenue and direct costs are based on past performance and expectations of future changes in the market, operating model and cost base including the impact of inflation.

Growth rates and terminal values

Medium-term revenue growth rates applied to the value-in-use calculations of each CGU reflect management's strategy for a period of five years. Terminal values were determined using a long-term growth assumption of 2.0% (2025: 2.0%).

Discount rates

The pre-tax discount rates used to assess the forecast cash flows from CGUs are derived from the Group's post-tax weighted average cost of capital, which was 7.7% as at the time of the Group's annual impairment review (2025: 7.1%). These rates are reviewed annually by external advisors and adjusted for the risks specific to the business being assessed and the market in which the CGU operates. All CGUs have the same access to the Group's treasury functions and borrowing lines to fund their operations.

Sensitivity analysis

A sensitivity analysis has been performed and management has concluded that no reasonably foreseeable change in the key assumptions would result in an impairment of the goodwill of any of the Group's CGUs.

12. Other intangible assets

	Acquisition-related				
	Customer contracts and relationships £m	Brands £m	Total acquisition-related £m	Software and development expenditure £m	Total £m
Cost					
At 1 April 2024	309.0	2.3	**311.3**	99.7	**411.0**
Additions	–	–	**–**	8.9	**8.9**
Arising on business combinations	14.7	0.2	**14.9**	–	**14.9**
Disposals	–	(1.2)	**(1.2)**	(30.7)	**(31.9)**
At 31 March 2025	323.7	1.3	**325.0**	77.9	**402.9**
Additions	–	–	**–**	8.2	**8.2**
Arising on business combinations	146.9	3.5	**150.4**	2.9	**153.3**
Disposals	–	–	**–**	(1.7)	**(1.7)**
At 31 March 2026	470.6	4.8	**475.4**	87.3	**562.7**
Amortisation and impairment					
At 1 April 2024	76.9	1.2	**78.1**	49.5	**127.6**
Charge for the year	29.2	0.4	**29.6**	8.5	**38.1**
Disposals	–	(1.0)	**(1.0)**	(28.5)	**(29.5)**
At 31 March 2025	106.1	0.6	**106.7**	29.5	**136.2**
Charge for the year	40.5	1.0	**41.5**	9.7	**51.2**
Disposals	–	–	**–**	(1.3)	**(1.3)**
Effect of movements in exchange rates	–	–	**–**	0.1	**0.1**
At 31 March 2026	146.6	1.6	**148.2**	38.0	**186.2**
Net book value					
At 31 March 2026	324.0	3.2	**327.2**	49.3	**376.5**
At 31 March 2025	217.6	0.7	**218.3**	48.4	**266.7**

Customer contracts and relationships and brands are amortised over their useful lives based on the period of time over which they are anticipated to generate benefits, with an average remaining useful life of eight years (2025: eight years) and three years (2025: three years) respectively.

No impairment of other intangible assets has been recorded in the year ended 31 March 2026 (2025: £nil).

13. Property, plant and equipment

Property, plant and equipment comprise owned and leased assets.

	2026 £m	2025 £m
Owned property, plant and equipment	**74.4**	54.5
Right-of-use assets (Note 23)	**188.3**	192.4
Total	**262.7**	246.9

The table below relates to owned property, plant and equipment.

	Buildings £m	Plant and vehicles £m	Total £m
Cost			
At 1 April 2024	10.0	74.2	**84.2**
Additions	0.8	26.5	**27.3**
Disposals	(0.3)	(14.3)	**(14.6)**
Arising on business combinations	0.4	1.2	**1.6**
Effect of movements in exchange rates	–	(0.5)	**(0.5)**
At 31 March 2025	10.9	87.1	**98.0**
Additions	0.1	30.2	**30.3**
Disposals	(6.4)	(16.9)	**(23.3)**
Arising on business combinations	2.1	6.7	**8.8**
Effect of movements in exchange rates	–	0.6	**0.6**
At 31 March 2026	6.7	107.7	**114.4**
Accumulated depreciation and impairment			
At 1 April 2024	7.2	37.8	**45.0**
Charge for the year	0.7	11.8	**12.5**
Disposals	(0.2)	(13.5)	**(13.7)**
Effect of movements in exchange rates	–	(0.3)	**(0.3)**
At 31 March 2025	7.7	35.8	**43.5**
Charge for the year	1.2	16.7	**17.9**
Disposals	(5.7)	(16.2)	**(21.9)**
Effect of movements in exchange rates	–	0.5	**0.5**
At 31 March 2026	3.2	36.8	**40.0**
Net book value			
At 31 March 2026	3.5	70.9	**74.4**
At 31 March 2025	3.2	51.3	**54.5**

No impairment of property, plant and equipment has been recorded in the year ended 31 March 2026 (2025: £nil).

14. Trade and other receivables

	2026 £m	2025 £m
Trade receivables	**585.8**	538.3
Accrued income	**394.3**	339.3
Prepayments	**75.9**	59.5
Other receivables	**45.9**	51.3
Total	**1,101.9**	988.4
Included in current assets	**1,082.2**	967.9
Included in non-current assets	**19.7**	20.5
Total	**1,101.9**	988.4

Management considers that the carrying amount of trade and other receivables approximates their fair value.

Information about the Group's exposure to credit risk and its loss allowance against the balance of trade receivables, accrued income and other receivables is provided in Note 22.

15. Inventories

	2026 £m	2025 £m
Materials and total	**26.7**	14.9

16. Trade and other payables

	2026 £m	2025 £m
Trade payables	**282.1**	205.0
Other taxes and social security	**217.6**	202.1
Accruals	**566.9**	557.2
Other payables	**72.9**	70.5
Total	**1,139.5**	1,034.8
Included in current liabilities	**1,128.8**	1,012.6
Included in non-current liabilities	**10.7**	22.2
Total	**1,139.5**	1,034.8

Management considers that the carrying amount of trade and other payables approximates their fair value.

17. Deferred income

The significant changes in deferred income are as follows:

	2026 £m	2025 £m
At 1 April	**174.0**	107.3
Revenue recognised that was included in the deferred income balance at the beginning of the year	**(136.6)**	(90.6)
Increase due to cash received, excluding amounts recognised as revenue during the year	**126.5**	152.5
Arising on business combinations (Note 27)	**5.9**	4.8
At 31 March	**169.8**	174.0
Included within current liabilities	**138.6**	140.9
Included within non-current liabilities	**31.2**	33.1
Total	**169.8**	174.0

18. Provisions

	Contract-specific costs £m	Onerous contracts £m	Insurance reserve £m	Dilapidations £m	Other £m	Total £m
At 1 April 2025	33.0	10.0	27.3	10.4	3.4	**84.1**
Additional provisions	4.8	13.0	13.3	0.6	2.2	**33.9**
Released to the consolidated income statement	(1.3)	(2.9)	–	(0.4)	(0.2)	**(4.8)**
Arising on business combinations[1]	–	4.2	4.1	6.3	0.9	**15.5**
Utilised	(10.0)	(12.2)	(14.3)	(0.6)	(1.7)	**(38.8)**
At 31 March 2026	26.5	12.1	30.4	16.3	4.6	**89.9**
Included in current liabilities	11.7	7.2	10.7	3.8	3.5	**36.9**
Included in non-current liabilities	14.8	4.9	19.7	12.5	1.1	**53.0**
Total	26.5	12.1	30.4	16.3	4.6	**89.9**

Note:
1. Onerous contract provisions arising on business combinations relate to the prior year acquisition of ESM Power Limited. The insurance reserve, dilapidations provisions and other provisions arising on business combinations relate to the acquisition of Marlowe and Forest Group. See Note 27.

Contract-specific costs

Contract-specific costs provisions have been recognised primarily to cover remedial and rectification costs required to meet clients' contract terms, and include a £10.8m (2025: £10.8m) provision relating to a liability risk on a certain contract which is subject to dispute (see Note 2), and £3.8m (2025: £5.3m) for rectification works on a certain contract. The value of these provisions reflects the single most likely outcome and is expected to be utilised over a maximum period of seven years. In the year ended 31 March 2026, a settlement has been reached on a certain contract resulting in a provision utilisation of £4.7m (2025: Contract-specific provision £4.7m), with a further £3.5m utilised on rectification works on another contract. The remaining provisions relate to other potential commercial claims and rectification work for other contracts.

Onerous contracts

Onerous contracts include provisions for certain long-term Private Finance Initiative, and other contracts. Due to the long-term nature of Private Finance Initiative contracts, it is expected that these provisions will be utilised over a weighted average period of six years. During the year ended 31 March 2026, an onerous contract provision held for a certain contract was increased by £10.1m, where the contract has ended following the year end and will not be renewed.

Insurance reserve

The Group retains a portion of the exposure in relation to insurance policies for employer liabilities and motor and fleet liabilities. The provision includes claims incurred but not yet reported and is based on information available at the consolidated statement of financial position date using advice from third-party actuarial experts. The provision is expected to be utilised over five years.

The insurance reserve of £30.4m is presented gross of an insurer reimbursement asset of £3.4m (2025: £4.2m), which represents the amount the Group is virtually certain to recover for claims under its insurance policies. Of this other receivable, £2.2m (2025: £2.7m) is presented as non-current.

Dilapidations

The provision for dilapidations relates to the legal obligation for leased properties to be returned to the landlord in the contracted condition at the end of the lease period. This cost would include repairs of any damage and wear and tear and is expected to be utilised in the next nine years as properties are exited.

19. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon:

Assets/(liabilities)	Losses £m	Accelerated capital allowances £m	Retirement benefit liabilities £m	Intangible assets acquired £m	Share options £m	Short-term timing differences £m	Total[1] £m
At 1 April 2024	30.8	7.6	1.2	(58.2)	16.6	9.9	**7.9**
Arising on business combinations	0.1	(0.1)	–	(3.7)	–	–	**(3.7)**
(Charge)/credit to consolidated income statement	(16.8)	(4.6)	(1.3)	7.3	(0.4)	(0.8)	**(16.6)**
Charge to equity and other comprehensive income	–	–	(3.4)	–	(2.1)	–	**(5.5)**
At 31 March 2025	14.1	2.9	(3.5)	(54.6)	14.1	9.1	**(17.9)**
Arising on business combinations	3.6	(1.1)	–	(37.6)	–	0.2	**(34.9)**
(Charge)/credit to consolidated income statement	(12.9)	1.0	2.4	10.4	1.9	(1.6)	**1.2**
(Charge)/credit to equity and other comprehensive income	–	–	(3.3)	–	3.9	–	**0.6**
At 31 March 2026	4.8	2.8	(4.4)	(81.8)	19.9	7.7	**(51.0)**

Note:
1. Deferred tax liabilities of £86.2m are offset against deferred tax assets of £35.2m (2025: Deferred tax liabilities of £58.1m were offset against deferred tax assets of £40.2m) as they relate to income taxes levied by the same tax authorities, and the Group has the right to and intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets have been recognised in respect of all temporary differences where it is probable that these assets will be recovered.

The majority of the Group's deferred tax assets and liabilities are expected to be recovered over more than one year.

The Group has unutilised income tax losses of £52.0m (2025: £88.7m) that are available for offset against future profits. A deferred tax asset has been recognised in respect of £19.2m (2025: £56.5m) of these losses to the extent that it is probable that taxable profits will be generated in the future and be available for utilisation. When considering the recoverability of deferred tax assets, the taxable profit forecasts are based on the same information used to support the going concern and goodwill assessments. See Note 1 for more information on these forecasts and the methodology applied.

No deferred tax asset has been recognised in respect of losses of £17.6m (2025: £17.0m), and disallowed interest under the UK corporate interest restriction rules of £15.2m (2025: £15.2m) because recoverability is uncertain. All amounts may be carried forward indefinitely. Deferred tax has been calculated using tax rates that were substantively enacted at the consolidated statement of financial position date.

20. Cash and cash equivalents

	2026 £m	2025 £m
Cash and cash equivalents	**108.9**	180.4

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The Group operates cash-pooling arrangements with certain banks for cash management purposes. There were no gross overdraft balances at 31 March 2026 (2025: no gross overdrafts).

As at 31 March 2026, included within cash and cash equivalents is £5.7m (2025: £4.3m) which is subject to constraints on the Group's ability to utilise these balances. These constraints relate to cash held through a joint operation, where cash is not available for use by the Group.

21. Financing liabilities

	2026 £m	2025 £m
Private placement notes	**360.0**	180.0
Lease liabilities (Note 23)	**195.5**	197.5
Loan arrangement fees	**(2.1)**	(2.4)
Total	**553.4**	375.1
Included in current liabilities	**62.5**	52.2
Included in non-current liabilities	**490.9**	322.9
Total	**553.4**	375.1

21. Financing liabilities continued

US Private Placement (USPP) notes

Previously, in December 2022, the Group issued £120m of USPP notes, which are split equally between 8, 10 and 12 year maturities, and were issued with an average interest rate of 2.94%.

Subsequently, in October 2024, the Group additionally entered into a three-year uncommitted USPP shelf facility with initial capacity of approximately £320m, which was increased to approximately £360m in March 2026. At 31 March 2026, undrawn capacity under the facility was approximately £120m (31 March 2025: £260m at constant currency to 31 March 2026), available for drawdown until October 2027.

In December 2024, the Group issued £60m of new USPP notes under the shelf facility, replacing an existing £30m note that matured in the same month. These notes have a seven year maturity and carry an interest rate of 5.71%.

To facilitate the acquisition of Marlowe, the Group secured a £240m bridge facility during the year ended 31 March 2026. The facility was scheduled to mature in June 2026, with an option to extend to June 2027. In October 2025, £60m of the facility was repaid, with the remaining £180m refinanced through a drawdown under the Group's USPP shelf facility on 12 November 2025. The new USPP notes have maturities ranging from three to seven years and carry a weighted average fixed interest rate of 5.44%.

The USPP notes issued by the Group are unsecured and rank pari passu with other senior unsecured indebtedness of the Group. The amount, maturity and interest terms of these USPP notes as at 31 March 2026 are shown below.

