

Enabled by
technology

Powered by

people

 **Capita**

Capita plc Annual Report and Accounts 2025

We innovate boldly, to grow better together...

Capita supports clients across the public and private sectors to run complex business processes more efficiently. We provide people-based services underpinned by market-leading technology, creating better consumer experiences.

Our vision – to be the leading AI enabled business process outsourcer (BPO).

Driven by Our values



Customer
first, always

We prioritise our customers in everything we do, working hard to exceed their expectations with exceptional service



Fearless
innovation

We love bold ideas and adopt the best solutions to continuously improve, working at pace to serve our customers and communities better



Achieve
together

We believe in the power of collaboration and being open, working together, holding each other to account to reach our shared goals



Everyone is
valued

We create a welcoming and inclusive environment where everyone feels valued and empowered to succeed

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This Annual Report, other corporate publications, our latest news and announcements, and more information about us are available on our website, www.capita.com

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Throughout this document we use a number of financial, non-financial and market standard acronyms. In each case we define the term when it is first used in the document but thereafter we use the short form. You can find a full list of the acronyms used and definitions of other industry terms in the Glossary on page 245.

CEO review

» Read our CEO review on pages 8 to 12

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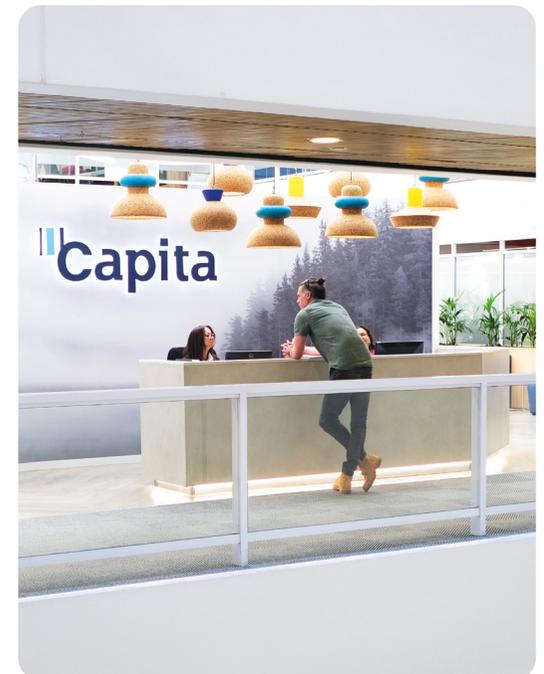
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Responsible business

» Read more about our approach to being a responsible business on pages 37 to 78

Cautionary statement

The directors present the Annual Report for the year ended 31 December 2025, which includes the strategic report, corporate governance reports and audited financial statements for the year. Pages 1 to 137 of this Annual Report comprise a report of the directors which has been drawn up and presented in accordance with English company law, and the liabilities of the directors in connection with that report shall be subject to the limitations and restrictions provided by such law. Where the directors' report refers to other reports or material such as a website address, this has been done to direct the reader to other sources of Capita plc information which may be of interest. Such additional materials do not form part of this report.



Improving cash flow performance

2025 financial highlights and leading indicators

Adjusted operating margin¹

5.2%

(2024: 3.8%)

Reported revenue

£2,312.3m

(2024: £2,421.6m)

Adjusted revenue¹

£2,199.5m

(2024: £2,225.7m)

Reported operating margin

(5.6)%

(2024: (0.4)%)

Free cash flow excluding
business exits³

£(54.0)m

(2024: £(110.9)m)

Reported basic
(loss)/earnings per share²

(144.13)p

(2024: 68.06p)

Adjusted basic earnings
per share²

49.71p

(2024: 1.60p)

Net cash flow from
operating activities

£4.7m

(2024: £(25.2)m)

1. Refer to alternative performance measures (APMs) on pages 239 to 245.
2. Refer to note 2.7 to the consolidated financial statements.
3. Refer to note 2.9 to the consolidated financial statements.

Highlights › Non-financial

Positive progress against KPIs

2025 non-financial highlights and leading indicators

Employee engagement index

63%

(2024: 64%)

Customer net promoter score (cNPS)

+31pts

(2024: +28pts)

Workforce diversity:
ethnicity⁵

41/21%

(2024: 38/19%)

Total shareholder return (TSR)⁷

92.8%

(2024: (36.3)%)

Workforce diversity: gender F/M/
other and did not disclose

47/52/1%

(2024: 51/48/1)

CO₂ emissions (market based)
Scope 1, 2 and 3 (tCO₂e)⁶

193,413

(2024: 201,691)

Reduction in carbon footprint
(market based)⁶

55%

(2024: 53%)

Reduction in carbon footprint
(location based)⁶

55%

(2024: 52%)

Employee net promoter score (eNPS)

-22pts

(2024: -33pts)

Suppliers paid within 60 days⁴

97%

(2024: 92%)

Voluntary employee turnover

17.0%

(2024: 21.7%)

4. Data includes invoices paid through Capita UK companies.

5. White/ethnic minorities in the total workforce. 38% of people (2024: 43%) chose not to respond or specify.

6. Refers to reduction since baseline year of 2019. Statistic updated to cover all relevant emissions from Scope 1, 2 and 3, to align with improved emissions transparency. See pages 64 to 78 for more information.

7. Calculated as the change in the share price with any dividends reinvested on the relevant ex-dividend dates.

Chair's statement



The Board and management team set out clear strategic priorities at the start of the year and I am pleased to report that we have made meaningful progress against each of them.

David Lowden, Chair

Summary

This has been an important year for Capita in its transformation, one in which we have focused relentlessly on execution and delivery. The Board and management team set out clear strategic priorities at the start of the year and I am pleased to report that we have made meaningful progress against each of them.

Our strategic themes; better technology, better delivery, better efficiencies and better company, which we outlined at the Group's 2024 Capital Markets Day, continue to guide the Board and the Executive Team, ensuring that every initiative is aligned with the long-term vision for Capita.

We had a number of material developments this year, resolving some legacy challenges that Capita faced, and the Group has made significant progress in our aim to become the leading AI-enabled business process outsourcer (BPO), globally.

In the Contact Centre business, we have reduced operating costs significantly and improved the competitiveness of our offerings, however we are aware that the financial performance is still not where it needs to be. We remain focused on delivering greater value from this business in 2026.

The advancements we have made this year, underpin our longer-term journey, as we improve the Group's financial performance. In 2026, we expect the Group to deliver sustainable positive free cash flow. We are seeing good revenue growth in Public Service and Pension Solutions and in all divisions other than Contact Centre, we are now delivering an adjusted operating margin¹ above our medium-term target of 6 – 8%.

Change provides many opportunities but can also be challenging for our people and I would like to extend my sincere thanks to all Capita colleagues. Your professionalism, resilience, and commitment have been instrumental in driving the Group forward during a period of significant change. The strides we made this year would not have been possible without your hard work and dedication.

2025 achievements

We are continuing our business improvement journey utilising three waves of change; cost transformation, innovation & ways of working and investing in future growth, as we adapt to changing markets.

The Group achieved its target of £250m annualised cost savings this year as part of its cost transformation journey. These savings are improving Capita's cost competitiveness and adjusted operating margin¹ performance while offsetting wider cost pressures across the Group, including the increase in National Insurance in the UK which came into effect in April 2025.

During 2025, the Executive Team oversaw further momentum and growth in our technology strategy in a fast evolving market, supporting our aim to become the first AI-enabled BPO. The Group's AI Catalyst Lab, and more recently launched AI Catalyst Stack, have been integral to our progress in this space. These initiatives have standardised our approach to identifying, developing, and scaling AI solutions, both for clients and our own internal operations. The result is faster innovation cycles, improved model governance and measurable improvements in efficiency and service quality.

In 2025, the Executive Team resolved a number of longstanding challenges that Capita had faced, which will reduce the complexity of the Group.

1. Refer to APMs on pages 239 to 245.

The Group has continued to strengthen its cyber security posture, with enhanced controls, updated incident response plans and increased Board oversight. Cyber risk remains a top priority for the Board and the Executive Team, and we will continue to invest in our defences in a continually evolving risk landscape.

A key legacy issue we resolved this year was reaching the £14m settlement with the Information Commissioner's Office, closing the chapter on the March 2023 cyber incident. The payment was made in 2025 and draws a line under the investigation.

It is pleasing we are seeing positive trends in a number of our key stakeholder metrics, despite the pace of transformation across the Group. The Group's customer net promoter score (cNPS) improved by three points to +31, reflecting our service consistency and the benefits of our technology-enabled delivery. Employee engagement, which we deem as key during this transformation, was consistent at 63% (2024: 64%) supported by enhanced training, clearer career pathways and a renewed focus on wellbeing and engagement. The Group's employee net promoter score (eNPS) also increased by 11 points to -22.

In December 2025, we announced a hand back agreement with Royal London's legacy business, the remaining client in our loss making closed book Life & Pensions business. This marks the resolution of a key element of our 'manage for value' strategy and provides certainty over the cessation of a material cash drain on the Group in the long term. As part of the agreement, we also welcomed Royal London onto the share register, which will provide stability during the migration period.

The Board and governance

Across 2025, the Board maintained a strong focus on strategy, risk and culture, ensuring that we remain aligned with our goals and the expectations of our stakeholders. The Board's priorities include full alignment with the 2024 UK Corporate Governance Code, ensuring our culture is embedded across the Group and that material controls are firmly established and effective and that, in 2027, the Board will be able to make the required declaration on the effectiveness of the Group's material controls as at 31 December 2026. We remain committed to providing constructive challenge and support to the Executive Team and wider management as the Group advances its transformation.

In March 2025, Capita issued £94.2m equivalent of US private placement loan notes (PPN), issued in three tranches with maturity dates across 2028 – 2030 and with an average interest rate across the maturities of 7.4%.