Tranche	Maturity date	Amount	Interest terms
3 year	12 November 2028	£50.0m	£ fixed at 5.27%
5 year	12 November 2030	£65.0m	£ fixed at 5.38%
8 year	16 December 2030	£40.0m	£ fixed at 2.84%
7 year	22 December 2031	£60.0m	£ fixed at 5.71%
7 year	12 November 2032	£65.0m	£ fixed at 5.63%
10 year	16 December 2032	£40.0m	£ fixed at 2.97%
12 year	16 December 2034	£40.0m	£ fixed at 3.00%

Revolving Credit Facility (RCF)

The Group has an RCF of £250m with a maturity date of October 2028. During the year ended 31 March 2026, the RCF was utilised for short-term borrowings, with the average borrowing amounting to £22.5m (2025: £22.6m) over an average period of 13 days (2025: 10 days). Amounts drawn down during the year accumulated to £810m (2025: £812m) with equal amounts repaid in 2026 and 2025. There were no amounts outstanding at 31 March 2026 (2025: no amounts outstanding).

At the acquisition date, Marlowe had an outstanding balance on its revolving credit facility of £9.0m which was subsequently repaid by the Group. Following the repayment the facility was closed.

As at 31 March 2026, the Group had available £250m (2025: £250m) of undrawn committed borrowing facilities in respect of the RCF to which all conditions precedent had been met.

Compliance with covenants

The RCF, bridge facility, and USPP notes are unsecured but have financial and non-financial covenants and obligations commonly associated with these arrangements. The two key financial covenant ratios are leverage and interest cover, measured biannually on a rolling 12-month basis at 31 March and 30 September as follows:

- Leverage – ratio of 'consolidated total net borrowings' to 'adjusted consolidated EBITDA') shall not exceed 3.0x
- Interest cover – ratio of 'consolidated EBITDA' to 'consolidated net finance costs', shall not be lower than 4.0x

Covenant ratios are measured after adjustments for IFRS 16 primarily excluding lease liabilities from net debt and the inclusion of a charge equivalent to lease payments against EBITDA. The Group was compliant with these covenants as at 31 March 2026, with leverage of 0.82x (2025: 0.04x) and interest cover of 17.8x (2025: 38.7x), and therefore all amounts are classified in line with repayment dates.

On 18 July 2025, Morningstar DBRS confirmed that Mitie's BBB investment grade credit rating remains unchanged.

The weighted average interest rates paid during the year were as follows:

	2026 %	2025 %
Bank loans	**5.7**	6.7
Private placement notes	**4.3**	3.4

22. Financial instruments

Classification

The Group's principal financial assets are cash and cash equivalents, trade receivables, accrued income and other receivables. The Group's principal financial liabilities are financing liabilities, trade payables, other payables and accruals.

Details of the material accounting policies for each class of financial asset and financial liability are disclosed in Note 1.

The vast majority of financial instruments are held at amortised cost. The classification of the fair value measurement falls into three levels, based on the degree to which the fair value is observable. The levels are as follows:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from other observable inputs for the asset or liability
- Level 3 fair value measurements are those derived from valuation techniques using inputs that are not based on observable market data

There have been no transfers between levels in the year.

The Group held the following financial instruments at 31 March:

	2026 £m	2025 £m
Held at amortised cost		
Cash and cash equivalents (Note 20)	**108.9**	180.4
Trade receivables (Note 14)	**585.8**	538.3
Accrued income (Note 14)	**394.3**	339.3
Other receivables (Note 14)	**45.0**	50.4
Financing liabilities (Note 21)	**(553.4)**	(377.5)
Trade payables (Note 16)	**(282.1)**	(205.0)
Other payables (Note 16)	**(70.0)**	(69.7)
Accruals (Note 16)	**(566.9)**	(557.2)
Held at fair value through profit and loss		
Other payables (Note 16)[1]	**(2.9)**	(0.8)
Held at fair value through other comprehensive income		
Other receivables (Note 14)[2]	**0.9**	0.9

Notes:
1. Other payables measured at fair value of £2.9m (2025: £0.8m) represent management's best estimate of contingent consideration payable for acquisitions which are level 3 within the fair value hierarchy (see Note 27).
2. Other receivables which are measured at fair value relate to a defined benefit reimbursement asset of £0.9m (2025: £0.9m) that is a level 2 asset within the fair value hierarchy.

Risk management objectives

The Group's treasury department monitors and manages the financial risks relating to the operations of the Group. These risks include those arising from interest rates, foreign currencies, liquidity, credit and capital management. The Group seeks to minimise the effects of these risks by using effective control measures and, where appropriate, derivative financial instruments to hedge certain risk exposures. The use of financial derivatives is governed by Group policies and reviewed regularly. Group policy is to not trade in financial instruments. The risk management policies remain unchanged from the previous year.

Interest rate risk

The Group's activities expose it to the financial risks of interest rates. The Group's treasury function reviews its risk management strategy on a regular basis and will, as appropriate, enter into derivative financial instruments in order to manage interest rate risk.

Interest rate sensitivity

The Group's interest rate sensitivity has been determined based on the exposure to interest rates on cash balances net of financing liabilities (excluding lease liabilities) at the consolidated statement of financial position date. All financial liabilities, other than financing liabilities, are interest free.

If underlying interest rates had been 0.5% higher for cash held on deposit and financing liabilities (excluding lease liabilities) at variable rates and all other variables were held constant, there would be a £1.2m increase in the Group's net finance costs for the year ended 31 March 2026 (2025: £nil).

22. Financial instruments continued

Foreign currency risk

The Group has limited exposure to transactional foreign currency risk from trading transactions in currencies other than the functional currency of individual Group entities, and to translational foreign currency risk from the translation of its foreign operations. The transactional foreign exchange exposure for the Group is immaterial. The Group considers the need to hedge its exposures and, as appropriate, will enter into forward foreign exchange contracts to mitigate any risks, if required.

At 31 March 2026, £35.3m (2025: £26.5m) of cash and cash equivalents were held in foreign currencies, primarily euros.

Liquidity risk

The Group monitors its liquidity risk using a cash flow projection model which considers the maturity of the Group's assets and liabilities and the projected cash flows from operations. Bank loans under committed facilities, which allow for appropriate headroom in the Group's daily cash movements, are then arranged. Details of the Group's bank facilities can be found in Note 21.

The tables below summarise the maturity profile (including both undiscounted interest and principal cash flows) of the Group's financial liabilities:

Financial liabilities at 31 March 2026	Within one year £m	Between one and five years £m	After five years £m	Total £m
Trade payables	282.1	–	–	282.1
Other payables	62.2	10.7	–	72.9
Accruals	566.9	–	–	566.9
Financing liabilities	89.2	353.3	225.3	667.8
Financial liabilities	**1,000.4**	**364.0**	**225.3**	**1,589.7**

Financial liabilities at 31 March 2025	Within one year £m	Between one and five years £m	After five years £m	Total £m
Trade payables	205.0	–	–	205.0
Other payables	48.3	22.2	–	70.5
Accruals	557.2	–	–	557.2
Financing liabilities	71.1	177.8	207.5	456.4
Financial liabilities	881.6	200.0	207.5	1,289.1

Credit risk

The Group's credit risk is monitored on an ongoing basis and formally reported quarterly. The value of business placed with financial institutions is reviewed on a daily basis. The Group's credit risk on liquid funds and derivative financial instruments is limited because the external counterparties are banks with high credit ratings assigned by international credit rating agencies and are managed through regular review. The maximum exposure to credit risk on cash and cash equivalents at the consolidated statement of financial position date is £108.9m (2025: £180.4m).

The Group's credit risk is primarily attributable to its receivable balances from customers. Before accepting a new customer, the Group uses external credit scoring systems to assess the potential customer's credit quality and define an appropriate credit limit, which is reviewed regularly.

The maximum exposure to credit risk in relation to trade receivables and accrued income at the consolidated statement of financial position date is the fair value of trade receivables and accrued income. The Group's customer base is large and unrelated and, accordingly, the Group does not have a significant concentration of credit risk with any one counterparty.

The amounts presented in the consolidated statement of financial position in relation to the Group's trade receivables, accrued income and other receivables balances are presented net of loss allowances. The Group performs an impairment analysis at each reporting date and measures loss allowances on receivable balances with customers at an amount equal to lifetime expected credit losses (ECLs) using both quantitative and qualitative information and analysis based on the Group's historical experience, and forward-looking information.

Other receivables are also subject to the impairment requirements of IFRS 9 and the loss allowance is measured using those losses expected to arise in the 12 months subsequent to the consolidated statement of financial position date. At 31 March 2026, a loss allowance of £1.9m (2025: £3.0m) was recognised in respect of other receivables.

22. Financial instruments continued

The following tables provide information about the Group's exposure to credit risk and ECLs against customer balances:

Trade receivables	2026 Gross carrying amount £m	2026 Loss allowance £m	2026 Net carrying amount £m	2025 Gross carrying amount £m	2025 Loss allowance £m	2025 Net carrying amount £m
Current (not overdue)	539.1	(0.7)	538.4	492.2	(0.8)	491.4
1–30 days overdue	29.8	(0.1)	29.7	35.8	(0.1)	35.7
31–60 days overdue	5.4	(0.1)	5.3	7.1	(0.1)	7.0
61–90 days overdue	4.6	(0.2)	4.4	1.9	(0.5)	1.4
More than 90 days overdue	14.0	(6.0)	8.0	11.2	(8.4)	2.8
Total	**592.9**	**(7.1)**	**585.8**	548.2	(9.9)	538.3

Accrued income[1]	2026 Gross carrying amount £m	2026 Loss allowance £m	2026 Net carrying amount £m	2025 Gross carrying amount £m	2025 Loss allowance £m	2025 Net carrying amount £m
1–30 days	317.6	(0.4)	317.2	261.6	(0.8)	260.8
31–60 days	32.2	(0.1)	32.1	27.8	(0.1)	27.7
61–90 days	15.0	(0.1)	14.9	16.7	(0.1)	16.6
More than 90 days	43.3	(13.2)	30.1	46.5	(12.3)	34.2
Total	**408.1**	**(13.8)**	**394.3**	352.6	(13.3)	339.3

Note:
1. Accrued income is aged from the date of recognition.

The following table provides the movement in the allowance for impairment in respect of trade receivables, accrued income and other receivables:

	2026 Trade receivables £m	2026 Accrued income £m	2026 Other receivables £m	2026 Total £m	2025 Trade receivables £m	2025 Accrued income £m	2025 Other receivables £m	2025 Total £m
At 1 April	9.9	13.3	3.0	26.2	10.3	14.1	8.6	33.0
Net (reversal) of impairment losses/impairment	(1.9)	0.5	0.9	(0.5)	1.9	(0.8)	(0.1)	1.0
Utilised	(0.9)	–	(2.0)	(2.9)	(2.3)	–	(5.5)	(7.8)
At 31 March	**7.1**	**13.8**	**1.9**	**22.8**	9.9	13.3	3.0	26.2

Capital management risk

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity. The capital structure of the Group consists of net debt per Note 24 and equity per the consolidated statement of changes in equity. The Group is not subject to externally imposed regulatory capital requirements.

23. Leases

Right-of-use assets	Properties £m	Plant and vehicles £m	Total £m
At 1 April 2024	35.2	130.3	**165.5**
Additions	5.7	72.0	**77.7**
Arising on business combinations	0.6	0.7	**1.3**
Modifications to lease terms and disposals	1.3	2.2	**3.5**
Depreciation	(8.1)	(47.3)	**(55.4)**
Effect of movement in exchange rates	–	(0.2)	**(0.2)**
At 31 March 2025	34.7	157.7	**192.4**
Additions	4.9	30.1	**35.0**
Arising on business combinations (Note 27)	6.4	20.8	**27.2**
Modifications to lease terms and disposals	0.3	2.8	**3.1**
Impairments	(1.9)	–	**(1.9)**
Depreciation	(10.1)	(57.8)	**(67.9)**
Effect of movement in exchange rates	–	0.4	**0.4**
At 31 March 2026	34.3	154.0	**188.3**

Lease liabilities	**2026 £m**	2025 £m
At 1 April	**197.5**	174.0
Additions	**34.6**	77.1
Arising on business combinations	**27.2**	1.2
Modifications to lease terms and disposals	**3.2**	1.5
Interest expense related to lease liabilities	**10.2**	8.7
Repayment of lease liabilities (including interest)	**(77.7)**	(64.8)
Effect of movement in exchange rates	**0.5**	(0.2)
At 31 March	**195.5**	197.5
Included in current financing liabilities	**63.1**	52.8
Included in non-current financing liabilities	**132.4**	144.7
Total	**195.5**	197.5

Maturity analysis – contractual undiscounted cash flows	**2026 £m**	2025 £m
Less than one year	**70.7**	62.4
One to five years	**136.9**	145.6
More than five years	**7.6**	13.4
Total undiscounted lease liabilities	**215.2**	221.4

Amounts recognised in the consolidated income statement	**2026 £m**	2025 £m
Depreciation of right-of-use assets	**(67.9)**	(55.4)
Short-term lease expense	**(1.2)**	(0.6)
Operating profit impact	**(69.1)**	(56.0)
Interest on lease liabilities	**(10.2)**	(8.7)
Profit before tax impact	**(79.3)**	(64.7)

23. Leases continued

Amounts recognised in the consolidated statement of cash flows	2026 £m	2025 £m
Capital element of lease rental payments (financing cash flow)	67.5	56.1
Interest payments (operating cash flow)	10.2	8.7
Total cash outflow for capitalised leases	**77.7**	**64.8**

As set out in the Task Force on Climate-related Financial Disclosures, the Group continues to replace fossil fuel vehicles with electric vehicles in response to climate change. While the fleet utilising fossil fuels will be phased out, existing vehicle leases are generally held for the full lease term. There is therefore no significant impact on the useful economic life of the current leased vehicles as a result of climate change commitments.

24. Analysis of net debt

	2026 £m	2025 £m
Cash and cash equivalents (Note 20)	108.9	180.4
Adjusted for: restricted cash (Note 20)	(5.7)	(4.3)
Private placement notes (Note 21)	(360.0)	(180.0)
Loan arrangement fees (Note 21)	2.1	2.4
Net debt before lease obligations	**(254.7)**	**(1.5)**
Lease liabilities (Note 23)	(195.5)	(197.5)
Net debt	**(450.2)**	**(199.0)**

Reconciliation of net cash flow to movements in net debt	2026 £m	2025 £m
Net decrease in cash and cash equivalents	(71.8)	(64.2)
Increase in restricted cash	(1.4)	(0.1)
Net decrease in unrestricted cash and cash equivalents	(73.2)	(64.3)
Cash drivers		
Proceeds from new private placement notes	(180.0)	(60.0)
Private placement notes repaid	–	30.0
Proceeds from bridge loan facility	(240.0)	–
Repayment of bridge loan facility and other bank loans	249.0	0.4
Payment of arrangement fees	1.1	0.6
Capital element of lease rentals	67.5	56.1
Non-cash drivers		
Non-cash movement associated with bank loans	(1.3)	(0.6)
Non-cash movement associated with private placement notes	(0.1)	(0.1)
Non-cash movement in lease liabilities	(38.3)	(79.6)
Effect of foreign exchange rate changes	0.3	(0.3)
Debt acquired as part of business combinations	(36.2)	(0.4)
Increase in net debt during the year	(251.2)	(118.2)
Opening net debt	(199.0)	(80.8)
Closing net debt	**(450.2)**	**(199.0)**

25. Share capital and share premium

	Ordinary shares		Share capital		Share premium	
	2026 Number million	2025 Number million	**2026 £m**	2025 £m	**2026 £m**	2025 £m
At 1 April	**1,261.5**	1,340.4	**31.3**	33.3	**132.0**	132.0
Issue of shares	**86.6**	–	**2.2**	–	**–**	–
Shares cancelled	**(32.9)**	(78.9)	**(0.8)**	(2.0)	**–**	–
At 31 March	**1,315.2**	1,261.5	**32.7**	31.3	**132.0**	132.0

Each allotted and fully paid ordinary share of 2.5p is a voting share in the capital of the Company, is entitled to participate in the profits of the Company, and on a winding-up is entitled to participate in the assets of the Company. The Company has one class of ordinary shares, which carries no right to fixed income.

Share premium represents the premium arising on the issue of equity shares.

As part of the consideration for the acquisition of Marlowe Limited (formerly Marlowe plc), 86.6 million shares were issued with a premium of £121.1m arising. This share issue qualified for merger relief under Section 612 of the Companies Act 2006, such that the premium was credited to the merger reserve, as it was not required to be credited to the share premium account (see merger reserve in Note 26).

The Company purchased 37.9 million (2025: 89.0 million) shares at an average price of 164p exclusive of associated fees and stamp duty (2025: 116p) under share buyback programmes, of which 5.0 million (2025: 10.1 million) were bought into treasury and 32.9m (2025: 78.9m) were cancelled. The consideration of £54.6m (2025: £91.5m) for the cancelled shares, together with associated fees and stamp duty of £0.6m (2025: £1.0m), utilised £55.2m (2025: £92.5m) of the Company's distributable profits. The cancellation of these shares led to a reduction of £0.8m (2025: £2.0m) in the issued share capital and a corresponding increase in the capital redemption reserve (see capital redemption reserve in Note 26). While the share buyback programme was ongoing at 31 March 2026, no liability has been recognised in respect of future buybacks as the commitment can be avoided.

26. Reserves

Merger reserve

The merger reserve of £278.1m (2025: £157.0m) represents amounts relating to premiums arising on shares issued subject to the provisions of Section 612 of the Companies Act 2006. As part of the consideration for the acquisition of Marlowe, 86.6m shares were issued with a premium of £121.1m arising (see Notes 25 and 27). These share issues qualified for merger relief under Section 612 of the Companies Act 2006, such that the total premium arising of £121.1m has been credited to the merger reserve in the year ended 31 March 2026.

Own shares reserve

The own shares reserve of £71.4m (2025: £65.1m) represents the cost of ordinary shares in Mitie Group plc held for the purposes of the share schemes. The Group uses shares held in the Employee Benefit Trust (EBT) to satisfy conditional awards under the Group's Long Term Incentive Plan (LTIP), Conditional Share Plan (CSP), Enhanced Delivery Plan (EDP), Retention Share Plan (RSP) and Deferred Bonus Plan (DBP) share schemes, and shares held in the Share Incentive Plan (SIP) Trust to provide free shares and matching shares under the SIP scheme. Treasury shares are used to satisfy share options under the Group's Save as You Earn (SAYE) share schemes. Details of the movements in the own shares reserve are set out below:

	Number of shares (million)				Cost of shares (£m)			
	EBT	Treasury	SIP Trust	Total	EBT	Treasury	SIP Trust	Total
At 1 April 2025	34.7	4.5	20.1	**59.3**	39.1	5.3	20.7	**65.1**
Share purchases	20.3	5.0	1.1	**26.4**	27.5	7.7	1.6	**36.8**
Transfers	(8.5)	–	8.5	**–**	(9.2)	–	9.2	**–**
Distributions for exercises	(14.0)	(7.4)	(4.3)	**(25.7)**	(15.2)	(10.9)	(4.4)	**(30.5)**
At 31 March 2026	**32.5**	**2.1**	**25.4**	**60.0**	**42.2**	**2.1**	**27.1**	**71.4**

Share-based payments reserve

The share-based payments reserve of £50.6m (2025: £40.4m) represents credits in respect of the expense recognised during the vesting period for unexercised awards under the Group's equity-settled share schemes (see Note 28). During the year, the share-based payments reserve increased by £10.2m, and a movement table is set out below:

	£m
At 1 April 2025	40.4
Share-based payments expense	22.9
Exercises	(12.7)
At 31 March 2026	**50.6**

Exercises of £12.7m represents the fair value of the awards exercised by employees in the year, based on the date the share schemes were granted. The net cost of these shares in the own shares reserve equated to £26.2m (being £30.5m cost of shares, offset by £4.3m of cash received from SAYE scheme exercises). The exercises therefore generated a loss of £13.5m that has been recognised in retained earnings. In addition, a charge of £1.6m with respect to dividend equivalents has been recognised in retained earnings, resulting in a total charge with respect to share-based payments (excluding tax) of £15.1m.

26. Reserves continued

Share-based payments movement in equity

The total movement in equity as a result of share-based payment related transactions is set out below.

	2026 £m	2025 £m
Share-based payment expense (Note 28)	**22.9**	15.5
Cash received from the exercise of SAYE scheme options	**4.3**	4.7
Dividend equivalents (Note 28)	**(1.6)**	(1.4)
At 31 March	**25.6**	18.8

Capital redemption reserve

The capital redemption reserve equates to £6.1m (2025: £5.3m). The increase of £0.8m relates to the cancellation of the shares bought back by the Company in the year. See Note 25.

Translation reserve

The translation reserve equates to £1.7m (2025: £2.8m) and includes balances arising on translation of the Group's foreign operations to which the combined movement was a gain of £1.1m during the year (2025: £0.7m loss).

27. Acquisitions

Current year acquisitions

Marlowe Limited, formerly Marlowe plc (Marlowe)
On 4 August 2025, the Group completed the acquisition of the entire issued share capital of Marlowe for a total transaction consideration of £351.5m. This comprised a cash payment of £228.2m, and the issuance of 86.6 million ordinary shares valued at £123.3m. Marlowe is a leading provider of Testing, Inspection & Certification (TIC) services in the UK and has been integrated into the Group's Business Services division. The acquisition of Marlowe will enhance Mitie's existing TIC business, allowing it to become a leading Facilities Compliance provider across each of the key subsectors of TIC.

The goodwill is attributable to the operations and workforce of Marlowe and the Group-specific synergies, including cross-selling and operational efficiencies expected to be achieved from integrating Marlowe into the Group's existing TIC business.

Seguridad Profesional Mediterranea and Serveis Puntuals i Manteniment (together, SPM)
On 30 September 2025, the Group acquired the trade and assets of SPM for total cash consideration of £4.3m, of which £1.7m is deferred at 31 March 2026 and payable over three years. SPM is based in Barcelona and provides security services, specialising in surveillance and ancillary services. The acquisition expands the Group's security capabilities in Spain and SPM has been integrated into the Group's Business Services division.

Goodwill arising on the acquisition represents the value attributed to the acquired, mobilised workforce and the anticipated enhancement of the Group's service offering in the Spanish market.

Forest Group Holdings Limited and its subsidiaries, Forest U.K. Limited and GB Refrigeration Limited (together, Forest Group)
On 19 November 2025, the Group acquired 100% of the issued share capital of Forest Group for a cash consideration of £5.0m. Forest Group is a UK-based, engineering-led refrigeration services business. The acquisition strengthens the Group's self-delivery capabilities within the retail sector and Forest Group has been integrated into the Group's Technical Services division.

Amounts of up to £2.5m payable to the former owners of Forest Group have been accounted for as remuneration for post-acquisition employment services, as entitlement to these payments is conditional upon the continued employment of the former owners within the Group. The amounts are payable based on performance over three periods ending 31 March 2026, 31 March 2027 and 31 March 2028, subject to an aggregate maximum of £2.5m. Where relevant conditions are met, these amounts are recognised as an expense over the period in which the related services are received, up to the point at which the payments become payable.

Goodwill arising on the acquisition reflects the expected benefits from the acquired operations and workforce, which are anticipated to enhance the Group's self-delivery and capabilities within the retail sector.

El-Team Vest A/S (ETV)
On 31 March 2026, the Group acquired 100% of the issued share capital of ETV, for a total transaction consideration of £12.7m, of which £2.3m is deferred and payable over the following three years contingent on post-acquisition performance. ETV is a Danish electrical contracting and installation business. The acquisition enhances the Group's self-delivery capabilities in fire, security and electrical works within one of Europe's fastest-growing data centre markets and will be integrated into the Group's Business Services division.

Amounts of up to £2.0m payable to the former owner of ETV have been accounted for as remuneration for post-acquisition employment services, as entitlement to these payments is conditional upon the continued employment of the former owners within the Group. The amounts are payable based on the sellers' continued employment over three periods ending 31 December 2026, 31 December 2027 and 31 December 2028. Where relevant conditions are met, these amounts are recognised as an expense over the period in which the related services are received, up to the point at which the payments become payable.

Goodwill arising on the acquisition represents the expected future benefits from the acquired operations and workforce, which are anticipated to enhance and support the Group's self-delivery capabilities and its fire, security and electrical offerings across the Nordic regions.

27. Acquisitions continued

ABC Elektro AS (ABC)

On 31 March 2026, the Group acquired 100% of the issued share capital of ABC, for a total cash consideration of £0.6m, of which £0.1m is payable on finalisation of the completion accounts process. ABC is a Norwegian electrical installation business. The acquisition enhances the Group's self-delivery capabilities in fire, security and electrical works within the Nordic region and will be integrated into the Group's Business Services division.

Amounts of up to £0.4m payable to the former owners of ABC have been accounted for as remuneration for post-acquisition employment services, as entitlement to these payments is conditional upon the continued employment of the former owners within the Group. The amounts are payable based on the sellers' continued employment over two periods ending 31 December 2027 and 31 December 2028. Where relevant conditions are met, these amounts are recognised as an expense over the period in which the related services are received, up to the point at which the payments become payable.

Goodwill arising on the acquisition represents the expected future benefits from the acquired operations and workforce, which are anticipated to enhance the Group's fire, security and electrical offerings across the Nordic regions.

Revenue and operating profit from acquisitions

The acquired entities contributed the following amounts of revenue and operating profit before Other items to the Group's results during the year ended 31 March 2026:

	Marlowe £m	SPM £m	Forest Group £m	**Total[1] £m**
Revenue	207.9	4.5	2.4	**214.8**
Operating profit before Other items	16.5	0.3	0.1	**16.9**

Note:
1. As ETV and ABC were acquired on 31 March 2026, these acquisitions did not contribute to revenue or operating profit before Other items for the year ended 31 March 2026.

Based on estimates made of the full-year impact if all acquisitions had been completed on 1 April 2025, revenue for the year would have increased by approximately £131.5m, and operating profit before Other items would have increased by £9.3m, resulting in total revenue of £5,750.1m and total Group operating profit before Other items of £273.4m. Profit after tax would have increased by £5.3m, resulting in total Group profit after tax of £95.6m.

Fair value of assets and liabilities

The Group's assessments of the fair values of the assets and liabilities recognised as a result of the acquisitions are provisional. The purchase price allocation, including the valuation of identifiable intangible assets arising on acquisition, will be finalised within 12 months of the acquisition date. The provisional purchase price allocation is as follows:

	Marlowe £m	SPM £m	Forest Group £m	ETV £m	ABC £m	**Total £m**
Customer relationships and contracts	143.0	2.3	1.6	–	–	**146.9**
Brand	3.5	–	–	–	–	**3.5**
Other intangible assets	2.9	–	–	–	–	**2.9**
Property, plant and equipment (owned)	8.7	–	0.1	–	–	**8.8**
Right-of-use assets	26.3	–	0.3	0.6	–	**27.2**
Trade and other receivables	68.1	–	1.3	1.3	0.2	**70.9**
Inventories	10.8	–	0.3	0.1	0.2	**11.4**
Cash and cash equivalents	8.8	–	0.8	2.8	–	**12.4**
Current tax asset/(liabilities)	2.8	–	(0.2)	–	–	**2.6**
Trade and other payables	(62.5)	–	(1.1)	(1.0)	(0.3)	**(64.9)**
Deferred Income	(4.2)	–	–	–	–	**(4.2)**
Lease liabilities	(26.3)	–	(0.3)	(0.6)	–	**(27.2)**
Financing liabilities	(9.0)	–	–	–	–	**(9.0)**
Provisions	(11.2)	–	(0.1)	–	–	**(11.3)**
Deferred tax liabilities	(34.0)	(0.6)	(0.5)	(0.3)	–	**(35.4)**
Net identifiable assets acquired	**127.7**	**1.7**	**2.2**	**2.9**	**0.1**	**134.6**
Goodwill	223.8	2.6	2.8	9.8	0.5	**239.5**
Total consideration	**351.5**	**4.3**	**5.0**	**12.7**	**0.6**	**374.1**
Cash consideration	228.2	2.6	5.0	10.4	0.5	**246.7**
Shares consideration[1]	123.3	–	–	–	–	**123.3**
Deferred consideration	–	1.7	–	–	–	**1.7**
Contingent consideration	–	–	–	2.3	0.1	**2.4**
Total consideration	**351.5**	**4.3**	**5.0**	**12.7**	**0.6**	**374.1**

Note:
1. The share-based consideration consisted of 86.6m ordinary shares issued, valued at £1.424 per share based on the closing price on 4 August 2025.