In July 2025, the Group extended the maturity date of its revolving credit facility (RCF) to 31 December 2027, a 12-month extension against the existing maturity date that includes a £50m accordion option.

In February 2026, we entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing RCF. The additional facility expires 18 months from signing.

Following approval at the Group's AGM in April 2025, we completed the cancellation of the Group's share premium account and executed a 15:1 share consolidation. Cancelling the Group's share premium helped to optimise our balance sheet and increased the Company's distributable reserves.

The share consolidation was successfully completed on 29 April and the Board believes this has improved the marketability of our shares to a wider pool of investors.

“Capita is well positioned to move forward with increased clarity and purpose.”

Together with the PPN issuance outlined above, the cancellation of the share premium account and share consolidation provides a strong foundation for Capita's next phase of growth.

We have seen a strong share price performance across 2025 with a 92.8% increase seen over the course of the year, reflecting the progress the Group has made during this period. We appreciate that in recent years, our shareholders have not seen strong financial returns from the Group's transformation and we hope for further upside for our shareholders in our continued momentum and delivery.

During 2025, Brian McArthur-Muscroft stepped down as an Independent Non-Executive Director due to the activity levels of his external CFO role, which meant he was unable to continue to dedicate sufficient time to Capita. On behalf of the Board, I would like to thank Brian for his significant commitment and valuable contribution to Capita during his tenure.

Looking ahead

Capita is well positioned to move forward with increased clarity and purpose. Our focus is firmly on delivering our medium-term targets and building a Better Capita for all stakeholders.

The actions taken in 2025 across technology, delivery, efficiency and governance are all helping to build a better Capita. We are focused on sustainable growth, improved margins and the generation of positive free cash flow, all underpinned by a culture of accountability and continuous improvement.

2026 will see continued discipline in execution, further scaling of AI-enabled solutions for our internal processes and client delivery and a sustained commitment to developing our people and a best-in-class culture. We remain committed to delivering for all stakeholders: clients; colleagues; communities; and, especially, our shareholders, who have shown patience and support as we transform the business.

Our capital allocation priorities remain as previously stated. Firstly investing in the business to deliver our strategy, secondly ensuring we're optimally financed from a debt and leverage perspective, thirdly returning to dividend payments once we are generating consistent positive free cash flow and finally excess capital returns to shareholders once all of the above have been met.

The Board and management team are determined to translate our progress into sustained improved financial performance and long-term value creation.

Investment case

Investing in Capita

Our strong market position and deep domain knowledge allow us to take advantage of the significant changes in the markets we operate in.

Delivering on our commitments to stakeholders

A BETTER CAPITA



Strong foundations to build on – customer base, knowledge and expertise of our people



Self-sufficient strategy funded by efficiency improvements, cash generation and exiting less attractive markets



Significant **cost reduction, efficiencies and margin improvement opportunity across all businesses and especially** in contact centres



More **consistent and strategic, go-to-market** approach to double down on **‘star positions’**



Use of **next-generation technology innovation** provides an opportunity for productivity improvements, better service and to unlock growth



We are better leveraging **partnerships with hyperscalers** into complex workflows that require accountability, security and human-in-the-loop judgement

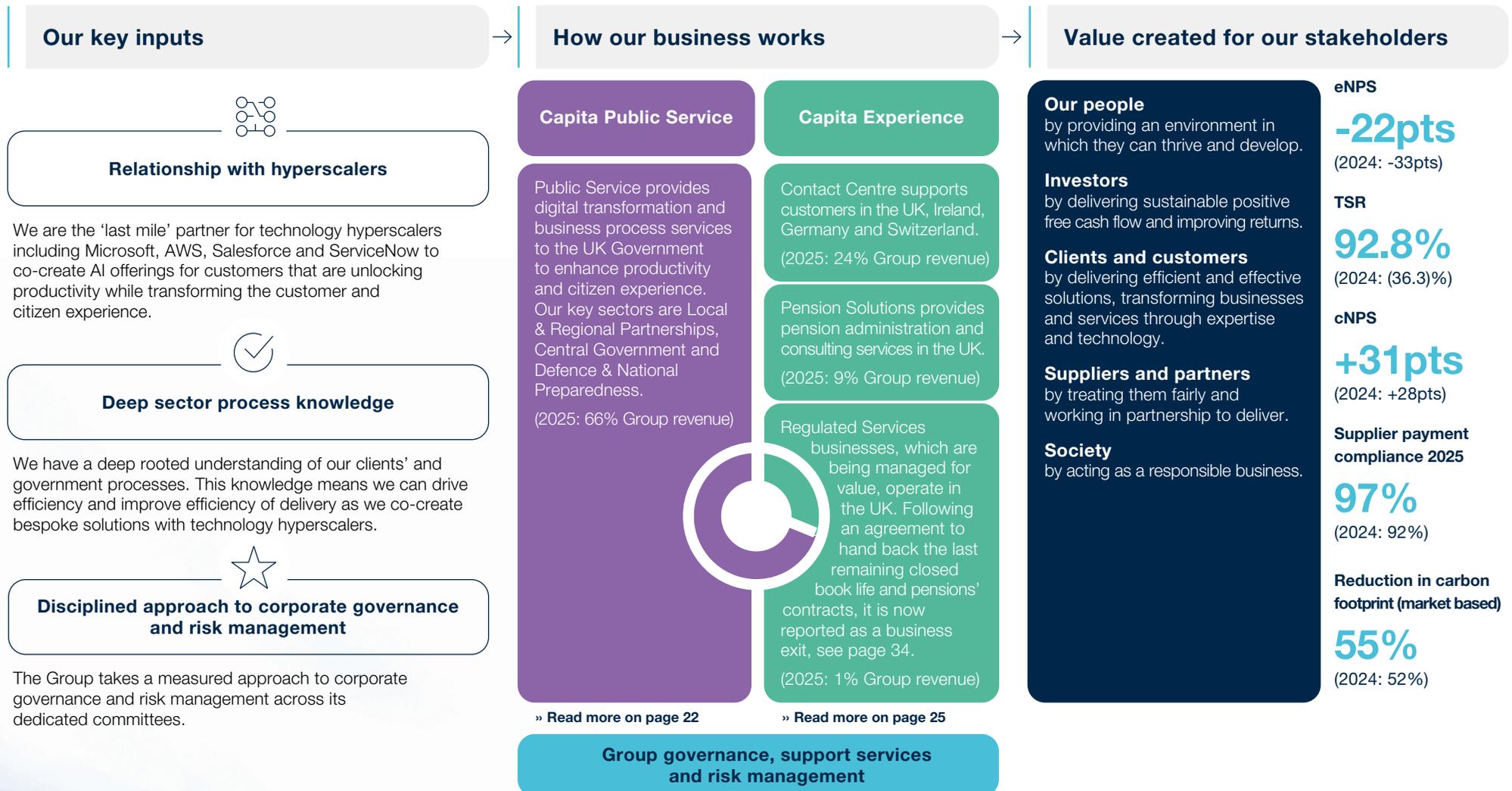
Our focus is to deliver long-term value

1. Refer to APMs on pages 239 to 245.

Business model

Creating value

Our vision is simple: being the leading AI enabled Business Process Outsourcer. We are the trusted partner for our customers, running complex business processes efficiently.



Chief Executive Officer's review



We are well placed to help drive the required societal improvements in productivity and efficiency that AI and technology can unlock across both the public and private sectors.

Adolfo Hernandez, Chief Executive Officer

1. Refer to APMs on pages 239 to 245.

Summary

2025 was a pivotal year for Capita as we progressed on our transformation journey to become the first AI-led business process outsourcer (BPO). I am excited about what we have achieved since I joined in 2024, and by the platform that we have created to execute our ambitions.

Our 2025 financial performance is improving across the majority of metrics and was broadly in line with our expectations. Group adjusted revenue¹ was 1.2% lower than 2024, with revenue growth in Public Service and Pension Solutions more than offset by a 17.5% decline in Contact Centre driven by reduced volumes in the Telecommunications vertical and contract losses. We delivered a 36% increase in total contract value (TCV) won and strong growth in our unweighted sales pipeline. Our cost saving initiatives and revenue mix have contributed to a 34.2% increase in adjusted operating profit¹ and 140bps improvement in the adjusted operating margin¹ to 5.2%. The Group's free cash outflow, excluding business exits, was £54.0m, including £53.2m cash costs to achieve savings on the Group's cost reduction programme and the £14m settlement with the ICO following the Group's March 2023 cyber incident. This was a £56.9m improvement compared to 2024 as one-off cash outflows reduce as expected.

This is a time of tremendous market opportunity for Capita and our business is fundamentally in a much stronger position than a few years ago.

We are well placed to help drive the required societal improvements in productivity and efficiency that AI and technology can unlock across both the public and private sectors, guided by our rigorous governance and AI charter. By utilising the platforms being created by our technology hyperscaler partners and coupling these with Capita's sector expertise, we are well positioned to take advantage of the growing opportunity and achieve our clear vision to be the trusted AI-led BPO partner. It will help ensure we drive superior results and create better outcomes for our clients and their customers.

Our transformation to a Better Capita is centred on the four strategic themes that we launched in June 2024: better technology; better delivery; better efficiencies; and better company. I am pleased with the progress achieved on each of these themes which form a strong foundation for enhancing Capita and ensuring the long-term resilience of the business.

Adjusted revenue¹

£2,199.5m

(2024: £2,225.7m)

Group capital expenditure

£46.2m

(2024: £49.3m)

Better technology is at the centre of our transformation and I am proud of the pace of change and the capabilities we have built in this area. The markets in which Capita operates are changing significantly, as technology becomes an important part of service delivery. AI is already enabled in around 20% of BPO services across Europe and this is expected to rise sharply, with AI services projected to account for more than 50% of a £55bn market by 2027.