27. Acquisitions continued

Prior year acquisitions

On 1 August 2024, the Group completed the acquisition of Woodford Investments Limited and its subsidiary ESM Power Limited (together ESM). Subsequently on 24 October 2024, Slademain Limited and its subsidiary Argus Fire Protection Company Limited (together Argus) were also acquired by the Group.

The accounting for these acquisitions was disclosed as provisional within the Group's Annual Report and Accounts 2025, as these acquired businesses were in the 12-month measurement period as allowed by IFRS 3 Business Combinations. During the year ended 31 March 2026, Management have finalised the acquisition accounting for these businesses, and measurement period adjustments have been recognised to reflect new information about conditions and circumstances that existed at the acquisition date.

Following the measurement period adjustments, the fair value of acquired net assets for ESM decreased by £4.4m. This reduction was due to an increase in onerous contract provisions of £4.2m and deferred income of £1.7m related to specific projects, and an increase in deferred tax assets of £0.5m and current tax receivables of £1.0m resulting in a corresponding increase in goodwill of £4.4m.

Additionally, the fair value of acquired net assets for Argus decreased by £0.8m due to derecognition of certain reimbursement assets of £1.1m, and an increase in current tax receivables of £0.3m, resulting in a corresponding increase in goodwill of £0.8m.

As these adjustments to acquisition accounting are not material for the Group, goodwill values have been adjusted in the current year rather than re-presenting goodwill as at 31 March 2025.

Cash flows on acquisitions

	2026 £m	2025 £m
Cash consideration	**246.7**	58.8
Less: cash balance acquired	**(12.4)**	(9.7)
Net outflow of cash – investing activities	**234.3**	49.1

During the year ended 31 March 2026, payments totalling £13.0m (2025: £7.0m) have been made to the former owners of certain acquired businesses with respect to employment-linked earnouts which are included within net cash generated from operating activities.

28. Share-based payments

The Group has six equity-settled share schemes. The Group also has awarded performance-related bonuses for Executive Directors which are deferred in conditional shares under the Mitie Group plc 2010 Deferred Bonus Plan (DBP) and are accounted for as a share-based payment charge.

The Mitie Group plc Long Term Incentive Plan (LTIP)

The conditional awards of shares or rights to acquire shares (Awards) are offered to a small number of key senior management personnel. Where offered as options, there is no associated exercise price. The vesting period is generally three years, although some awards are subject to a holding period of up to a further two years. If the awards remain unexercised after a period of 12 months from the date of vesting, the awards expire. The awards may be forfeited if the employee leaves the Group. Before the awards can be exercised, performance conditions must be satisfied that are based on movements in a range of non-market measures over a three-year period.

Retention Share Plan (RSP)

The RSP was introduced in the year ended 31 March 2022. The Awards are offered to a small number of key senior management personnel. Where offered as options, there is no associated exercise price. The vesting period is three years. If the awards remain unexercised after a period of 10 years from the date of grant, the awards expire. The awards may be forfeited if the employee leaves the Group. There are no performance conditions attached to these awards.

The Enhanced Delivery Plan (EDP)

The EDP was introduced in the year ended 31 March 2021. The Awards are offered to a small number of key senior management personnel. Where offered as options, there is no associated exercise price. The vesting period is three years, and awards are subject to a holding period of two additional years. If the awards remain unexercised after a period of 12 months from the date of vesting (but subject to the additional holding period), the awards expire. The awards may be forfeited if the employee leaves the Group. Before the awards can be exercised, performance conditions must be satisfied that are based on movements in non-market measures over a three-year period.

The Conditional Share Plan (CSP)

The Awards are offered to a small number of key senior management personnel. Where offered as options, there is no associated exercise price. The vesting period is determined at the discretion of the Remuneration Committee and is generally two or three years. If the awards remain unexercised after a period of 10 years from the date of grant, the awards expire. The awards may be forfeited if the employee leaves the Group.

The Mitie Group plc Save As You Earn (SAYE) scheme

The SAYE scheme is open to eligible employees resident in the UK. The exercise price is not less than 80% of the market value of the shares, determined using either: the share price preceding the date on which invitations to participate in the scheme are issued or an average share price over five days preceding the invitation date. The vesting period is three years. If the options remain unexercised after a period of six months from the date of vesting, the options expire. Options may be forfeited if the employee leaves the Group. An equivalent scheme is open to eligible Ireland-resident employees.

28. Share-based payments continued

The Share Incentive Plan (SIP)

The SIP is open to eligible employees resident in the UK. Under the scheme, eligible employees are invited to invest in partnership shares which are purchased in the market on their behalf and held in a separate UK trust. Since October 2021, one conditional matching share has been awarded for every two partnership shares purchased and has a holding period of three years. Matching shares are funded by way of market purchases. The Group also, from time to time, launches free share schemes under which all employees receive an allocation of shares at no cost to the employee. The free shares have a holding period of three years.

Details of the awards and share options outstanding are as follows:

	2026	2025	2026		2025	
	Number of discretionary share awards (million)	Number of discretionary share awards (million)	**Number of non-discretionary share options[1] (million)**	**Weighted average exercise price[1] (p)**	Number of non-discretionary share options[1] (million)	Weighted average exercise price[1] (p)
Outstanding at 1 April	**70.4**	83.2	**65.4**	**78**	58.3	64
Granted during the year	**13.2**	19.7	**24.9**	**128**	25.0	86
Lapsed during the year	**(5.4)**	(10.9)	**(5.6)**	**78**	(6.4)	66
Exercised during the year	**(14.0)**	(21.6)	**(11.5)**	**61**	(11.5)	45
Outstanding at 31 March	**64.2**	70.4	**73.2**	**97**	65.4	78
Exercisable at the end of the year	**4.8**	1.0	**7.7**	**61**	5.6	50

Note:
1. The non-discretionary share options include 51.7 million SAYE options (2025: 46.1 million) and 21.5 million SIP options (2025: 19.3 million). The weighted average exercise prices for non-discretionary share plans are stated excluding the SIP schemes which have no associated exercise price.

The Group recognised the following expenses related to equity-settled share-based payments:

	2026 £m	2025 £m
Discretionary share plans	**10.8**	8.6
Non-discretionary share plans	**12.1**	6.9
	22.9	15.5

The equity-settled share-based payments expense charged to the consolidated income statement for the year is £22.9m (2025: £15.5m) and represents share-based payment transactions relating to discretionary and non-discretionary share plans. The associated social security charge for the year is £5.4m (2025: £3.9m).

In the year ended 31 March 2026, £1.6m of dividend equivalents have been accrued in relation to outstanding share awards (2025: £1.4m). Dividend equivalents accrued under the share option schemes are forfeitable and are payable after the vesting date when the share awards are exercised.

The weighted average share price at the date of exercise for share awards and share options exercised during the year was 164p (2025: 118p). At 31 March 2026, the options outstanding with respect to the SAYE scheme had exercise prices ranging from 64p to 128p (2025: 27p to 86p), and a weighted average remaining contractual life of 1.8 years (2025: 1.8 years). No other scheme is subject to exercise prices.

In the year ended 31 March 2026, 31.1 million (2025: 40.3 million) options and awards were granted in respect of the SAYE, LTIP, CSP, RSP and DBP schemes and awards of matching shares and 7.0 million (2025: 4.4 million) free shares were granted under the SIP. The aggregate of the estimated fair values of those options granted and awards made was £43.4m (2025: £36.5m).

The fair value of options is measured by use of the Black-Scholes model.

The inputs into the Black-Scholes model for new schemes granted in the year are as follows:

	2026	2025
Share price (p)	**169**	109
Exercise price (p)	**128**	86
Expected volatility[1] (%)	**29**	38
Expected life (years)	**3**	3
Risk-free rate (%)	**3.9**	4.2
Expected dividends (%)	**2.8**	4.2

Note:
1. Expected volatility is calculated based on the historical share prices over a period equal to the vesting period.

29. Retirement benefit schemes

The Group operates a number of pension arrangements for employees:

- Defined contribution schemes for the majority of its employees
- Defined benefit schemes which include the Mitie Group plc Pension scheme, the Landmarc Pension Scheme and other smaller schemes

Defined contribution schemes

A defined contribution scheme is a pension scheme under which the Group pays contributions to an independently administered fund; such contributions are based upon a fixed percentage of employees' pay. The Group has no legal or constructive obligations to pay further contributions to the fund once these contributions have been paid. Members' benefits are determined by the amount of contributions paid, together with investment returns earned on the contributions arising from the performance of each individual's chosen investments and the type of pension the member chooses to take at retirement. As a result, actuarial risk (that pension will be lower than expected) and investment risk (that the assets invested in do not perform in line with expectations) are borne by the employee.

The Group's contributions are recognised as an employee benefit expense when they are due.

The Group operates four separate schemes: a stakeholder defined contribution plan, which is closed to new members; a self-invested personal pension plan, which is closed to new members; and two Group personal pension plans. Employer contributions are payable to each on a matched basis requiring employee contributions to be paid. Employees have the option to pay their share via a salary sacrifice arrangement. The scheme used to satisfy auto-enrolment compliance is a master trust, The People's Pension.

During the year, the Group made a total contribution to the defined contribution schemes of £33.8m (2025: £26.8m) and contributions to the auto-enrolment scheme of £28.5m (2025: £24.7m), which are included in the consolidated income statement charge. The Group expects to make contributions of a similar amount in the year ending 31 March 2027.

Defined benefit schemes

Mitie Group plc Pension Scheme (the Group scheme)

The Group scheme comprises two segregated sections: the Group section (Group Part A) and the Interserve section (Group Part B). The assets and liabilities of the two sections are ring-fenced.

The Group Part A section provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their final pensionable pay.

The Group Part A section was closed to new members in 2006, with new employees able to join one of the defined contribution schemes.

The Group Part B section was formed in the year ended 31 March 2023 when the assets and liabilities were transferred from the Interserve Scheme Part C, which in turn had been formed to take Interserve members out of the Interserve Group Pension Scheme as part of the arrangements for Mitie's acquisition of Interserve in 2020.

The Group scheme is operated under the UK regulatory framework. Benefits are paid to members from the trust-administered fund, where the Trustee is responsible for ensuring that the scheme is sufficiently funded to meet current and future benefit payments. Plan assets are held in trust and are governed by pension legislation. If investment experience is worse than expected or the actuarial assessment of the scheme's liabilities increases, the Group's financial obligations to the scheme rise.

The nature of the relationship between the Group and the Trustee is also governed by regulations and practice. The Trustee must agree a funding plan with the sponsoring company such that any funding shortfall is expected to be met by additional contributions and investment outperformance. In order to assess the level of contributions required, triennial valuations are carried out, with the scheme's obligations measured using prudent assumptions (which are determined by the Trustee with advice from the scheme actuary). The most recent triennial valuation was carried out as at 31 March 2023, which indicated an actuarial deficit of £19.4m, an improvement of £72.7m since the last valuation. During the year, the Group paid £3.2m of deficit repair contributions. The funding position has materially improved (through a combination of deficit repair contributions and investment returns) to an actuarial surplus and due to the improved funding position of the scheme, no further deficit repair contributions are expected to be required in the year ending 31 March 2027. We are working with the Trustee of the scheme to enter into a qualifying insurance buy-in to secure the benefits of the scheme, which had not completed as at 31 March 2026.

The Trustee's other duties include managing the investment of the scheme's assets, administration of plan benefits and exercising of discretionary powers. The Group works closely with the Trustee to manage the scheme.

The Group has an unconditional right to refund of surplus assuming the gradual settlement over time until all members have left the section. Accordingly, there is no restriction on the surplus.

29. Retirement benefit schemes continued

The Landmarc Pension Scheme (the Landmarc scheme)

Landmarc is the employing company for the Landmarc scheme, which commenced on 1 July 2003, at which time approximately 1,000 employees became members of the scheme. From that date the majority of new employees were provided with defined contribution benefits under a separate arrangement, with membership of the Landmarc scheme for certain new employees only, available at the discretion of the employing company. On 1 July 2021, the last remaining active members ceased accrual and the scheme closed to future accrual.

In December 2022, the Trustee of the scheme entered into a qualifying insurance buy-in to secure the remaining uninsured benefits of the scheme. Separately, a decision was taken to proceed with a scheme buyout, and in January 2026 the Group completed the buyout of the Landmarc scheme with an authorised insurance company, receiving a £1.6m refund relating to the scheme surplus. Under this arrangement, the scheme's assets and liabilities relating to members' accrued benefits were transferred to the insurer, which has assumed responsibility for the payment of future pension benefits in accordance with the scheme rules.

As a result of the transaction, the Group has eliminated its exposure to future funding, longevity, inflation and investment risks in respect of these obligations.

Other defined benefit schemes

Grouped together under Other schemes are a number of schemes to which the Group makes contributions under Admitted Body status to clients' (generally local government or government entities) defined benefit schemes in respect of certain employees who transferred to the Group under Transfer of Undertakings (Protection of Employment) Regulations 2006, as well as three smaller schemes that the Group acquired on the acquisition of Interserve. The valuations of the Other schemes are updated by an actuary at each consolidated statement of financial position date.

For the Admitted Body schemes, which are largely sections of the Local Government Pension Scheme, the Group will only participate for a finite period up to the end of the relevant contract. The Group is required to pay regular contributions, as decided by the relevant scheme actuaries and detailed in each scheme's Contributions Certificate, which are calculated every three years as part of a triennial valuation. In a number of cases, contributions payable by the employer are capped and any excess is recovered from the entity that the employees transferred from. In addition, in certain cases, at the end of the contract the Group will be required to pay any deficit (as determined by the scheme actuary) that is assessed for its notional section of the scheme. Any surplus positions are restricted as the Group does not have an unconditional right to a refund.

The Group made contributions to the Other schemes of £0.3m in the year (2025: £0.1m). The Group expects to make contributions of a similar amount in the year ending 31 March 2027.

Multi-employer schemes

As a result of acquisition activity and staff transfers following contract wins, the Group participates in three multi-employer pension schemes. The total contributions to these schemes for the year ending 31 March 2027 are anticipated to be £0.1m. The Group's share of the assets and liabilities in respect of these schemes is minimal.

The Group previously participated in the Plumbing & Mechanical Services (UK) Industry Pension Scheme (the Plumbing Scheme), a funded multi-employer defined benefit scheme. The Plumbing Scheme was founded in 1975 and to date has had over 4,000 employers. The Group has received a Section 75 employer debt notice in respect of the participation of Robert Prettie & Co Limited in the Plumbing Scheme. As a result of the Interserve acquisition, the Group increased its participation in the Plumbing Scheme and the Group has received a Section 75 employer debt notice in respect of the participation of Mitie FM Limited.