Our technology strategy is at the heart of **better delivery** and will be our engine for growth in the longer term. This year, demand for our AI solutions and digital delivery continue to grow and importantly we have further improved our cNPS to +31, up three points from 2024, the highest level since first measured by the Group in 2018.

We have now delivered our targeted £250m of annualised cost savings to drive **better efficiencies**. This has enabled investment in our product offerings, data maturity and our cyber resilience, while also improving the Group's adjusted operating margin¹.

We are building a **better company** with colleagues across eight countries, helping to shape the future of the organisation. In 2025 we launched new company values, which are our guiding principles as we continue our culture improvement journey. We have maintained employee engagement at 63%, broadly in line with the prior year.

In 2025 we also resolved several legacy challenges simplifying the Group and reducing our overall risk profile. In December 2025, we announced a hand back agreement with the final customer in the loss making closed book

“Better technology is at the centre of our transformation and I am proud of the pace of change and the capabilities we have built in this area.”

Life & Pensions business, a key component of the completion of our manage for value strategy, and completed the exit of our Mortgage Servicing business. This year we also reached a £14m settlement with the Information Commissioner's Office (ICO), bringing to a close the investigation regarding the Group's March 2023 cyber incident.

While we have made progress in improving the competitiveness of our offerings in the Contact Centre business, the division has seen a material impact in recent years from contract losses and volume reductions on clients. We are unsatisfied with the financial performance of the business and we have not seen the level of improvement and contract wins we had hoped to deliver when we set out our strategy at the Capital Markets Day in 2024. We remain focused on operating costs and are pleased with the costs which we have taken out of the business to date, though clearly there remains work to do to improve the financial performance. We continually assess all options to improve our business and maximise value for our shareholders. We expect further progress in 2026 as cost actions fully annualise and AI-enabled delivery scales.

Building on our achievements in 2025, our strategic priorities for 2026 are strategic growth & market positioning, operational efficiency & cost discipline, technology & AI-driven transformation, increasing customer-fit of AI capabilities, financial strength & value creation, people/culture & capability and responsible business and we are confident these will drive further progress in our business transformation.

Better technology, product & innovation and technology foundations

Our markets are being significantly impacted by rapid technology evolution: with technology led services growing strongly, while services delivered with more traditional methods are declining.

Security is our first priority. Our AI deployment is guided by rigorous governance and our AI Charter, ensuring responsible innovation that our clients and stakeholders can trust. This year we made tangible progress in data management maturity against the Data Management Association (DAMA) framework, creating a foundation across Capita to leverage our investment in advanced data & analytics technology using Databricks and Snowflake, a key component of our AI Catalyst Stack.

As a Group, we see that technology, when used ethically and transparently, is unlocking human potential, and is playing a key role in automating repetitive, high-volume tasks. We are committed to our human in the loop principle and do not see AI as a headcount reduction tool. Within our delivery methods we ensure that humans focus on value add activities and complex enquiries that require empathy, judgement and decision making.

This year, we took a number of steps which will help deliver our strategy to become the first AI-led BPO. We refreshed our operating model, establishing our AI&PO function and Technology Operations team to deliver standard and repeatable propositions, making us more agile and efficient.



» Watch our CEO discuss how AI is reshaping our industry and Capita's strong position within it

www.capita.com/about-capita/investor-centre

Chief Executive Officer's review *continued*

At the start of 2025, we launched Capita's AI Catalyst Lab, an innovation engine that enables colleagues throughout the organisation to submit ideas about how processes could be optimised in any area across the Group, with a dedicated team to evaluate, build, test and scale ideas and solutions. We are also using Capita as 'client zero', trialling and testing solutions internally before customers, and improving the efficiency of our own internal processes. Since the AI Catalyst Lab was launched more than 400 ideas have been submitted with 40 pilot products within the first nine months and 15 solutions have now moved from concept to production.

This year we also launched a number of AI-powered products which are transforming outcomes for our clients, including: Contact Centre of the Future, Document Validation & Fraud Detection, Automated Recruitment, Learning & Development and AI-powered Intelligent Mailrooms & Document Processing. In 2026, we will be launching further AI-powered products, including Process Observability, Case Management and Contact Centre Incident Response.

At the end of 2025, we launched the AI Catalyst Stack which will be fundamental to our future delivery. This is an integrated platform leveraging hyperscaler partners' technologies to automate business processes by combining process observability, rapid AI build and deployment, secure orchestration, and trusted data management. Early results have shown average deployment times reduced from six weeks to 10 days.

This year we showcased the critical work we are delivering at global events such as the Salesforce World Tour London, Capita presented how we are leveraging Agentforce to become the UK's leading agent-driven outsourcing solution.

More recently, I was asked to present at AWS re:Invent on how we are pioneering agentic AI at the Public Sector Innovation talk. We were also featured at London Tech Week by Microsoft showcasing how, as a key government partner, we are using Copilot to deliver better experiences for citizens.

We are using Capita as client zero, trialling solutions to improve the efficiency of our own internal processes before rolling them out to clients. For example, we introduced Workday on Microsoft Teams to streamline HR processes. All our colleague IT support services have now been migrated to ServiceNow, and we have three pilot client accounts currently in flight.

Early benefits are evident across live use cases: our document verification solution at Transport for London, using agentic AI to support our healthcare professionals on a contract with the Department for Work and Pensions and with AgentSuite in Contact Centre to deliver more efficient and effective outcomes. Teams have also created contract specific agents, including AskAssistant on the BBC contract and MyPensionsBuddy in our Pension Solutions business. Internally Microsoft Copilot usage continues to grow, recording around 500,000 interactions each month and saving 41,000 employee hours.

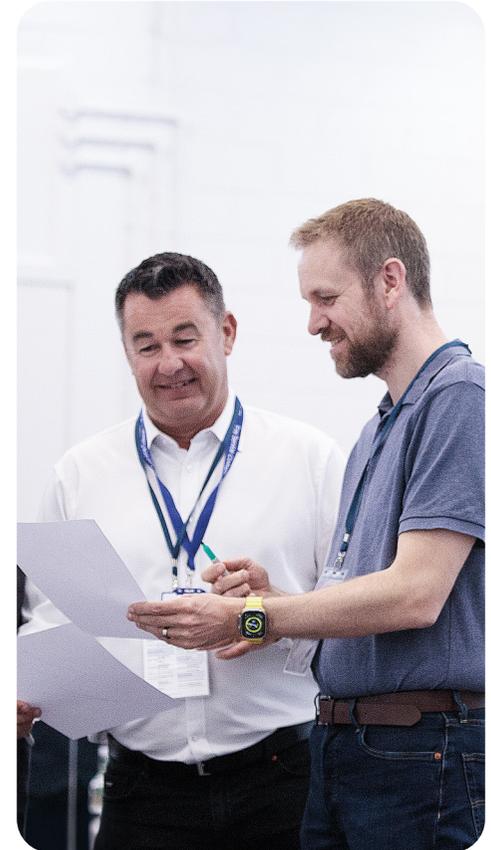
Better delivery and operating model

Our technology focus is ensuring we become more agile and embedding our strategy consistently into delivery. We actively seek client feedback through an annual cNPS survey which covers our current performance, key drivers and encourages comments on areas that customers would like us to focus on in the future. In 2025, our cNPS improved by a further three points to +31, a record high since when we began to record results in 2018.

Operational highlights across the Group in 2025 include:

- In Public Service, we signed a further three-year extension to the Primary Care Support England (PCSE) contract, driven by our operational delivery and continued innovation via our PCSE Online self-service platform;
- On our contract with Transport for London in Public Service, our AI-powered discount verification system automated 29 fraud checks, reducing processing time from five days for a manual check to under one minute;
- We launched a medical assessment scrutiny tool, leveraging AI-enabled technology, which has reduced waiting time by 17 days on our Recruiting Partnership Project with the British Army;
- Contact Centre now has nine clients using AgentSuite across six countries with the technology being utilised by more than 1,200 of our call centre agents, with further client roll outs planned across 2026;
- AgentSuite was highly commended for Best Implementation of AI in Customer Engagement at the recent Engage Awards; and
- Also in our Contact Centre business, we continued to offshore roles in line with client demands to drive efficiency expanding our presence at offshore locations with new offices opened in South Africa, India and Bulgaria.

On the two contracts where we had previously encountered operational challenges, one went live at the end of 2024 and we have seen continued operational improvements across 2025. The remaining contract transformation has been suspended while we agree an appropriate outcome with the client.



In December, the Group went live with the Civil Service Pension Scheme, one of the largest and highly complex pension schemes in the UK. We inherited a backlog of 86,000 cases from the previous administrator, significantly higher than forecast, resulting in higher-than-expected volumes of calls and complex queries which created further issues. We are working jointly with the Cabinet Office to clear this backlog under an agreed urgent recovery plan. Together with the Cabinet Office, we apologise for the worry, frustration and distress that individuals have faced during this time. We are committed to working through this backlog, with our 500-strong team.

In December 2025 we announced a transition agreement for the remaining two legacy evergreen closed book Life & Pensions contracts, with our last client, Royal London. The closed book Life & Pensions business, which was previously reported in the Regulated Services operating segment, has been a challenging part of the Group which Capita has been actively seeking to exit to eliminate the average annual cash loss of £20m.

Under the agreement, an initial c.£22.4m payment was settled with shares, with a further three £10m payments expected on the first, second and third anniversary of completion. The migration period is expected to take five years and both parties will cover their own migration costs during this period. We expect the continued running and migration cost to be c.£20m per annum, with these costs front-end loaded during the migration period. This provides certainty over the completion of a key element of our manage for value strategy, eliminating a significant future annual cash outflow from the Group and enabling us to focus fully on areas where we can deliver sustainable value.

Better efficiency and cost transformation

We have now delivered the full £250m of targeted annualised cost savings, a major milestone for the Group, with savings across people (£185m), property (£14m), procurement (£36m) and offshoring (£15m). A significant proportion of these savings has been achieved through the operational efficiencies and synergies gained as we improve our processes and technology and embed AI and gen AI further through the business. In 2025, we incurred a cash cost of £53.2m to deliver the savings.

Delivery of these savings is pivotal in our journey to improve the Group's adjusted operating margin¹. Although some savings were realised later in the year than planned, particularly in the Contact Centre business, we saw a strong adjusted operating margin¹ improvement in 2025.

The cost savings are also driving our cost competitiveness, and also created space to invest. This year we reinvested a proportion of cost savings, delivering further improvements in our data maturity and governance, investing in our product offerings and further enhancing our cyber maturity, which will benefit future years of our transformation journey.

We will maintain our cost-conscious culture going forward and will continue to drive efficiencies through our continuous improvement and better technology strategy.

Better company and building a high-performance organisation

Colleagues are at the heart of everything we do and play a critical role in delivering essential services to our customers. To build a high-performance organisation and culture, we are implementing a culture transformation programme built around our employees to help them to develop as the Group transforms.

In the first half of 2025, we launched a refreshed set of values which were co-created with colleagues across all our geographies. The refreshed values of: Customer first, always; Fearless innovation; Achieve together; and Everyone is valued will help us drive performance, enhance service delivery, and foster inclusivity. They are our guiding principles for driving behaviour, shaping our culture and driving Capita's strategic direction.

To bring our new values to life and translate them into positive actions and behaviours, we also launched our colleague and leadership playbooks as well as a new leadership programme.

To embed our new values and ensure a consistent approach to recognition, we also launched a new global recognition platform Celebrate! where all Capita colleagues can thank and recognise each other for either individual or team contributions to living our values and creating better outcomes. Since its launch in September 2025, more than 13,000 celebrations have been added to the platform.

In 2025, through our AI, data and technology academy, we continued to invest in building AI, data, and digital literacy across Capita, supporting our wider digital transformation goals. Through digital learning, targeted bootcamps, and hands-on virtual labs, more than 3,500 colleagues developed practical skills and confidence in applying AI and data tools and techniques in their day-to-day work.

Our AI Academy Multiverse partnership continues to strengthen, delivering high-quality training through applied learning. We have 445 colleagues enrolled in the AI apprenticeship programme, focused on leveraging AI responsibly to drive improved business outcomes.

Despite the Group undertaking a major transformation, it was pleasing to see our employee engagement was broadly maintained

at 63% (2024: 64%) and our employee net promoter score (eNPS) improve by 11 points to -22 (2024: -33). Elsewhere the Group saw inclusion of 69%, up 1%; and wellbeing 68%, up 3%. Survey results were shared with key stakeholders and communicated to all colleagues, with leadership cascading insights across the organisation and local action plans being developed to directly respond to feedback.

Rolling 12-month attrition at the end of December was 17%, the lowest level it has been for many years, compared with 21.7% in the prior 12 months. We are using natural attrition to aid delivery of our cost savings target, particularly in those areas of the business where attrition has historically been higher, such as Contact Centre.

Growth and sales effectiveness

In 2025, we saw total contract value (TCV) won increase by 36% to £2,055.3m, with a strong performance in Public Service and Contact Centre, up 28% and 66% respectively.

Significant wins included: a renewal with expanded scope with Southern Water and extensions with the Gas Safe Register, Education Authority Northern Ireland and Primary Care Support England in Public Service and the BBC in the Contact Centre business. We also secured expansions of scope with the Royal Navy, which was operationally effective in May, a client within Pension Solutions and a new logo in the Irish Contact Centre business for a first-generation outsourcing client.

The Group's book to bill ratio was 0.9x up from 0.6x in 2024, following a strong performance in Contact Centre which had a book to bill rate of 1.3x, following the material renewal with the BBC at the end of 2025.

Chief Executive Officer's review *continued*

As we become a leaner organisation, we will be more cost competitive, which should have a positive impact on our win rate in the long term, particularly for new clients and new scopes of work. In 2025, the win rate across all opportunities was 64%, up from 32% in 2024. This was driven by an increased win rate for new and expanded scopes of work which improved from 17% in 2024 to 46% in 2025.

At the start of 2026 we secured significant contract wins including a new ten year contract in Public Service to deliver Synergy Business Process Services worth £370m and major renewal in our Pensions business worth £137m over a ten year period.

Looking ahead to 2026, the Group has opportunities with Transport for London, the Home Office, the Department for Work and Pensions, NHS England and the Road Safety Authority.

As at 31 December 2025, the total unweighted pipeline across all years was £19.8bn, a material increase from £11.1bn at 31 December 2024. This was helped by a more than doubling of the unweighted pipeline in Public Service to £17.8bn, reflecting our renewed approach to sales effectiveness and AI solutions.

The Group's order book, as measured by IFRS 15, at 31 December 2025 was £4.2bn (31 December 2024: £4.2bn) with £1.7bn revenue recognised in the year offset by £1.7bn in contract wins, scope changes including contract terminations and indexation.

Financial performance (revenue and operating profit)

Adjusted revenue¹ declined 1.2% to £2,199.5m (2024: £2,225.7m) with strong performance in Public Service which saw growth from the Health Assessment Advisory Service and Disabled Student Allowance contract wins and growth from existing contracts including Transport for London and

the Royal Navy training contract. The Pension Solutions business benefitted from indexation and extensions on existing contracts. This growth was more than offset by revenue decreases in the Contact Centre, driven by reduced volumes in the Telecommunications verticals, the impact of offshoring and contract losses.

Reported revenue declined 4.5% to £2,312.3m (2024: £2,421.6m), reflecting the above movements and the impact of business exits, the most significant being the closed book Life & Pensions business.

Adjusted operating profit¹ increased 34.2% to £113.5m (2024: £84.6m), reflecting the benefit from the cost reduction programme which more than offset the Group's revenue reduction and reinvestment in the business.

The Group's adjusted operating margin¹ improved to 5.2%, up from 3.8% in the prior year.

The reported operating loss was £129.6m (2024 loss: £9.9m), largely reflecting a £73.7m goodwill impairment recognised in respect of the Contact Centre business, £56.1m costs to deliver the cost reduction programme and £15.9m costs incurred as a consequence of the March 2023 cyber incident, primarily the £14m settlement with the ICO and related legal fees (2024: £1.0m); partly offset by the improvement in adjusted operating profit¹ detailed above.

Financial performance (cash flow and net debt)

Free cash flow excluding the impact of business exits¹ was an outflow of £54.0m (2024 outflow: £110.9m), reflecting a strong improvement in cash generated from operations. The Group's free cash outflow includes £53.2m costs to deliver the Group's cost reduction programme and the £14m settlement with the ICO.

Free cash outflow¹ for the Group was £82.1m (2024 outflow: £122.7m) including the outflow from businesses exited, or being exited, of £28.1m.

Net debt, including the impact of leases accounted for under IFRS 16, was £461.6m (2024: £415.2m) primarily reflecting the free cash outflow¹ noted above which was partially offset by the reduction in the Group's IFRS 16 lease debt.

Our IFRS 16 lease liability was £318.2m (2024: £348.7m) reducing with the property rationalisation programme and monthly lease payments. The lease asset receivable related to the lease liability was £96.6m (2024: £95.7m), reflecting the successful sub-letting of property the Group is not utilising.

Net financial debt (pre IFRS 16) increased to £143.4m as at 31 December 2025 (2024: £66.5m).

In March 2025, the Group issued £94.2m equivalent of US private placement loan notes across three tranches: £50m maturing 24 April 2028, USD13m maturing 24 April 2028 and USD43m maturing 24 April 2030, with an average interest rate of 7.4%.

In July 2025, the Group extended the maturity date of its revolving credit facility (RCF) to 31 December 2027, a 12-month extension against the existing maturity date that includes a £50m accordion option.

In February 2026, we entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing RCF. The additional facility expires 18 months from signing.

Outlook

Looking forward, we are excited about the strong market opportunity we have, leveraging the strong foundations we have put in place as

the market and technology landscape continues to change and evolve. Capita is now a leaner business, focused on delivering scalable and repeatable solutions to customers utilising its technology partners. It is a less complex business committed to improving its financial performance.

For the Group as a whole, we expect to deliver low single-digit adjusted revenue growth¹, compared to 2025, with low to mid single-digit growth in Public Service and mid-teen growth in Pension Solutions more than offsetting the continued revenue reductions in Contact Centre where we expect to see a mid to high single-digit reduction in 2026 and Regulated Services where revenue will reduce materially given the non-repeat of one-offs from 2025.

We expect a small reduction in adjusted operating margin¹ in 2026 compared to 2025. Public Service is anticipated to deliver a consistent operating profit in 2026 compared to 2025, with a small reduction in margin reflecting mobilisation costs associated with Synergy Business Process Services. While the trends will improve across 2026 in the Contact Centre business, we expect the business to remain loss making in 2026. Reflecting mobilisation costs associated with the Civil Service Pension Scheme contract in 2026, we expect a reduction in operating profit in Pension Solutions. Regulated Services is anticipated to be breakeven in 2026.

We continue to expect to be free cash flow¹ positive in 2026, delivering a positive free cash flow excluding business exits of between £20m – £40m, reflecting the non-repeat of 2025 cash flows to deliver the cost reduction programme and ICO settlement, with cash conversion of 70% to 80%.

Net financial debt will be broadly similar to 2025 reflecting cash outflows associated with business exits, predominantly closed book Life & Pensions.

1. Refer to APMs on pages 239 to 245.

A Better Capita

Better technology

We are using technology to unlock human potential and make processes more efficient and effective.