During the year ended 31 March 2025, a settlement agreement was reached with the trustees of the Plumbing Scheme. As a result of this, the amount of £21.7m was transferred from provisions to other payables, and a charge of £2.8m was recognised as Other items in respect of Mitie Property Services (UK) Limited's participation in the Plumbing Scheme. The costs were partially offset by a £0.5m release of an accrual during the year ended 31 March 2026 following the final settlement agreement with the trustees of the Plumbing Scheme in respect of the Section 75 debt.

Accounting assumptions

The assumptions used in calculating the accounting costs and obligations of the Group's defined benefit pension schemes, as detailed below, are set after consultation with independent, professionally qualified actuaries.

The discount rate used to determine the present value of the obligations is set by reference to market yields on high-quality corporate bonds. The assumptions for price inflation are set by reference to the difference between yields on longer-term conventional government bonds and index-linked bonds. The assumptions for increases in pensionable pay take into account expected salary inflation, the cap at consumer price inflation, and how often the cap is likely to be exceeded.

The assumptions for life expectancy have been set with reference to the actuarial tables used in the latest funding valuations.

29. Retirement benefit schemes continued

Principal accounting assumptions at consolidated statement of financial position date

	Group Part A		Group Part B		Landmarc scheme		Other schemes	
	2026 %	2025 %	**2026 %**	2025 %	**2026 %**	2025 %	**2026 %**	2025 %
Key assumptions used for IAS 19 valuation:								
Discount rate	**6.12**	5.79	**6.16**	5.82	**–**	5.70	**6.17**	5.82
Expected rate of pensionable pay increases	**2.88**	2.57	**3.00**	2.70	**–**	2.60	**3.82**	3.39
Retail price inflation	**3.44**	3.18	**3.41**	3.15	**–**	3.20	**3.41**	3.15
Consumer price inflation	**2.88**	2.57	**3.00**	2.70	**–**	2.60	**3.00**	2.70
Future pension increases	**2.88**	2.57	**3.00**	2.70	**–**	3.10	**2.81**	2.82

	Group Part A		Group Part B		Landmarc scheme	
	2026 Years	2025 Years	**2026 Years**	2025 Years	**2026 Years**	2025 Years
Post-retirement life expectancy:						
Current pensioners at 65 – male	**87.5**	87.1	**85.0**	84.7	**–**	85.0
Current pensioners at 65 – female	**88.9**	88.7	**87.1**	87.0	**–**	88.6
Future pensioners at 65 – male	**88.6**	88.1	**86.1**	85.7	**–**	86.2
Future pensioners at 65 – female	**90.1**	89.9	**88.4**	88.2	**–**	89.7

Life expectancy for the Other schemes is that used by the relevant scheme actuary.

Sensitivity of defined benefit obligations to key assumptions

The sensitivity of defined benefit obligations to changes in principal actuarial assumptions is shown below.

	Impact on defined benefit obligations		
	Change in assumption	(Decrease)/ increase in obligations %	(Decrease)/ increase in obligations £m
Increase in discount rate	0.25%	(3.2)	(6.7)
Increase in retail price inflation[1]	0.25%	2.0	4.4
Increase in consumer price inflation (excluding pay)	0.25%	1.0	2.2
Increase in life expectancy	1 year	2.9	6.2

Note:
1. Including other inflation-linked assumptions (consumer price inflation, pension increases and salary growth).

Some of the above changes in assumptions may have an impact on the value of the scheme's investment holdings. For example, the Group scheme holds a proportion of its assets in UK corporate bonds. A fall in the discount rate as a result of lower UK corporate bond yields would lead to an increase in the value of these assets, mitigating the increase in the defined benefit obligation to some extent. The duration, or average term to payment for the benefits due, weighted by liability, is around 14 years for the Group Part A and B sections.

29. Retirement benefit schemes continued

Amounts recognised in consolidated financial statements

Amounts recognised in the consolidated income statement are as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
Current service cost	(0.1)	(0.2)	–	(0.7)	(1.0)	(0.1)	(0.3)	–	(0.7)	(1.1)
Past service cost (including curtailments/ settlements)[1,2]	–	(1.3)	–	(7.9)	(9.2)	–	–	(1.1)	(5.3)	(6.4)
Total administrative expense[3]	(0.8)	(0.2)	(0.7)	(0.1)	(1.8)	(1.0)	(0.2)	(0.5)	(0.2)	(1.9)
Amounts recognised in operating profit	(0.9)	(1.7)	(0.7)	(8.7)	(12.0)	(1.1)	(0.5)	(1.6)	(6.2)	(9.4)
Net interest income/(cost)	0.8	0.2	0.1	(0.1)	1.0	0.2	0.1	0.1	(0.1)	0.3
Amounts recognised in profit before tax	(0.1)	(1.5)	(0.6)	(8.8)	(11.0)	(0.9)	(0.4)	(1.5)	(6.3)	(9.1)

Notes:
1. During the year ended 31 March 2026, an agreement to amend the Group Part B scheme rules to increase certain cash benefits which members receive on retirement was completed. The Group incurred a £1.3m past service cost charge in relation to the amendment of the Group Part B scheme rules, which have been recognised in the consolidated income statement as Other items. See Note 4.
2. During the year ended 31 March 2026, the Group formally exited certain Local Government Pension Schemes (LGPS), resulting in a £7.9m contract settlement charge, which was recognised within Other items. See Note 4.
3. During the year ended 31 March 2026, the Group completed the buyout of the Landmarc scheme. Administrative expenses of £0.6m were incurred as a result of the buyout process, and these were recognised within Other items. See Note 4.

Amounts recognised in the consolidated statement of comprehensive income are as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
Actuarial gains/(losses) arising due to changes in financial assumptions	3.8	0.3	(0.8)	0.2	3.5	22.8	2.9	4.3	6.6	36.6
Actuarial (losses)/gains arising from liability experience	(1.3)	–	(0.3)	(0.7)	(2.3)	0.9	1.8	(0.1)	(0.2)	2.4
Actuarial (losses)/gains due to changes in demographic assumptions	(0.4)	(0.1)	–	0.2	(0.3)	(0.1)	0.1	–	0.5	0.5
Movement in asset ceiling, excluding interest[1]	–	–	–	0.1	0.1	–	–	–	(2.4)	(2.4)
Return on scheme assets, excluding interest income	(1.2)	(0.1)	1.4	7.9	8.0	(19.0)	(2.3)	(3.8)	1.7	(23.4)
Amounts recognised in other comprehensive income	0.9	0.1	0.3	7.7	9.0	4.6	2.5	0.4	6.2	13.7

Note:
1. The £0.1m net credit (2025: £2.4m net charge) for the year ended 31 March 2026 includes a £7.9m credit (2025: £5.3m) with respect to the reversal of gross surplus associated with the exit of certain LGPS schemes.

29. Retirement benefit schemes continued

The amounts included in the consolidated statement of financial position are as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
Fair value of scheme assets	168.3	23.0	–	67.1	258.4	165.3	22.7	36.7	69.1	293.8
Present value of defined benefit obligations	(152.8)	(20.3)	–	(41.0)	(214.1)	(154.7)	(18.9)	(34.8)	(43.8)	(252.2)
Surplus without restriction	15.5	2.7	–	26.1	44.3	10.6	3.8	1.9	25.3	41.6
Asset ceiling	–	–	–	(28.9)	(28.9)	–	–	–	(27.7)	(27.7)
Net pension asset/(liability)	15.5	2.7	–	(2.8)	15.4	10.6	3.8	1.9	(2.4)	13.9

All figures above are shown before deferred tax. The total of schemes in a surplus position is £18.2m (2025: £16.3m).

Movements in the present value of defined benefit obligations were as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
At 1 April	154.7	18.9	34.8	43.8	252.2	177.4	23.2	38.1	58.1	296.8
Additional schemes entered into	–	–	–	1.6	1.6	–	–	–	–	–
Current service cost	0.1	0.2	–	0.7	1.0	0.1	0.3	–	0.7	1.1
Interest cost	8.7	1.1	1.5	2.1	13.4	8.4	1.1	1.8	2.4	13.7
Contributions from scheme members	–	0.1	–	0.1	0.2	–	0.1	–	0.1	0.2
Actuarial (gains)/losses arising due to changes in financial assumptions	(3.8)	(0.3)	0.8	(0.2)	(3.5)	(22.8)	(2.9)	(4.3)	(6.6)	(36.6)
Actuarial losses/(gains) arising from experience	1.3	–	0.3	0.7	2.3	(0.9)	(1.8)	0.1	0.2	(2.4)
Actuarial losses/(gains) due to changes in demographic assumptions	0.4	0.1	–	(0.2)	0.3	0.1	(0.1)	–	(0.5)	(0.5)
Benefits paid	(8.6)	(1.1)	(1.8)	(1.5)	(13.0)	(7.6)	(1.0)	(2.0)	(1.4)	(12.0)
Past service cost	–	1.3	–	–	1.3	–	–	1.1	–	1.1
Contract settlement	–	–	(35.6)	(6.1)	(41.7)	–	–	–	(9.2)	(9.2)
At 31 March	152.8	20.3	–	41.0	214.1	154.7	18.9	34.8	43.8	252.2

The defined benefit obligations analysed by participant status is as follows:

	2026			2025		
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Group Part A £m	Group Part B £m	Landmarc scheme £m
Active	1.0	7.7	–	1.1	8.5	–
Deferred	67.4	3.0	–	72.3	2.9	6.9
Pensioners	84.4	9.6	–	81.3	7.5	27.9
At 31 March	152.8	20.3	–	154.7	18.9	34.8

29. Retirement benefit schemes continued

Movements in the fair value of scheme assets were as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
At 1 April	165.3	22.7	36.7	69.1	293.8	174.8	24.4	41.1	80.0	320.3
Additional schemes entered into	–	–	–	2.0	2.0	–	–	–	–	–
Interest income	9.5	1.3	1.6	3.3	15.7	8.6	1.2	1.9	3.3	15.0
Actuarial (losses)/gains on assets	(1.2)	(0.1)	1.4	7.9	8.0	(19.0)	(2.3)	(3.8)	1.7	(23.4)
Contributions from the sponsoring companies[1]	4.1	0.3	–	0.3	4.7	9.5	0.5	–	0.1	10.1
Contributions from scheme members	–	0.1	–	0.1	0.2	–	0.1	–	0.1	0.2
Expenses paid	(0.8)	(0.2)	(0.7)	(0.1)	(1.8)	(1.0)	(0.2)	(0.5)	(0.2)	(1.9)
Benefits paid	(8.6)	(1.1)	(1.8)	(1.5)	(13.0)	(7.6)	(1.0)	(2.0)	(1.4)	(12.0)
Exit credit paid on scheme buyout[2]	–	–	(1.6)	–	(1.6)	–	–	–	–	–
Contract settlement	–	–	(35.6)	(14.0)	(49.6)	–	–	–	(14.5)	(14.5)
At 31 March	168.3	23.0	–	67.1	258.4	165.3	22.7	36.7	69.1	293.8

Notes:
1. Group Part A section contributions of £4.1m (2025: £9.5m) is inclusive of £3.2m deficit repair contributions (2025: £8.4m).
2. In January 2026, the Group completed the buyout of the Landmarc scheme with an authorised insurance company and the Group received a £1.6m refund relating to the scheme surplus.

Movements in the asset ceiling were as follows:

	2026 £m	2025 £m
At 1 April	27.7	24.3
Interest cost on asset ceiling	1.3	1.0
Change in asset ceiling excluding interest[1]	(0.1)	2.4
At 31 March	28.9	27.7

Note:
1. The £0.1m net credit (2025: £2.4m net charge) for the year ended 31 March 2026 includes a £7.9m credit (2025: £5.3m) with respect to the reversal of gross surplus associated with the exit of certain LGPS schemes.

Fair values of the assets held by the schemes were as follows:

	2026					2025				
	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m	Group Part A £m	Group Part B £m	Landmarc scheme £m	Other schemes £m	Total £m
Equities	16.2	–	–	34.4	50.6	22.4	–	–	35.1	57.5
Government bonds	84.4	7.0	–	3.3	94.7	72.4	8.5	–	3.2	84.1
Corporate bonds	58.1	5.5	–	11.3	74.9	55.8	5.8	–	13.7	75.3
Property	–	–	–	11.7	11.7	2.3	–	–	11.2	13.5
Diversified growth fund	6.4	8.4	–	0.8	15.6	7.4	8.4	–	0.9	16.7
Cash	3.1	2.1	–	4.7	9.9	3.8	–	2.5	4.1	10.4
Insurance policies	–	–	–	0.9	0.9	–	–	34.2	0.9	35.1
Derivative financial instruments	(0.9)	–	–	–	(0.9)	–	–	–	–	–
Commodities	1.0	–	–	–	1.0	1.2	–	–	–	1.2
Total fair value of assets	168.3	23.0	–	67.1	258.4	165.3	22.7	36.7	69.1	293.8

The investment portfolios are diversified, investing in a wide range of assets, in order to provide reasonable assurance that no single asset or type of asset could have a materially adverse impact on the total portfolio. To reduce volatility, certain assets are held in a matching portfolio, which largely consists of government and corporate bonds, designed to mirror movements in corresponding liabilities.

The property assets represent quoted property investments.

29. Retirement benefit schemes continued

Risks and risk management

The Group scheme, in common with the majority of UK plans, has a number of risks. These areas of risk and the ways in which the Group has sought to manage them, with respect to the Group scheme, are set out in the table below.