Our AI Catalyst Lab and AI Catalyst Stack are key components of our better technology theme

In 2025, we launched the Capita AI Catalyst Lab, a dedicated team focused on identifying, testing, and scaling AI solutions that drive measurable business outcomes for both Capita and its clients. Ideas are being originated through all levels of the organisation and since its launch more than 400 ideas have been submitted.

The AI Catalyst Stack is a four-layer framework that operationalises AI safely and at scale. It underpins our ambition to become the first AI-enabled BPO globally, enabling AI agents to enhance workflows, reduce costs, and improve client outcomes.

The Stack is built on hyperscaler foundations and industry-leading platforms, it provides the structural integrity needed to move AI from experimentation to enterprise-grade deployment.

This is transforming Capita into a human plus agent partnership model. AI agents can now coordinate end-to-end workflows, while human experts oversee quality, compliance, and empathy-driven interactions.

The Capita AI Catalyst Stack

Users



Contact Centres



Opps teams



Exec MI



Portals



Mobile



Partner APIs

Process observability

Understanding workflows to automate operations Capture | Mining | Conformance | ROI
Using process intelligence to build a digital view of workflows, highlighting bottlenecks, compliance risks, and automation opportunities.



Evidence | Patterns | KPIs | Events



Low-code

Agents | Workflows | Templates | Guardrails

Using hyperscaler technology, teams can assemble agents, workflows and Copilots without writing code.

Pro-code

Custom Agents | Workflows | Templates | Guardrails

A secure, scalable foundation for custom AI services and domain models. Built to handle big, complex tasks.



APIs/Events | Feedback/telemetry | Agent Actions



Orchestration & integration

MCP | A2A | API Mesh | Connectors

Connect legacy and current systems and estates, ensuring data flows smoothly and synchronises securely across channels and platforms, enabling real-time service.



Data management & intelligence

Lakehouse | Pipelines | Semantic Layer

Unify operational and analytical data into a single semantic layer streamlining MI/BI and governance, enabling quicker insights and automated risk scoring.



Cross-cutting: Identity • Security/Governance • FinOps

Policies | RBAC | Audit | Data residency | Cost controls
Underpinned by industry-standard identity management, security and governance for public and regulated markets.



A Better Capita *continued*

Better delivery

The Group is driving impact at scale with its better delivery theme: powered by technology and human expertise, to make everyday life run smoothly and safely.



Driving growth through better delivery

By continually improving how we deliver for our clients, we unlock new opportunities, expand our reach, and strengthen our reputation. Our commitment to innovation and process improvement means we can adapt more quickly to changing client needs and offer new products and services that set us apart.

Group cNPS

+31

(2024: +28)

Average Group KPI performance

94%

(2024: >90%)

How Capita is humanising AI

Humanising AI involves making digital interactions feel more personal, empathetic and emotionally intelligent, so that customers can feel as understood, valued and supported as they would have been by a human. It is about blending the efficiency of digital with the warmth of human connection.

We are embedding AI throughout the organisation while keeping people at the centre of service.

For example, our AgentSuite tool has a function which prepares call summaries and transcripts, proposes next actions and saves significant administration in between calls – allowing our colleagues to reduce post-call administration time.

AI-powered procurement

Capita is helping public sector organisations rethink how they manage contracts, using AI and automation to bring clarity, control and confidence to procurement.

- **Contract intelligence:** AI, when configured and used in the right way, can scan and interpret thousands of contract documents, extracting key terms, obligations and risks. This enables procurement teams to act proactively – whether renegotiating terms, flagging compliance issues or identifying cost-saving opportunities.
- **Information formatting:** one of the key blockers to effective contract management is data opacity, which makes review of contractual spend data impossible without dedicating weeks to the review. AI automation can collate and format the data in a matter of minutes.
- **Data-driven decision making:** with centralised dashboards and real-time analytics, teams gain full visibility across contracts, suppliers and spend. This empowers better decisions, faster responses and stronger governance.

Better efficiency

We have now delivered £250m of annualised cost savings, allowing us to invest in our transformation strategy and improving our adjusted operating margin.



We have simplified and streamlined our operations

Our commitment to efficiency drives us to continually refine how we work, eliminating unnecessary complexity and accelerating outcomes. By leveraging technology from our hyperscaler partners and optimising workflows with our process expertise, we deliver better, faster results for clients and improve our internal agility.

The Group's successful cost reduction programme is driving improvements in the Group's operating margin and improving our cost competitiveness, which will improve win rates going forward.

But, most importantly, as we are doing this we are creating a changed culture and thinking about efficiencies in new ways to stop costs creeping back.

Adjusted operating margin¹

5.2%

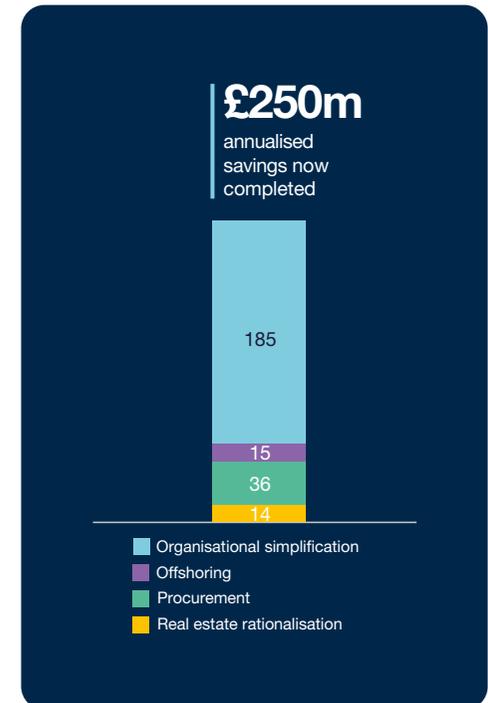
(2024: 3.8%)

Cash cost to deliver cost reduction programme

£53.2m

(2024: £44.5m)

1. Refer to APMs on pages 239 to 245.



A Better Capita *continued*

Better company

We are building an environment where everyone can thrive, deliver their full potential and achieve their career goals.

Creating a high-performance organisation

We are creating an organisation that is resilient, agile and future ready. We're investing in our people, building a culture of continuous improvement and ensuring that our values are reflected in everything we do.

Our culture transformation programme is helping our colleagues develop as the Group transforms, with our AI, data and technology academy upskilling colleagues across the Group.

We are recognising colleague achievements through our new global recognition platform Celebrate! and newly launched CEO awards.



Customer
first, always



Fearless
innovation



Achieve
together



Everyone is
valued

People vs digital agents

Our human in the loop concept is a key part of our transformation

As a Group, we see that technology, when used ethically and transparently, is unlocking human potential, and is playing a key role in automating repetitive, high volume tasks. Within our delivery methods we ensure that humans focus on value add activities and complex enquiries that require empathy, judgement and decision making.

Upskilling colleagues

445

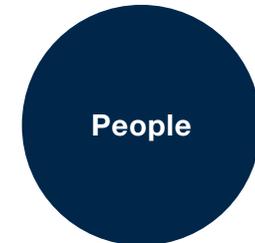
colleagues completing Multiverse apprenticeships

More than

3,500

colleagues developed practical AI skills through digital learning, targeted bootcamps, and hands-on virtual labs

Understand/Analyse
Report/Create/Search
Enrich/Decide/Execute



Review/Validate/Verify/
Create/Decide/Empathise
Escalation/Reassure

Building a better Capita

Enabled by technology Powered by people

“By merging the right people,
processes and technology,
we can create better outcomes”

Sameer Vuyyuru, Chief AI and Product Officer

Enabled by technology

Creating innovative solutions for our customers

Our services combine cutting-edge technology and transformational AI with human expertise to create better outcomes for people and businesses.

Transforming client services

Our strategic partnerships with leading technology partners including hyperscalers such as AWS, Microsoft and Salesforce give us access to secure, scalable platforms and the latest innovations.

At the core of our operations sits our AI Catalyst Stack, orchestrating business processes with agility and precision, and enabling us to tailor solutions to our clients' needs, no matter how complex.

Our AI catalyst lab is an innovation engine that enables colleagues throughout Capita to submit ideas about process optimisation.

>300

agents built and tested via AI Catalyst Lab

400

ideas submitted to the AI Catalyst Lab since inception



Agentforce



Powered by people

Delivered through a dedicated team

Our innovative AI Catalyst Lab has a dedicated team focused on identifying, testing, and scaling AI solutions that drive measurable business outcomes for both Capita and its clients.

People at the heart of our organisation

Future-proofing our workforce is a core part of our mission. We invest heavily in upskilling our people, champion diversity and inclusion, and support a culture of continuous improvement.

Through initiatives like our AI Catalyst Lab, AI apprenticeships, and volunteering programmes, we are not only equipping our colleagues for the future but also making a tangible difference in society.

“The launch of the AI Catalyst Lab represents a significant milestone in our journey to harness the power of AI to enhance our operations and deliver superior value.”

Sameer Vuyyuru, Chief AI and Product Officer

Market trends in focus

AI market and value chain

By prioritising trust, transparency, and governance, we aim for AI to create genuine value for people, businesses, and society.

Market opportunity



AI – what next for the BPO sector?

The BPO sector sits at the intersection of complex, high-volume processes and the need for continuous improvement, making it the ideal environment for agentic AI to drive meaningful change.

Traditionally, the sector has relied on large human workforces carrying out repetitive manual tasks. Today, human expertise is being blended with agentic AI, freeing people from routine work and empowering them to focus on oversight, empathy, and creative problem-solving.

Market size

Markets are changing significantly as technology becomes an important part of service delivery. AI is already embedded in around 20% of BPO services across Europe and this is projected to rise sharply and account for more than 50% of a £55bn market by 2027.

For Capita, more than two thirds of our 2025 revenue was AI-enabled.

More than two-thirds of our 2025 revenue was AI-enabled

Majority of our c.£20bn unweighted pipeline is AI-deliverable

What does this mean for Capita:

as a Company...?

Capita's aim is to become the leading AI-enabled BPO, globally. In 2026, our goal is to scale AI deployments across more operations, setting a new benchmark for the industry.

The challenge is to build, deploy, and harness the capabilities of AI both to migrate existing services to be more efficient and to provide a better service through the injection of AI, and build new services on the back of AI.

The UK Government is accelerating its adoption of AI to responsibly transform public services. Our strategy focuses on using AI agents to remove friction, automate routine work, and allow skilled professionals to focus on what matters most: delivering outcomes for citizens, safely and transparently.

We are the solution provider that integrates different services, systems and data repositories with our knowledge and people into complex workflows that require accountability, security and human judgement.

...as a responsible business...?

Our clients and regulators expect clear governance and accountability for AI systems, and we have made this a cornerstone of our approach. Every solution we deploy includes embedded policy controls, robust data-handling safeguards, and meaningful human oversight.

“We want to specialise in a human-in-the-loop type of agentic capability where everything is customer facing.”

Adolfo Hernandez, Chief Executive Officer

Our AI charter sets out our commitment to harnessing AI responsibly and ethically, embedding our corporate values – customer first, fearless innovation, collaboration, and inclusivity – at the heart of every decision and deployment. By prioritising trust, transparency, and governance, we aim for AI to create genuine value for people, businesses, and society.

... and as an employer?

The integration of agentic AI with human expertise is redefining service delivery – enhancing productivity, improving outcomes, and creating more meaningful work for people. Our transformation is not only improving operational efficiency but is also enhancing the employee experience. As a people-first organisation, we have equipped our teams with cutting edge technology to complement their day-to-day and professional skills to better serve our customers.

Positioned as the orchestrator to deliver managed outcomes for customers using global IA infrastructure

Highly trained AI-proficient professionals

Deep understanding of BPO processes

Proprietary data and data about processes

Global AI infrastructure

Applications

Platforms

AI models

Data layer

Computing infrastructure

Chip processing

300+ AI agents active across the Group

Capita is among the top 3% of agentic enterprises worldwide²

2. Microsoft

Operating review › Public Service

Capita Public Service

Public Service is the number one² strategic supplier of Software and IT Services (SITS) and business process services (BPS) to the UK Government.

Financial performance

| Divisional financial summary | 2025 | 2024 | Change % |
|--|---------|---------|----------|
| Adjusted revenue ¹ (£m) | 1,450.0 | 1,387.2 | 4.5 |
| Adjusted operating profit ¹ (£m) | 121.0 | 89.1 | 35.8 |
| Adjusted operating margin ¹ (%) | 8.3 | 6.4 | |
| Adjusted EBITDA ¹ (£m) | 152.2 | 125.6 | 21.2 |
| Operating cash flow excluding business exits ¹ (£m) | 135.0 | 92.1 | 46.6 |
| Order book (£m) | 2,720.1 | 2,923.4 | (7.0) |
| Total contract value secured (£m) | 1,185.8 | 928.7 | 27.7 |

Adjusted revenue¹

£1,450.0m

(2024: £1,387.2m)

Adjusted operating profit¹

£121.0m

(2024: £89.1m)

2025 overview

Business units

- Central Government
- Defence & National Preparedness
- Local & Regional Partnerships (including Learning)

Employees

- 10,000

Client distribution

- UK

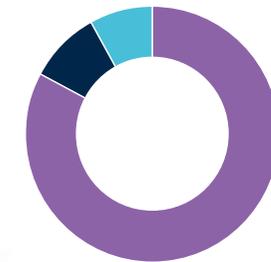
Competitors

- Atos
- G4S
- Accenture
- Sopra Steria
- CGI
- Serco
- Maximus
- Tata Consultancy Services (TCS)

Major contract wins and renewals

- An expansion of scope with the Royal Navy valued at £97m to deliver marine engineering training
- A three year extension to deliver the Primary Care Support England service on behalf of NHS England
- A contract with the Health and Safety Executive to manage the Gas Safety Register in a contract worth £89m
- A contract with the Education Authority of Northern Ireland worth £107m to deliver managed IT service and application services to schools across Northern Ireland

Adjusted revenue by type¹



- Long-term contractual 83%
- Short-term contractual 9%
- Transactional 8%

Revenue by market



- Local & Regional Partnerships (including Learning) 31%
- Central Government 37%
- Defence & National Preparedness 32%

1. Refer to APMs on pages 239 to 245.

2. TechMarketView.

The Public Service division is well positioned as a trusted delivery partner for complex transformations.

Market and growth drivers

Public Service is the number one strategic supplier of Software and IT Services (SITS) and business process services (BPS) to the UK Government.

The division is now structured around three market verticals: Central Government; Defence & National Preparedness; and Local & Regional Partnerships (including Learning), delivering to their respective client groups.

Digital BPS continues to be an area of fast growth, driven by the Government's ambition to improve productivity, reduce backlogs and modernise citizen services using AI-enabled and digital solutions.

Public Service operates in highly fragmented markets with a variety of services offered. Competitors within the market include but are not limited to: Atos, G4S, Sopra Steria, CGI, Tata Consulting Services, Serco, Accenture and Maximus.

Strategy and better technology

The division's core focus is to improve the productivity and efficiency of public service and create a better citizen experience through the use of technology-enabled delivery.

The division's deep sector knowledge, domain expertise and proven track record in delivering complex services – built through strong, long-standing collaboration with Government departments, alongside our strengthened hyperscaler partnerships, means the Public Service division is well positioned as a trusted delivery partner for complex transformations.

The UK Government's AI Opportunities Action Plan, published in January 2025, sets out their plans to accelerate AI adoption across the UK to boost economic growth, provide jobs for the future and improve people's everyday lives. With our focus on unlocking the transformative potential of AI to improve the delivery of complex processes at scale, whether for commercial businesses or for government, Capita is uniquely placed to deliver in line with the plan's vision for the future.

We are adopting and implementing AI, tailored around individual contract needs, working with our hyperscaler partners and operating an outcome-led delivery model. We are already delivering on a number of the Government's priorities on a large scale. For example, our Primary Healthcare Extraction Tool, has reduced waiting time by 17 days through a fully digitised medical scrutiny journey. We have also developed an efficient solution that uses AI technology input to accurately interpret both typed and handwritten correspondence for Freedom of Information and Subject Access Requests enquiries.

Our repeatable solutions are being industrialised and scaled across the division, allowing us to deliver more agile services and we are exploring options for potential expansions to increase the division's addressable market and accelerate growth, in some cases with private companies where we have strong proposition alignment.

Operational performance and better delivery

Across the year, the division's average KPI performance was broadly consistent at 93%. The division's standalone cNPS was +37, up nine points compared to 2024, with the highest scoring areas for account management and working relationships; sector and experience knowledge; and transparency and knowledge.

Digital innovation and transformation were key areas of focus in 2025 as we embedded technology more consistently across the division. Our strong operational performance and continued innovation via our PCSE Online self-service platform drove a further three-year extension on our PCSE contract with NHS England, with the first 18-month period valued at £83m. This represents a significant relationship reset on a historically challenged contract and provides a strong foundation for future growth.

We are embedding higher levels of technology in our service delivery across our contract base. For example, in 2025, to support Transport for London on the opening of the Silvertown Tunnel scheme, we introduced an AI-powered discount verification automating 26 fraud checks. This tool has increased the accuracy of the discount verification while significantly improving the review time of applications. We have identified a number of further possible use cases across the sector.

This year, we also introduced a new self-service scheduling system for the Gas Safe Register, successfully delivering on one of the key commitments we made to the Health and Safety Executive during the recent contract rebid.

In Local & Regional Partnerships, our Appian aged debt tool is helping councils to collect aged council tax debt and has already enabled Lambeth Council and Bexley Council to save over £3m.

Operating review › Public Service *continued*

Other delivery highlights from the year include:

- Creating AI agentic agents, to transform knowledge management and quality assurance on a contract with the Department for Work & Pensions;
- In May we delivered the 10th service transition which saw further expansion on our successful Royal Navy training contract. The latest service commencement saw 200 additional personnel join to fulfil training services for Marine Engineering at HMS Sultan;
- On the division's Smart DCC contract, Public Service has put in place and built a significant national network enabling smart meter monitoring which will now be transitioned to a not for profit service provider in the coming year;
- Supporting more than 28,000 disabled students, ensuring they receive the assistance they need to thrive in their education;
- Processing more than 6 million patient registrations with GP practices across England;
- Delivered more than 900 courses at the Fire Service College;
- Supporting more than 170 schools in Northern Ireland in delivering fully electronic mock examinations with the support of our Technology Operations team; and
- We launched a medical assessment scrutiny tool, leveraging AI-enabled technology, which has reduced waiting time by 17 days on our Recruiting Partnership Project with the British Army.

In November 2025, Ofgem, in line with the usual annual price control process, confirmed they were consulting on a proposal to disallow c.£31m of costs incurred by the Smart Data Communications Company (Smart DCC) for the regulatory year 2024/2025. Since November, Smart DCC has engaged constructively with Ofgem to seek a reduction to the level of disallowed cost in the final price determination, which has not yet been issued. In preparing the 2025 financial statements, we have made an estimate of what, based on discussions to date, the 2024/2025 price determination will be.

On the two contracts where we had previously encountered operational challenges, one went live at the end of 2024 and we have seen continued operational improvements across 2025. The remaining contract transformation has been suspended while we agree an appropriate outcome with the client.

Growth

Across 2025, Public Service won contracts with a TCv of £1,185.8m, up 28% from 2024. There were material wins with Education Authority Northern Ireland, Gas Safe Register and with NHS England on our PCSE contract and a further expansion of scope on our successful contracts with the Royal Navy. The division also won a number of deals using agentic AI as a core element of the proposition, including with Transport for London and local councils including Barnet and Kent.