The risks are considered from both a funding perspective, which drives the cash commitments of the Group, and from an accounting perspective, i.e. the extent to which such risks affect the amounts recorded in the Group's consolidated financial statements:

Risk	Description
Asset volatility	The funding liabilities are calculated using a discount rate set with reference to government bond yields, with allowance for additional return to be generated from the investment portfolio. The defined benefit obligation for accounting is calculated using a discount rate set with reference to corporate bond yields. The Group scheme holds 16% of its assets in equities and other return-seeking assets, principally diversified growth funds (DGFs). The returns on such assets tend to be volatile and are not correlated to government bonds. This means that the funding level has the potential to be volatile in the short term, potentially resulting in short-term cash requirements, or alternative security offers, which are acceptable to the Trustee, and an increase in the net defined benefit liability recorded on the Group's consolidated statement of financial position. Equities and DGFs are considered to offer the best returns over the long term with an acceptable level of risk and hence the scheme holds a significant proportion of these types of assets. However, the scheme's assets are well-diversified by investing in a range of asset classes, including property, government bonds and corporate bonds. The Group scheme holds 8% of its assets in DGFs which seek to maintain high levels of return while achieving lower volatility than direct equity funds. The allocation to return seeking assets is monitored to ensure it remains appropriate, given the scheme's long-term objectives. The investment in bonds is discussed further below.
Changes in bond yields	Falling bond yields tend to increase the funding and accounting obligations. However, the investment in corporate and government bonds offers a degree of matching, i.e. the movement in assets arising from changes in bond yields partially matches the movement in the funding or accounting obligations. In this way, the exposure to movements in bond yields is reduced.
Inflation risk	The majority of the Group scheme's benefit obligations are linked to inflation. Higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the Group scheme's assets are either unaffected by inflation (fixed interest bonds) or loosely correlated with inflation (equities), meaning that an increase in inflation will also increase the deficit.
Life expectancy	The majority of the Group scheme's obligations are to provide a pension for the life of the member, so increases in life expectancy will result in an increase in the obligations.

Areas of risk management

Although investment decisions in the Group scheme are the responsibility of the Trustee, the Group takes an active interest to ensure that pension plan risks are managed effectively. The Group and Trustee have agreed a long-term strategy for reducing investment risk where appropriate.

Certain benefits payable on death before retirement are insured.

30. Contingent liabilities

Contractual disputes

The Group is, from time to time, party to contractual disputes that arise in the ordinary course of business. Management does not anticipate that the outcome of any of these disputes will have a material adverse effect on the Group's financial position, other than as already provided for in the consolidated financial statements. In appropriate cases, a provision is recognised based on best estimates and management judgement but there can be no guarantee that these provisions (which may be subject to potentially material revision from time to time) will result in an accurate prediction, due to the uncertainty of the actual costs and liabilities that may be incurred.

31. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

Mitie Group plc has a related party relationship with the Mitie Foundation, a charitable company. During the year, the Group made payments of £0.4m (2025: £0.4m) to the Mitie Foundation to fund operations.

During the year ended 31 March 2026, the Group recognised revenue from transactions with associates of £0.8m (2025: £1.9m). Separately, purchases of £0.1m were made from associates (2025: no purchases).

There were no amounts due from associates as at 31 March 2026 (2025: £0.1m), and no expense has been recognised in the year for expected credit losses in respect of amounts owed by associates (2025: no expense recognised). There were no amounts owed to associates at 31 March 2026 (2025: no amounts owed).

The Group's key management personnel include the Executive Directors, Non-Executive Directors and members of the Mitie Group Executive (MGX). Details of the Directors' remuneration are included in Note 6. The remuneration for the other members of the MGX, including the share-based payments charge, is £5.5m (2025: £8.2m).

	2026 £m	2025 £m
Short-term employment benefits	3.0	5.5
Post-employment benefits	0.2	0.4
Share-based payments	2.3	2.3
At 31 March	5.5	8.2

All transactions with these related parties were made on terms equivalent to those that prevail in arm's length transactions.

No other transactions during the year ended 31 March 2026 meet the definition of related party transactions.

32. Events after the reporting period

On 2 June 2026, the Board approved the initiation of a £100m share buyback programme for the year ending 31 March 2027 (including the remaining c.£40m tranche of existing £100m programme launched in October 2025).

33. Related undertakings

The subsidiaries, joint ventures, associates, and joint operations of the Group as at 31 March 2026 have been disclosed below. Unless otherwise stated, the shareholding is held indirectly by Mitie Group plc and is represented by ordinary shares, of which the proportion of ownership interests held equals the voting rights. No subsidiary undertakings have been excluded from the consolidation.

The principal activities of all undertakings, unless otherwise stated, is the performance of facilities management services and compliance services or the holding companies of other undertakings performing these services. All undertakings are tax resident in their country of incorporation unless otherwise stated.

Subsidiaries

Country/registered address/company	Aggregate % of share class	Share class
United Kingdom		
35 Duchess Road, Rutherglen, Glasgow, Scotland, G73 1AU, United Kingdom		
Cliniwaste Health South Limited[1] (registration number SC648410)	100	Ordinary
Cliniwaste Holdings Limited[2]		
P2ML Ltd[1] (registration number SC299864)	100	Ordinary
Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG, United Kingdom		
8Point8 Support Limited[1] (registration number 07370013)	100	Ordinary (all classes)
8Point8 Training Limited[1] (registration number 10064042)	100	Ordinary
Advance Environmental Limited	100	Ordinary (all classes)
Alarm Communication Limited	100	Ordinary
Argus Fire Protection Company Limited	100	Ordinary
Atana Ltd	100	Ordinary
Biotecture Limited[1] (registration number 06297364)	100	Ordinary
Care & Custody (Health) Limited[2]	100	Ordinary
Clearwater Group Limited	100	Ordinary
Clearwater Technology Ltd	100	Ordinary
Clymac Limited	100	Ordinary
Converge Technology Ltd	100	Ordinary (all classes)
CTI Power Limited[2]	100	Ordinary
Custom Solar Ltd[1] (registration number 07886213)	100	Ordinary (all classes)
ESM Power Limited[1] (registration number 04611637)	100	Ordinary
Esoteric Limited[1] (registration number 04441008)	100	Ordinary
Eurosafe UK Group Limited	100	Ordinary
Fire & Security (Group) Limited	100	Ordinary
Fire Alarm Fabrication Services Limited	100	Ordinary
Forest Group Holdings Limited[1] (registration number 06883198)	100	Ordinary (all classes)
Forest U.K. Limited[1] (registration number 02672708)	100	Ordinary
G.B. Electronics Limited	100	Ordinary
GB Refrigeration Limited[1] (registration number 06883842)	100	Ordinary
GBE Converge Group Ltd[1] (registration number 03648989)	100	Ordinary (all classes)
Global Aware International Ltd[2]	100	Ordinary
Guardian Water Treatment Ltd	100	Ordinary
Hadrian Technology Limited	100	Ordinary
Hydro-X Air Limited	100	Ordinary
Hydro-X Engineering Limited	100	Ordinary
Hydro-X Group Limited	100	Ordinary
Hydro-X Training Limited	100	Ordinary
Hydro-X Water Treatment Limited	100	Ordinary
Insitu Cleaning Company Limited[1] (registration number 01623889)	100	Ordinary
Island Fire Protection Limited	100	Ordinary
J C A Engineering Ltd	100	Ordinary
Jabez Holdings Limited[2]	100	Ordinary
JCA Head Co Limited[2]	100	Ordinary (all classes)

33. Related undertakings continued

Country/registered address/company	Aggregate % of share class	Share class
JCA HQ Group Holdings Ltd.[2]	100	Ordinary
Kingfisher Environmental Services Limited	100	Ordinary
Landmarc Support Services Limited	100[4]	Ordinary-A
Linx International Group Limited[1] (registration number 02057133)	100	Ordinary
Maclellan International Limited[1] (registration number 03688689)	100	Ordinary
Maclellan Management Services Limited[2]	100	Ordinary
Marlowe 2016 Limited	100	Ordinary, redeemable B
Marlowe Environmental Services Limited	100	Ordinary
Marlowe Fire & Security (BBC) Limited	100	Ordinary
Marlowe Fire & Security Group Limited	100	Ordinary
Marlowe Fire & Security Limited	100	Ordinary
Marlowe Kitchen Fire Suppression Limited	100	Ordinary
Marlowe Limited	100	Ordinary
Marlowe Smoke Control Limited	100	Ordinary
Merryweather & Sons Ltd	100	Ordinary
Mitie (Defence) Limited	100	Ordinary
Mitie (Facilities Services) Limited	100	Ordinary
Mitie Aviation Security Limited[5]	100	Ordinary
Mitie Built Environment Limited[2]	100	Ordinary, preferred
Mitie Care and Custody Limited[5]	100	Ordinary (all classes)
Mitie Catering Services Limited[1] (registration number 02505731)	100	Ordinary (all classes)
Mitie Cleaning & Environmental Services Limited	100	Ordinary
Mitie Company Secretarial Services Limited	100	Ordinary
Mitie Environmental Services Limited	100	Ordinary
Mitie FM Limited	100	Ordinary
Mitie FS (UK) Limited	100	Ordinary
Mitie Group Pension Scheme Trustee Company Limited	100	Ordinary
Mitie Integrated Services Limited	100	Ordinary
Mitie Landscapes Limited	100	Ordinary (all classes)
Mitie Limited	100	Ordinary
Mitie PFI Limited	100	Ordinary (all classes)
Mitie Property Services (UK) Limited[3]	100	Ordinary (all classes)
Mitie Roofing Limited[3]	100	Ordinary
Mitie Security (First) Limited[2]	100	Ordinary, deferred (all classes)
Mitie Security (Knightsbridge) Limited[2]	100	Ordinary
Mitie Security Limited	100	Ordinary
Mitie Shared Services Limited	100	Ordinary
Mitie Specialist Services (Holdings) Limited[1] (registration number 03044401)	100	Ordinary
Mitie Technical Facilities Management Limited	100	Ordinary (all classes)
Mitie Technical Services Limited[2]	100	Ordinary
Mitie Telecoms Assets Limited[2]	100	Ordinary
Mitie Telecoms Limited	100	Ordinary
Mitie Telecoms Towers Limited[1] (registration number 08811106)	100	Ordinary
Mitie Telecoms Ventures Limited[2]	100	Ordinary
Mitie Treasury Management Limited[3]	100	Ordinary
Mitie Trustee Limited	100	Ordinary

33. Related undertakings continued

Country/registered address/company	Aggregate % of share class	Share class
Mitie Waste & Environmental Services Limited[5]	100	Ordinary (all classes)
Mitiefm (Holdings) Limited[2]	100	Ordinary
Mitiefm Services Limited[1] (registration number 02820560)	100	Ordinary, redeemable ordinary, deferred
MJ Fire Safety Ltd	100	Ordinary
Morgan Fire Protection Limited	100	Ordinary
N-OV8 Group Limited	100	Ordinary
Perpetuity Training Limited[1] (registration number 04505069)	100	Ordinary
Procius Limited[1] (registration number 04730672)	100	Ordinary (all classes)
RHI Industrials Limited	100	Ordinary
Robert Prettie & Co Limited[1] (registration number 00948375)	100	Ordinary
Rock Power Connections Ltd[1] (registration number 08247808)	100	Ordinary (all classes)
Slademain Limited[1] (registration number 01776920)	100	Ordinary (all classes)
Sludge Tek Holdings Limited	100	Ordinary
Sludge Tek Limited	100	Ordinary
Source Eight Limited[2,5]	100	Ordinary (all classes)
Source8 Africa Limited[1] (registration number 08743753)	100	Ordinary (all classes)
Sterling Hydrotech Holdings Limited	100	Ordinary
Sterling Hydrotech Limited	100	Ordinary
Tavcom Limited[1] (registration number 03120861)	100	Ordinary A
Tersus Consultancy Limited	100	Ordinary
Trans-fire Holdings Ltd	100	Ordinary
Trans-fire Protection Limited	100	Ordinary
UK CRBS Limited[1] (registration number 03656962)	100	Ordinary (all classes)
Utilyx Healthcare Energy Services Limited[1] (registration number 06900475)	100	Ordinary
Utilyx Limited[1] (registration number 03922833)	100	Ordinary
Vantage Solutions Limited[1] (registration number 10902316)	100	Ordinary
Victory Fire Limited	100	Ordinary
WCS Environmental Engineering Ltd	100	Ordinary
WCS Environmental South East Ltd	100	Ordinary
WCS Services Limited	100	Ordinary
Wealthy Thoughts Limited[2]	100	Ordinary
Woodford Investments Limited[1] (registration number 10714484)	100	Ordinary
Mitec Operations Centre, Unit 9B, First Floor, Silverwood Business Park, Silverwood Rd, Lurgan, Craigavon, Northern Ireland, BT66 6SY, United Kingdom		
Mitie NI Limited	100	Ordinary
Denmark		
Alkaergardvej 20, 8700, Horsens, Denmark		
El-Team Vest A/S	100	Ordinary
France		
259 Rue St Honore, 75001, Paris, France		
Mitie France SAS	100	Ordinary
Germany		
c/o Pinsent Masons Germany LLP, Ottostrasse 21, 80333, Munich, Germany		
Mitie Deutschland GmbH	100	Ordinary
Guernsey		
c/o MPR Private Clients Limited, Plaza House, Third Floor, Elizabeth Avenue, St. Peter Port, GY1 2HU, Guernsey		
Mitie Engineering Services (Guernsey) Limited[6]	100	Ordinary