Reflecting the TCv performance this year, the division's book to bill ratio was 0.8x with an improved win rate across all opportunities of 51%, up from 24% in 2024, following the

material loss of a contract in the Defence vertical, which was lost on price. The defence vertical saw a particularly strong year, winning 100% of opportunities bid for across 2025.

At the start of the year, we set out a clear objective to improve our win rate on mid-sized deals with a TCv of between £5m and £50m, which has been lower than the average historically. We are therefore very encouraged to have seen a significant improvement in wins of this size this year, with 28 mid-sized deals won, delivering over £750m of TCv in the year predominantly new business and expansions of scope, with clients Vale & South, Bexley Council and with a customer delivering training services at the Fire Service College.

Material opportunities for the division in 2026 include a renewal with Transport for London, the Department for Work and Pensions and a number of opportunities within our Learning business. At the start of 2026 the division secured a significant contract win with a new ten year contract to deliver Synergy Business Process Services worth £370m.

The division's total unweighted pipeline for 2025 stood at £17.8bn, more than doubling from £8.1bn at the end of 2024, in line with our refreshed growth strategy and sustained efforts to identify high quality opportunities within the pipeline to support our future growth ambitions. The division's year-end weighted pipeline stood at £2.0bn, up from £1.2bn in the prior year, reflecting the increase in overall pipeline.

The divisional order book stands at £2,720m, a decrease of £203m from 2024, reflecting the revenue recognised in the period which more than offset wins in the period.

Financial performance

Adjusted revenue¹ increased by 4.5% to £1,450.0m, reflecting the benefit from the Health Assessment Advisory Service contract win, the Disabled Students Allowance contract and growth and scope expansions on contracts with Transport for London, Royal Navy and Primary Care Support England, partially offset by the flow through of contracts lost in previous years.

Adjusted operating profit¹ increased 35.8% to £121.0m, delivering an adjusted operating margin¹ of 8.3%. The strong increase reflected the benefit from the division's revenue growth, flow through from the cost reduction programme, partly offset by continued reinvestment in our offerings and a £9m impact from the rise of National Insurance.

Operating cash flow excluding business exits¹ increased 46.6% to £135.0m with operating cash conversion¹ of 88.7% (2024: 73.3%) reflecting the division's increased operating profit and favourable timing of receipts at the end of 2025.

Outlook

For 2026, reflecting the mobilisation of contract wins, we expect the division to deliver low to mid single-digit revenue growth, which offsets the impact of previously announced contract losses, including the Standards and Testing Agency and Scottish Wide Area Network.

We expect operating profit to be broadly similar with a small reduction in operating margin, reflecting the mobilisation costs associated with contracts including the Synergy Business Process Services offsetting the flow through from revenue growth.

1. Refer to APMs on pages 239 to 245.

Operating review › Experience

Capita Experience

Experience comprises two focused business areas, Contact Centre and Capita Pension Solutions. Regulated Services comprises one business which is being managed for value.

Financial performance:

1. Contact Centre

| Divisional financial summary | 2025 | 2024 | Change % |
|--|--------|-------|----------|
| Adjusted revenue ¹ (£m) | 536.7 | 650.9 | (17.5) |
| Adjusted operating loss ¹ (£m) | (17.0) | (5.9) | (188.1) |
| Adjusted operating margin ¹ (%) | (3.2) | (0.9) | |
| Adjusted EBITDA ¹ (£m) | 16.3 | 34.3 | (52.5) |
| Operating cash flow excluding business exits ¹ (£m) | 6.7 | 0.1 | n/a |

2. Pension Solutions

| Divisional financial summary | 2025 | 2024 | Change % |
|--|-------|-------|----------|
| Adjusted revenue ¹ (£m) | 187.0 | 179.0 | 4.5 |
| Adjusted operating profit ¹ (£m) | 29.9 | 28.1 | 6.4 |
| Adjusted operating margin ¹ (%) | 16.0 | 15.7 | |
| Adjusted EBITDA ¹ (£m) | 37.4 | 34.1 | 9.7 |
| Operating cash flow excluding business exits ¹ (£m) | 18.4 | 33.3 | (44.7) |

3. Regulated Services

| Divisional financial summary | 2025 | 2024 | Change % |
|--|------|-------|----------|
| Adjusted revenue ¹ (£m) | 25.8 | 8.6 | 200 |
| Adjusted operating profit ¹ (£m) | 5.4 | 1.3 | 315.4 |
| Adjusted operating margin ¹ (%) | 20.9 | 15.1 | |
| Adjusted EBITDA ¹ (£m) | 5.7 | 1.3 | 338.5 |
| Operating cash flow excluding business exits ¹ (£m) | 3.5 | (2.9) | 220.7 |

Adjusted revenue¹

£749.5m

(2024: £838.5m)

Adjusted operating profit¹

£18.3m

(2024: £23.5m)

2025 overview

Business units

- Contact Centre: Financial Services; Telecommunications, Media & Technology; Energy & Utilities; and Retail (including charities)
- Pension Solutions
- Regulated Services

Employees

- 16,000

Client distribution

- Germany
- UK
- Ireland
- Switzerland

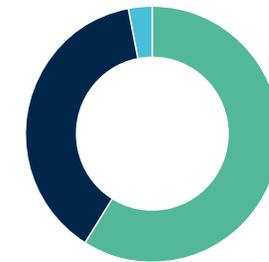
Competitors

- Atento
- Teleperformance
- Accenture
- Concentrix
- Foundever
- TTEC
- Tech Mahindra
- Firstsource
- Tata Consultancy Services
- In-sourced

Major contract wins and renewals

- A three year extension with the BBC for the administration of TV Licensing in the UK
- Worth £62m over four years, a renewal with a major European telecommunications provider
- A key contract extension with Samsung Electronics UK providing voice, email and social media community management support

Adjusted revenue by type¹



Revenue by market



1. Refer to APMs on pages 239 to 245.

Operating review › Experience *continued*

Capita Experience

Experience comprises two focused business areas; the Contact Centre business and Pension Solutions. In addition, Regulated Services, comprises a business which is being managed for value. Following the agreement to hand back the remaining contracts within the closed book Life & Pensions business in Regulated Services, this business unit has now been moved to business exits within the Group accounts.

Contact Centre

Market and growth drivers

Contact Centre is a customer experience business, managing millions of interactions with customers in the UK, Ireland, Germany and Switzerland with services delivered across these geographies and also in India, South Africa, Poland and Bulgaria.

The division is structured around the market sectors it serves: Financial Services; Telecommunications, Media & Technology; Energy & Utilities; and Retail, delivering predominantly front office services, with some contracts linked to middle-office and back-office services. The global customer experience market is worth \$117bn³ with the market expected to grow at between 2% and 4%³ per annum.

Contact Centre services and business process outsourcing services are centred around general enquiries & complaints, technical support, billing & collections and sales & order processing.

The customer experience market has been evolving rapidly in recent years, particularly in the delivery of front office services, as technology continues to evolve. Most recently and in line with our strategy, there has been

a sector wide focus, on the implementation of AI to ensure commercial viability of offerings both for customer experience providers and their clients.

Our competitors are mostly global and include Teleperformance, Concentrix, Tata Consulting Services and Foundever.

Strategy and better technology

The Contact Centre vision is to be a leading regional player with global quality standards and an aim to become a first-choice partner of national and international companies.

The Contact Centre business's strength is in front office services with strong AI offerings, which are being expanded to middle and back-office services to support first time resolution and outcomes. For example, delivering to utility companies real time scheduling of field engineers for first contact resolution.

We are disciplined on growing our client base, delivering to customers with a similar size and market presence to the business. We are delivering in areas where we have expertise, around our existing market sectors, with our human in the loop principle providing empathy and trust for clients and customers. We are utilising market leading technology for our client delivery. In 2025, we expanded our AgentSuite offering (launched in 2024) to include sales assistance, Sales Convert. We now have more than 1,200 colleagues using AgentSuite across the business, with further client expansion planned in 2026.

In 2025, we worked with specialist AI providers including Agentforce, SymTrain, Sanas, GetVocal and Central, embedding them into contracts across our portfolio. These tools are supporting our human in the loop strategy by

improving on-boarding and increasing speed to competency, which impact directly client satisfaction and will improve the business's financial performance in the longer term.

The division's adjusted revenue declined 17.5% in 2025, driven by reduced volumes in the Telecommunications vertical and contract losses as expected, and an adjusted operating loss¹ of £17.0m, including c.£15m of costs associated with under utilised property and c.£10m from the loss making German business. During the year, significant cost reductions were made in the Contact Centre business to improve its financial performance; however, the phasing of these reductions was later than expected in 2025. We have more work to do in respect of our German business and property footprint which currently represents around 60% of the Group's lease liability.

Operational performance and better delivery

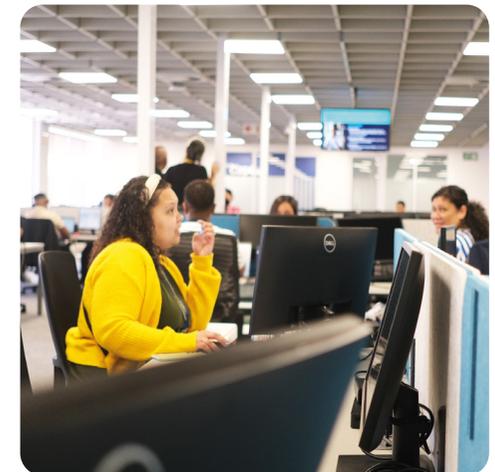
Across the year, the division's average in-month KPI performance was 91% (2024: 93%). The division's standalone cNPS performance was maintained at +38 points (2024: +38 points).

Our offshoring strategy is continuing to drive improvements in quality and flexibility of our delivery, while improving our cost efficiency. The division now has offshore centres of excellence across India, South Africa, Poland and Bulgaria with each location delivering speciality services. For example, our South Africa centre of delivery is specialising in voice delivered services and AI augmented agents.