33. Related undertakings continued

Country/registered address/company	Aggregate % of share class	Share class
Ireland		
108 Q House, 76 Furze Road, Sandyford, Dublin 18, D18 AY29, Ireland		
Mitie Facilities Management Limited[5]	100	Ordinary (all classes)
Unit 17, Axis Business Park, Clara Road, Tullamore, Offaly, R35 PK70, Ireland		
Clearwater Compliance Limited	100	Ordinary
Jersey		
IFC 5, St Helier, JE1 1ST, Jersey		
Mitie Engineering Services (Jersey) Limited[6]	100	Ordinary
Kingdom of Saudi Arabia		
PO Box 26982, Riyadh, 11595, Kingdom of Saudi Arabia		
Interserve Saudi Arabia LLC[2]	100	Ordinary
Netherlands		
Javastraat 12, Rotterdam, Netherlands		
Mitie Nederland B.V.	100	Ordinary
Ondernemingsweg 25, 1422 DZ, Uithoorn, Netherlands		
GBE Converge B.V.	100	Ordinary
Nigeria		
235 Ikorodu Road, Ilupeju, Lagos, Nigeria		
Source8 Delivery (Nigeria) Limited	100	Ordinary
Norway		
Storgata 94, 3182 Horten, Norway		
ABC Elektro AS	100	Ordinary
Spain	100	Ordinary
Avenida de Cornellá 140, Planta 6, Puerta 2 (08950) Esplugues de Llobregat, Barcelona, Spain	100	Ordinary
JP Silcom Servicios S.L.	100	Ordinary
Silcom Auxiliares S.L.	100	Ordinary
Visegurity Express S.L.	100	Ordinary
Avenida de Sevilla 8, 03690, Sant Vicent del Raspeig, Alicante, Spain		
Mitie Integra Levante S.L.	100	Ordinary
Calle Cala Blanca, Número 15, Polígono Son Fuster, 07009, Palma, Spain		
Mitie Integra Baleares S.L.	100	Ordinary
Calle Fernando Beautell, 25, 1 Planta, Polígono Costa Sur, 38009, Santa Cruz de Tenerife, Spain		
Bisermax Control S.L.	100	Ordinary
Biservicus Sistemas De Seguridad S.A.	100	Ordinary
Calle Juan Ignacio Luca de Tena, 8, 28027, Madrid, Spain		
Mitie Facilities Services S.A.	100	Ordinary
Translimp Contract Services S.A.	100	Ordinary
Calle Luciano Ramos Diaz, 1, Local 2 Despacho 4 – San Cristobal de la Laguna, 38202, Tenerife, Spain		
Mitie Integra Canarias S.L.	100	Ordinary
Calle Metalurgia, 8,Planta 2 Puerta A, 47610 Zaratán, Valladolid, Spain		
Fundación Mitie	100	Ordinary
Calle San Miguel 25, Bajo 1, Azuqueca de Henares, 19200, Guadalajara, Spain		
Mitie Centro Especial de Empleo S.L.	100	Ordinary
Carretera Santa Creu de Calafell 81, Gava, 08850, Barcelona, Spain		
Mitie Integra S.L.	100	Ordinary
Switzerland		
Brandschenkestrasse 90, CH-8027, Zurich, Switzerland		
Mitie Schweiz GmbH	100	Ordinary

33. Related undertakings continued

Country/registered address/company	Aggregate % of share class	Share class
United Arab Emirates		
PO Box 41394, Abu Dhabi, United Arab Emirates		
Landmarc Gulf Consultancy Management LLC[2]	49	Ordinary

Joint ventures

Country/registered address/company	Aggregate % of share class	Share class
United Kingdom		
Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG, United Kingdom		
Pride (SERP) Ltd	100[7]	A Ordinary
Kingdom of Saudi Arabia		
Unit 6 and 7, Al Amani Center, Anas Bin Malik Road, Building number 2727, Additional number 8114, Riyadh, Postal Code 133, Kingdom of Saudi Arabia		
Interserve Rezayat Company LLC[2]	50	Ordinary
United States of America		
4800 Westfields Boulevard, Suite 400, Chantilly, Virginia, 20151, United States of America		
Amentum Mitie Pacific LLC	30	Ordinary

Associates

Country/registered address/entity	Aggregate % of share class	Share class
United Kingdom		
Suite 1, First Floor Coachworks Arcade, Northgate Street, Chester, CH1 2EY, United Kingdom		
Chaperhome Ltd	36.78[8]	Ordinary A

Joint operations

	Aggregate %
United Kingdom	
OneAim[9]	50

Notes:
1. These subsidiaries have taken advantage of the audit exemption under Section 479A of the Companies Act 2006 for the period ended 31 March 2026. As such, Mitie Group plc has provided a guarantee against all debts and liabilities in these subsidiaries as at 31 March 2026.
2. In liquidation as at 31 March 2026.
3. Held directly by the Company.
4. 100% ownership held in Ordinary-A shares. 51% ownership of total share capital, as another party owns the remaining 49%. See Note 34.
5. The Company holds direct minority interest in these subsidiaries.
6. The Company is also tax resident in the United Kingdom.
7. 100% ownership held in A Ordinary shares. 50% ownership of total share capital, as another party owns the remaining 50%.
8. 36.78% ownership held in Ordinary A shares. 29.1% ownership of total share capital due to existence of other share classes and other parties own the remaining 70.9%. Voting rights are 32.7% as a certain share class is non-voting.
9. Principal activity is siteworks.

34. Non-controlling interests

The Group has opted to recognise the non-controlling interest in Landmarc at its proportionate share of the acquired identifiable net assets.

The summarised financial information represents the consolidated position of Landmarc and its subsidiaries that would be shown in its consolidated financial statements prepared in accordance with UK-adopted International Accounting Standards under Group accounting policies before intercompany eliminations.

Summarised statement of total comprehensive income

	2026 £m	2025 £m
Revenue[1]	216.4	206.6
Profit for the financial year before Other items	18.7	17.8
Other items	(3.0)	(3.5)
Profit for the year	15.7	14.3
Other comprehensive income	0.3	0.4
Total comprehensive income	16.0	14.7
Profit attributable to non-controlling interests after Other items	7.7	7.0
Total comprehensive income attributable to non-controlling interests	7.8	7.2
Dividends paid to non-controlling interests	7.2	10.1

Note:
1. Included within the revenue for the year ended 31 March 2025 is intercompany revenue at nil margin which was eliminated on consolidation. No such transactions were recorded during the year ended 31 March 2026.

Summarised statement of financial position

	2026 £m	2025 £m
Non-current assets	32.6	37.6
Current assets	70.1	47.2
Total assets	102.7	84.8
Current liabilities	(58.6)	(40.8)
Non-current liabilities	(7.0)	(8.1)
Total liabilities	(65.6)	(48.9)
Net assets	37.1	35.9
Equity shareholders' funds	18.9	18.3
Non-controlling interests	18.2	17.6
Total equity	37.1	35.9

Summarised statement of cash flows

	2026 £m	2025 £m
Net increase/(decrease) in cash and cash equivalents	2.6	(12.5)

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 £m	2025 £m
Non-current assets			
Investments in subsidiaries	4	**801.7**	661.2
Other receivables	5	**–**	0.2
Deferred tax assets	6	**2.3**	11.1
Total non-current assets		**804.0**	672.5
Current assets			
Trade and other receivables	5	**257.5**	260.4
Current tax receivable	7	**7.9**	13.1
Cash and cash equivalents		**3.2**	1.7
Total current assets		**268.6**	275.2
Total assets		**1,072.6**	947.7
Current liabilities			
Trade and other payables	8	**(48.4)**	(66.9)
Provisions	9	**(5.2)**	(5.7)
Total current liabilities		**(53.6)**	(72.6)
Net current assets		**215.0**	202.6
Non-current liabilities			
Provisions	9	**(9.6)**	(10.2)
Total non-current liabilities		**(9.6)**	(10.2)
Total liabilities		**(63.2)**	(82.8)
Net assets		**1,009.4**	864.9
Equity			
Share capital	10	**32.7**	31.3
Share premium	10	**132.0**	132.0
Merger reserve	10	**278.1**	157.0
Own shares reserve	10	**(71.4)**	(65.1)
Share-based payments reserve	10	**50.6**	40.4
Capital redemption reserve	10	**6.1**	5.3
Retained profits[1]	10	**581.3**	564.0
Total equity		**1,009.4**	864.9

Note:
1. The profit for the year ended 31 March 2026 was £146.3m (2025: £238.2m).

The accompanying notes on pages 219 to 222 form an integral part of the financial statements.

The Company financial statements of Mitie Group plc, company registration number SC019230, were approved by the Board of Directors and authorised for issue on 3 June 2026. They were signed on its behalf by:

Phil Bentley
Chief Executive Officer

Simon Kirkpatrick
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital £m	Share premium £m	Merger reserve £m	Own shares reserve £m	Share-based payments reserve £m	Capital redemption reserve £m	Retained profits £m	Total equity £m
At 1 April 2024	33.3	132.0	157.0	(69.8)	42.1	3.3	482.1	**780.0**
Profit for the year	–	–	–	–	–	–	238.2	**238.2**
Total comprehensive income	–	–	–	–	–	–	238.2	**238.2**
Transactions with owners								
Dividends paid	–	–	–	–	–	–	(54.5)	**(54.5)**
Purchase of own shares[1]	–	–	–	(14.6)	–	–	–	**(14.6)**
Share buybacks[2]	(2.0)	–	–	(12.2)	–	2.0	(92.5)	**(104.7)**
Share-based payments	–	–	–	31.5	(1.7)	–	(10.6)	**19.2**
Tax on share-based payments	–	–	–	–	–	–	1.3	**1.3**
Total transactions with owners	(2.0)	–	–	4.7	(1.7)	2.0	(156.3)	**(153.3)**
At 31 March 2025	31.3	132.0	157.0	(65.1)	40.4	5.3	564.0	**864.9**
At 1 April 2025	31.3	132.0	157.0	(65.1)	40.4	5.3	564.0	**864.9**
Profit for the year	–	–	–	–	–	–	146.3	**146.3**
Total comprehensive income	–	–	–	–	–	–	146.3	**146.3**
Transactions with owners								
Dividends paid	–	–	–	–	–	–	(54.7)	**(54.7)**
Issue of shares[3]	2.2	–	121.1	–	–	–	–	**123.3**
Purchase of own shares[1]	–	–	–	(29.1)	–	–	–	**(29.1)**
Share buybacks[2]	(0.8)	–	–	(7.7)	–	0.8	(55.2)	**(62.9)**
Share-based payments	–	–	–	30.5	10.2	–	(14.7)	**26.0**
Tax on share-based payments	–	–	–	–	–	–	(4.4)	**(4.4)**
Total transactions with owners	1.4	–	121.1	(6.3)	10.2	0.8	(129.0)	**(1.8)**
At 31 March 2026	32.7	132.0	278.1	(71.4)	50.6	6.1	581.3	**1,009.4**

Notes:

1. The Employee Benefit Trust acquired 20.3m (2025: 11.7m) ordinary shares through market purchases for a consideration together with associated fees and stamp duty of £27.5m (2025: £13.2m) and the Share Incentive Plan Trust acquired 1.1m (2025: 1.1m) shares for a consideration of £1.6m (2025: £1.4m). See Note 26 of the consolidated financial statements.
2. The share buybacks resulted in the purchase of 37.9m ordinary shares (2025: 89.0m), of which 32.9m ordinary shares (2025: 78.9m) were purchased for £55.2m (2025: £92.5m) and were subsequently cancelled. The remaining 5.0m ordinary shares (2025: 10.1m) were bought into treasury for a total consideration of £7.7m (2025: £12.2m). See Notes 25 and 26 of the consolidated financial statements.
3. As part of the consideration for the acquisition of Marlowe Limited (formerly Marlowe plc), 86.6m shares were issued with a premium of £121.1m arising (see Note 27 of the consolidated financial statements). These share issues qualified for merger relief under Section 612 of the Companies Act 2006, such that the premium was credited to the merger reserve, as it was not required to be credited to the share premium account (see merger reserve in Note 26 of the consolidated financial statements).

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 31 March 2026

1. Basis of preparation and material accounting policies

(a) Basis of preparation

Mitie Group plc (the Company) is a public company limited by shares, incorporated in the United Kingdom and registered in Scotland. It was incorporated on 16 July 1936 under the Companies Act 1929. The Company's registered office is at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU. The Company's financial statements are presented in pounds sterling, which is the Company's functional and presentational currency. All amounts have been rounded to the nearest hundred thousand pounds, unless otherwise indicated.

These financial statements were prepared in accordance with Financial Reporting Standard 101 – Reduced Disclosure Framework (FRS 101). In preparing its financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards, but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The Company's financial statements have been prepared on the historical cost basis and on a going concern basis.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes
- The statement of compliance with UK-adopted International Accounting Standards
- The effects of new but not yet effective UK-adopted International Accounting Standards
- Disclosures in respect of capital management
- Disclosures in respect of the compensation of key management personnel
- Disclosures in respect of related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 – Share-based Payment in respect of Group settled share-based payments
- Certain disclosures required by IAS 12 – Income Taxes
- Certain disclosures required by IFRS 13 – Fair Value Measurement and the disclosures required by IFRS 7 – Financial Instruments: Disclosures

In accordance with Section 408(3) of the Companies Act 2006, the Company is exempt from the requirement to present its income statement.

There are no new and mandatorily effective standards or amendments in the year that could have a material impact on the financial statements.

(b) Material accounting policies

The material accounting policies and measurement bases adopted are the same as those disclosed in Note 1 of the consolidated financial statements except as noted below, and have been applied consistently throughout the year and the preceding year, unless stated otherwise.

Investments

Investments in subsidiaries are shown at cost less any impairments. Investments in subsidiaries are reviewed on an ongoing basis for any indication of impairment and, if any such indication exists, the investment's recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying value of an asset exceeds its recoverable amount.

Financial instruments

Intercompany loans are all assessed as being repayable on demand. The impairment assessment of receivables is in accordance with IFRS 9 – Financial Instruments (IFRS 9).

The Company enters into financial guarantee arrangements to guarantee the indebtedness of other companies within the Group. The financial guarantee contracts are measured in accordance with IFRS 9.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax is provided in full on temporary differences that result in an obligation at the statement of financial position date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based upon tax rates and legislation that have been enacted or substantively enacted at the statement of financial position date. Temporary differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on unremitted earnings of subsidiaries, joint ventures and associates as the Group control the timing of dividend payments and there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Share-based payments

Details of the Company's equity-settled share schemes are provided in Note 28 of the consolidated financial statements. The own shares reserve in equity includes the shares owned by the Employee Benefit Trust (EBT) and treasury shares. The EBT is treated as an extension of the Group and the Company, where shares are purchased and held in the EBT, the cost of the shares is deducted from the Company's equity until the shares are cancelled or issued. When shares are transferred to employees upon exercise of options and awards, the own shares reserve is reduced by the relevant cost or value.

The cost of options and discretionary awards over the Company's shares granted to employees of the Company's subsidiaries are accounted for as a capital contribution within the carrying value of investments in subsidiaries.

1. Basis of preparation and material accounting policies continued

(c) Critical accounting judgements and significant sources of estimation uncertainty

The preparation of the financial statements under FRS 101 requires management to make judgements, estimates and assumptions that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual results may differ from these judgements, estimates and assumptions.

There were no critical judgements that had significant effects on the amounts recognised in the financial statements and there were no significant sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

2. Staff numbers and costs

There were no persons employed by the Company (including Directors) during the years ended 31 March 2026 and 31 March 2025. Information about the Directors' remuneration has been disclosed in Note 6 of the consolidated financial statements.

3. Auditor's remuneration

The auditor's remuneration for audit services to the Company has been disclosed in Note 5 of the consolidated financial statements.

4. Investments in subsidiaries

	£m
Net book value	
At 1 April 2024	652.5
Capital contribution with respect to share-based payments	9.2
Impairment charge for the year	(0.5)
At 31 March 2025	661.2
Capital contribution with respect to share-based payments	17.2
Additions[1]	123.3
At 31 March 2026	**801.7**

Cost	
At 1 April 2024	735.0
At 31 March 2025	737.0
At 31 March 2026	**877.2**

Impairment	
At 1 April 2024	82.5
At 31 March 2025	75.8
At 31 March 2026	**75.5**

Note:
1. The Company increased its investment in Mitie Treasury Management Limited by £123.3m associated with facilitating the acquisition of Marlowe.

Details of the Company's subsidiary undertakings have been disclosed in Note 33 of the consolidated financial statements.

The carrying amount of the Company's investments in subsidiary undertakings has been tested for impairment in accordance with IAS 36 – Impairment of Assets. The carrying amount was compared to the asset's recoverable amount and assessed by reference to value-in-use if required. The value-in-use has been calculated based upon a discounted cash flow methodology using the most recent forecasts prepared by management. These forecasts cover the next five years with a terminal value using a long-term growth assumption of 2.0% (2025: 2.0%) and are consistent with those used for the Group's goodwill impairment assessment.

The key assumptions for the value-in-use calculation are forecast revenue, direct costs, expectations of future changes in the market, operating model and cost base, and discount rates. The pre-tax discount rates used to assess the forecast cash flows ranged from 10.9% to 11.6%, and include adjustments for the risks specific to the business being assessed and the market in which it operates.

Reasonably possible changes to the key assumptions would not have resulted in an impairment in the Company's investments in subsidiary undertakings (2025: £nil).

5. Trade and other receivables

	2026 £m	2025 £m
Amounts owed by subsidiaries	**204.8**	220.3
Prepayments	**9.0**	8.7
Other receivables[1]	**43.7**	31.6
Total	**257.5**	260.6
Current	**257.5**	260.4
Non-current	**–**	0.2
Total	**257.5**	260.6

Note:
1. Includes £40.6m (2025: £27.2m) of VAT payments on account made on behalf of other Group entities and £0.2m (2025: £0.6m) of VAT owed by tax authorities.

Amounts owed by subsidiaries are generally repayable on demand. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

6. Deferred tax assets

	Accelerated capital allowances £m	Share options £m	Short-term timing differences £m	Total £m
At 1 April 2024	0.4	8.6	0.4	**9.4**
Credit to income statement	–	0.3	1.0	**1.3**
Credit to equity	–	0.4	–	**0.4**
At 31 March 2025	0.4	9.3	1.4	**11.1**
(Charge)/credit to income statement	–	(4.9)	0.5	**(4.4)**
Charge to equity	–	(4.4)	–	**(4.4)**
At 31 March 2026	0.4	–	1.9	**2.3**

7. Current tax receivable

As at 31 March 2026, the Company held a current tax receivable of £7.9m (2025: £13.1m), comprising amounts owed by subsidiaries in relation to group relief of £3.3m (2025: £1.3m), £2.0m (2025: £11.8m) of tax payments made on behalf of other Group entities and £2.6m (2025: £nil) owed by tax authorities.

8. Trade and other payables

	2026 £m	2025 £m
Trade payables	**3.7**	2.7
Amounts owed to subsidiaries	**17.3**	41.8
Other taxes and social security	**8.3**	6.3
Accruals	**14.0**	12.1
Other payables	**5.1**	4.0
Total	**48.4**	66.9

Amounts owed to subsidiaries are repayable on demand. The Directors consider that the carrying amount of trade and other payables approximates their fair value. As at 31 March 2026 there are no amounts owed to subsidiaries relating to interest-bearing loans (2025: £20.7m at 5% per annum).

9. Provisions

	£m
At 1 April 2025	15.9
Additional provisions	0.5
Released to the income statement	(0.2)
Utilised	(1.4)
At 31 March 2026	**14.8**

Current	5.2
Non-current	9.6
Total	**14.8**

Provisions are in respect of the insurance reserve. The Company retains a portion of the exposure in relation to insurance policies for employer liabilities, and motor and fleet liabilities. The provision includes claims incurred but not yet reported and is based on information available at the statement of financial position date using advice from third-party actuarial experts. The provision is expected to be utilised over five years.

10. Equity

Details of the Company's share capital, share premium, merger reserve, own shares reserve, share-based payments reserve and capital redemption reserve have been disclosed in Notes 25 and 26 of the consolidated financial statements. Retained profits comprise the earnings and losses of the Company less amounts distributed to the Company's shareholders.

11. Dividends

Dividends recognised have been disclosed in Note 9 of the consolidated financial statements.

12. Contingent liabilities

As disclosed in Note 33 of the consolidated financial statements, certain subsidiaries have taken advantage of the audit exemption under Section 479A of the Companies Act 2006 for the year ended 31 March 2026. A parent company guarantee has been provided for these companies under Section 479C of the Companies Act 2006.

13. Share-based payments

The Company has certain equity-settled share schemes as described in Note 28 of the consolidated financial statements.

14. Related party transactions

Details of the related party transactions have been disclosed in Note 31 of the consolidated financial statements.

The Directors are remunerated for their services to the Group as a whole. No remuneration was paid to the Directors specifically in respect of their services to the Company for the years ended 31 March 2026 or 31 March 2025. Detailed disclosures of Directors' remuneration and share interests are given in the Directors' remuneration report on pages 133 to 148.

Under FRS 101, the Company is exempt from disclosing key management personnel compensation and transactions with other companies wholly owned by the Group. The Company had no other related party transactions during the year ended 31 March 2026 (2025: £nil).

APPENDIX – ALTERNATIVE PERFORMANCE MEASURES (APMS)

The Group presents various Alternative Performance Measures (APMs) as management believes that these are useful for users of the consolidated financial statements in helping to provide a balanced view of, and relevant information on, the Group's financial performance.

In assessing its performance, the Group has adopted certain non-statutory measures which, unlike its statutory measures, cannot be derived directly from its consolidated financial statements. The Group commonly uses the following measures to assess its performance:

Performance before Other items

The Group adjusts the statutory income statement for Other items which, in management's judgement, need to be disclosed separately by virtue of their nature, size and incidence in order for users of the consolidated financial statements to obtain a proper understanding of the financial information and the underlying performance of the business.

The Group separately reports acquisition and disposal costs within Other items. These include the amortisation of acquisition-related intangible assets, integration costs, employment-linked earnout charges, and gains or losses on business disposals. 'Other items' also include cost of restructuring programmes, impairments of goodwill and acquired intangible assets, charges arising on the exit of pension schemes and other exceptional items.

Further details of these Other items are provided in Note 4.

Operating profit		2026 £m	2025 £m
Operating profit	Statutory measures	**151.4**	161.6
Adjust for:			
Restructuring costs	Note 4	**27.2**	16.6
Acquisition and disposal costs	Note 4	**74.9**	43.1
Other exceptional items	Note 4	**10.6**	12.8
Operating profit before Other items	Performance measures	**264.1**	234.1

Reconciliations are provided below to show how the Group's segmental reported results are adjusted to exclude Other items.

	2026			2025 (restated[1])		
Operating profit/(loss)	Reported results £m	Adjust for: Other items (Note 4) £m	Performance measures £m	Reported results £m	Adjust for: Other items (Note 4) £m	Performance measures £m
Segment						
Business Services	**172.1**	**15.0**	**187.1**	171.8	8.6	180.4
Technical Services	**114.2**	**21.7**	**135.9**	94.6	14.5	109.1
Corporate Centre	**(134.9)**	**76.0**	**(58.9)**	(104.8)	49.4	(55.4)
Total Group	**151.4**	**112.7**	**264.1**	161.6	72.5	234.1

Note:
1. The comparatives for the year ended 31 March 2025 have been restated for the change in composition of reportable segments (See Note 3).

In line with the Group's measurement of profit from operations before Other items, the Group also presents its basic earnings per share before Other items. The table below reconciles this to the statutory basic earnings per share.

Earnings per share		2026 pence	2025 pence
Statutory basic earnings per share	Statutory measures	**6.6**	8.2
Adjust for: Other items per share		**7.0**	4.5
Basic earnings per share before Other items	Performance measures	**13.6**	12.7

Net debt

Net debt is defined as the difference between total borrowings and cash and cash equivalents. It is a measure that provides additional information on the Group's financial position. Restricted cash which is subject to constraints on the Group's ability to utilise these balances, has been excluded from the net debt measure.

Total financial obligations (TFO) are defined as the Group's net debt and the net retirement benefit assets/liabilities. TFO represents all debt-like financing items the Group has made use of at the year end.

A reconciliation from reported figures is presented below:

Net debt		2026 £m	2025 £m
Cash and cash equivalents	Statutory measures	**108.9**	180.4
Adjust for: restricted cash	Note 20	**(5.7)**	(4.3)
Financing liabilities	Note 21	**(553.4)**	(375.1)
Net debt	Performance measures	**(450.2)**	(199.0)
Net retirement benefit assets	Note 29	**15.4**	13.9
TFO	Performance measures	**(434.8)**	(185.1)

The Group uses an average net debt measure as this reflects its financing requirements throughout the year. The Group calculates its average net debt based on the daily closing figures. This measure showed average daily net debt of £440.2m for the year ended 31 March 2026, compared with £264.0m for the year ended 31 March 2025.

Free cash flow

Free cash flow is a measure representing the cash that the Group generates after accounting for cash flows to support operations and maintain its capital assets. It is a measure that provides additional information on the Group's financial performance as it highlights the cash that is available to the Group after operating and capital expenditure requirements are met. The table below reconciles net cash generated from operating activities to free cash inflow.

Free cash flow		2026 £m	2025 £m
Net cash generated from operating activities	Statutory measures	**246.6**	220.0
Add: net increase in restricted cash	Note 20	**(1.4)**	(0.1)
Interest received		**2.5**	3.0
Employment-linked earnouts[1]		**13.0**	7.0
Acquisition transaction costs[2]		**8.3**	–
Purchase of property, plant and equipment	Note 13	**(33.4)**	(24.0)
Purchase of other intangible assets	Note 12	**(6.7)**	(7.6)
Disposal of property, plant and equipment		**0.6**	0.6
Disposal of other intangible assets		**0.1**	–
Capital element of lease rentals paid	Note 23	**(67.5)**	(56.1)
Free cash inflow	Performance measures	**162.1**	142.8

Note:
1. During the year ended 31 March 2026, payments totalling £13.0m (2025: £7.0m) have been made to the former owners of certain acquired businesses with respect to earnout payments, which are conditional on the owners remaining employed with the Group as well as the underlying performance of the acquired business. The costs related to performance-based employment-linked earnouts are charged to the consolidated income statement and classified as Other items (see Note 4).
2. During the year ended 31 March 2026, acquisition transaction costs charged to the income statement totalled £9.1m (See Note 4), of which £8.3m have been settled in cash during the year. Free cash flow has been adjusted to exclude the impact of acquisition transaction costs, reflecting the significant transaction expenses incurred on the acquisition of Marlowe. The comparative free cash flow for the year ended 31 March 2025 has not been adjusted to reflect £3.6m of acquisition transaction costs, as the amount is immaterial for a prior year re-presentation.

Earnings before interest, tax, depreciation and amortisation

Earnings before interest, tax, depreciation and amortisation (EBITDA) is a measure of the Group's profitability. EBITDA is measured as profit/(loss) before tax excluding the impact of net finance costs, Other items, depreciation of property, plant and equipment, amortisation and impairment of non-current assets and amortisation of contract assets. Other Companies may define EBITDA on a different basis.

EBITDA		2026 £m	2025 £m
Profit before tax	Statutory measures	**123.7**	145.4
Add: net finance costs	Note 7	**27.7**	16.2
Operating profit		**151.4**	161.6
Add: Other items	Note 4	**112.7**	72.5
Operating profit before Other items		**264.1**	234.1
Add:			
Depreciation of property, plant and equipment	Note 13, 23	**85.8**	67.9
Amortisation of non-current assets[1]		**9.2**	8.5
Amortisation of contract assets		**0.9**	0.4
EBITDA	Performance measures	**360.0**	310.9

Note:
1. Excludes amounts classified in the consolidated income statement as Other items. See Note 4.

Return on invested capital

Return on invested capital (ROIC) is a measure of how efficiently the Group utilises its invested capital to generate profits. The table below reconciles the Group's net assets to invested capital and summarises how the ROIC is derived.

		2026 £m	2025 £m
Net assets	Statutory measures	**532.5**	428.0
Add:			
Non-current liabilities		**639.6**	445.2
Current provisions	Note 18	**36.9**	37.4
Deduct:			
Cash and cash equivalents	Note 20	**(108.9)**	(180.4)
Invested capital	Performance measures	**1,100.1**	730.2
Operating profit before Other items		**264.1**	234.1
Tax[1]		**(64.7)**	(55.5)
Operating profit before Other items after tax		**199.4**	178.6
ROIC %	Performance measures	**18.1%**	24.5%

Notes:
1. Tax charge has been calculated at the effective tax rate for the year on pre-tax profits before Other items of 24.5% (2025: 23.7%).

Overview

Interim results for H1 FY27	19 November 2026

Dividends

FY26 interim dividend (1.4p paid)	20 February 2026
FY26 final dividend (3.1p proposed)	
– Ex-dividend date	16 July 2026
– Record date	17 July 2026
– Last date for receipt/revocation of Dividend Re-investment Plan (DRIP) mandate	3 August 2026
– Payment date	27 August 2026

Annual General Meeting

2026 Annual General Meeting	21 July 2026

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* Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00am – 5.30pm, Monday to Friday excluding public holidays in England and Wales.

Mitie online share portal

Mitie has a portal where shareholders can register and can then login to:

- Access information on shareholdings and movements
- Update address details
- View dividend payments received and register bank mandate instructions
- Sell Mitie shares
- Complete an online proxy voting form
- Register for e-communications allowing Mitie to notify shareholders by email that certain documents are available to view on its website. This will further reduce Mitie's carbon footprint as well as reduce costs

If you wish to register, please sign up at: www.mitie-shares.com.

Corporate website

This report can be downloaded in PDF from the Mitie website, which also contains additional general information about Mitie.

Please visit www.mitie.com.

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