We continue to build our offshore presence and these global centres are improving the quality and cost competitiveness of the services, while allowing us to deliver a 24/7 service around our clients' individual delivery needs.

Operational highlights for the year include:

- We now have nine clients live on AgentSuite across six countries in the Contact Centre business with the technology being utilised by more than 1,200 of our call centre agents (including team leaders and operational directors), with further client rollouts planned across 2026;
- AgentSuite was highly commended for best implementation of AI in Customer Engagement at the recent Engage Awards;
- We now have over 10,000 call centre agents utilising AI in their day-to-day delivery;
- We continued to offshore roles in line with client demands to drive efficiency, expanding our presence in our offshore locations with new offices opened in South Africa, India and Bulgaria;
- The recent expansion of our presence in Bulgaria with a new, larger office in Plovdiv, with more than 100 colleagues. We plan to expand further in 2026 reflecting our commitment to our people, technology and client partnerships in the region;



3. Everest.

- Also, in August 2025, we opened a new office in Mumbai which is a specialist retail and ecommerce hub; and
- Being recognised at multiple awards, including winning the Engage Awards 2025 (Best implementation of AI in Customer engagement) and ECCCSA (Best BPO Partnership and Greatest Impact of AI by an Outsourcer), both for our work with Southern Water and nominations at the UK National Contact Centre awards, CCA global awards 2025 and Central Select awards.

This year the business has seen continued challenges and revenue reductions from contract losses and with clients in the Telecommunications vertical, where we have seen lower volumes and scope reductions on some contracts. This has had a material impact on the business's financial performance which is not where it needs to be. We have improved the competitiveness of our offering but we have not yet seen the level of improvement in financial performance and contract wins we expected. This will be an area of focus for the business and Group going forwards.

Since 2024, the business has launched customer service bundles across its Retail and Telecommunications, Media & Technology verticals and a standalone collections bundle. These bundles offer repeatable, modular and scalable solutions, which can be efficiently tailored to client needs to allow more effective and agile service delivery. Since the launch of these bundles, we have seen an increase in pipeline in these sectors and we have had success with a number of new logo wins.

Growth

In 2025, the Contact Centre business secured deals with a TCV of £716.5m up by 66% from 2024. The business's book to bill was 1.3x compared with 0.7x in the prior year.

Material wins in the year included major renewals with the BBC and a major European telecommunications customer, a renewal with expansion of scope with Southern Water, a three-year extension with Scottish Power and a new logo first generation outsourcer win in Ireland with a TCV of £56m.

The win rate across all opportunities in Contact Centre for the year was 80%, up from 57% in 2024, with a significant increase in the business's win rate for new scopes of work which increased to 43% up from 22% in the prior year.

The business's unweighted pipeline now stands at £1.5bn, down from £2.3bn at the end of 2024. There are material opportunities in 2026 with a number of retail and utilities customers.

We are focused on growing the Contact Centre pipeline, as we look to improve the business's revenue performance, with a focus on increased diversification of opportunities. We are targeting both high volume, smaller and quicker to deploy opportunities alongside more traditional bespoke large multi-year deals with a higher opportunity value. The weighted pipeline stands at £0.2bn, down from £0.3bn in the prior year.

Going forward, alongside our reduced costs to deliver which will improve our cost competitiveness, we have implemented new sales processes, governance and KPI framework to enable better sales effectiveness and efficiency. We expect in the medium term to see improvements in win rates across all opportunities.

The order book stands at £949.2m, up from £644.6m at 31 December 2024, reflecting the TCV performance of the business.

Financial performance

Adjusted revenue¹ decreased 17.5% to £536.7m, as the business saw continued volume reductions in the Telecommunications vertical, reduced revenue reflecting our increased presence in near and offshore locations and the impact of contract losses.

Adjusted operating loss¹ was £17.0m (2024 loss: £5.9m) as the benefit from the Group's cost reduction programme did not offset the impact of the revenue decline, reinvestment and the rise in National Insurance. The operating loss for the business also includes c.£15m of costs in respect of under-utilised property and a c.£10m loss from the German business.

Operating cash flow excluding business exits¹ increased from £0.1m to £6.7m, reflecting the timing of key receipts and phasing of supplier invoicing. The cash flow for the business also includes a c.£20m outflow in respect of under-utilised properties and a c.£8m cash outflow from the German business.

Outlook

Given the challenging conditions in this business, we expect to see a mid to high single-digit revenue reduction in the Contact Centre business reflecting; contract losses, reduced volumes, and our ongoing offshoring activities.

We expect the Contact Centre business to remain loss making in 2026, with an improving trend in the second half.

Pension Solutions

Market and growth drivers

Pension Solutions is our pension administration and pension consulting business, with a focus on defined benefit schemes. It administers more than 400 private and public sector pension schemes based in the UK, servicing over 7 million scheme members a year. The division has a number of long-standing and stable relationships with clients built on its proven track record.

Pension Solutions also provides consulting services including actuarial, investment and data services to its clients via more than 500 expert pension consultants, which accounts for around one-third of its revenue.

Strategy and better technology

Pension Solutions' vision is one team creating better outcomes for members today, tomorrow and when needed.

More widely, the pension industry is on a journey to members having an end-to-end digital experience, with increased automation and self-service options to allow a 24/7 service offering.

Within the UK pension market, we are seeing growing demand on data and remediation services driven by changing legislation and regulatory requirements on UK pension arrangements.

We have been investing strongly in our digital pensions platform and in December 2025, we went live with our Digital Pension Solutions tool, following a multi-year design and development programme, allowing us to deliver digitally-enabled pension administration at significant scale.

1. Refer to APMs on pages 239 to 245.

Operating review › Experience continued

Built upon Pension Solutions' existing infrastructure and Microsoft Dynamics, this tool is providing clients with higher levels of operational resilience, increased engagement and an improved ability to reach underrepresented scheme members. For scheme members, the tool is enhancing their digital experience, offering a more flexible service and money management.

This tool went live in late 2025 with a number of clients, serving 1.5 million UK citizens with operations support across five Capita locations, and further significant roll outs are planned across 2026.

We expect this will provide Pension Solutions with a higher level of differentiation in a competitive market by improving operational scalability, enhancing the member experience, driving efficiencies. By leveraging the best technology, we will remain competitive in a dynamic regulatory environment.

Operational performance and better delivery

This year the business's average in-month KPI performance was 98% (2024: 94%). Pension Solutions saw a small decrease in cNPS to -6 points from -3 points in 2024.

This year the business has delivered further cost efficiencies through its organisational right sizing and further aligning to its market segments. We have seen success and internal productivity improvements in the business's Consulting and Transformation teams with internal team usage of Copilot, including the launch of an email resolution agent.

The business has continued to increase its use of a global delivery model with further work being completed by colleagues in overseas locations, where appropriate and in line with client needs and requirements. This is cementing our position to offer clients more flexibility in their delivery alongside our expanded digital tools.

In December, Pension Solutions went live with the Civil Service Pension Scheme, one of the largest and highly complex pension schemes in the UK. The backlog inherited from the previous administrator was significantly higher than forecast and we are working jointly with the Cabinet Office to clear this backlog with an urgent recovery plan in place. We expect to return to service level standards by the end of June 2026.

Growth

In 2025, Pension Solutions won contracts with a TCV of £150.4m up from £144.9m in 2024. The business saw a win rate across all opportunities of 93%, up from 89% in 2024, with a strong performance in renewals at 97%, reflecting our strength in this sector.

Material wins included a renewal with expanded scope worth £37m for the UK arm of a global company and renewals with Scottish & Newcastle Pension Plan, AXA and extensions with the Teachers' Pension Scheme as part of the previously announced transition to a new service provider. Overall, the business's book to bill rate was 0.8x, unchanged from 2024.

The unweighted pipeline for the business was £0.5bn down from £0.7bn at the end of 2024. In January 2026, the business secured a material renewal with a major client with a TCV of £137m over an extended ten year period. The business has further material opportunities expected to close in 2026 with both public and private sector clients.

The order book at 31 December 2025 was £465.1m, an increase from £441.3m at 31 December 2024, as wins more than offset the revenue recognised in the year.

Financial performance

Adjusted revenue¹ increased 4.5% to £187.0m, as we saw the benefit from indexation on existing contracts and go-live on the Civil Service Pension Scheme contract.

Adjusted operating profit¹ increased by 6.4% to £29.9m, reflecting the impact of the revenue growth seen in 2025 and savings from the cost reduction programme which was partially offset by lower interest rates.

Operating cash flow excluding business exits¹ decreased by 44.7% to £18.4m, reflecting the investment for the Civil Service Pension Scheme of £26m, and timing of a milestone payment.

Outlook

In 2026, we expect to see mid-teen digit revenue growth reflecting the annualised impact of the Civil Service Pension Scheme and continued benefit from the Teachers' Pension Scheme, which we expect to hand back in the next year.

Reflecting the continued mobilisation costs associated with the Civil Service Pension Scheme we expect to see a reduction in operating profit and margin.

Regulated Services

Following the agreement to hand back the remaining contracts within closed book Life & Pensions, this business is now presented as a business exit (and its results excluded from the Group's adjusted results), therefore Regulated Services now comprises our Mortgage Software business which we are managing for value.

In the first half of the year, we agreed the termination of a contract within the Mortgage Software business. As a result of the termination, we received a one-off £6m termination payment.

Financial performance

Adjusted revenue¹ grew 200% to £25.8m, due to a £19m one-off benefit from a contract exit in the Mortgage Software business.

Adjusted operating profit¹ was £5.4m (2024: £1.3m) benefiting from a £6m one-off termination payment following the above noted contract exit in the Mortgage Software business.

Operating cash flow excluding business exits¹ increased 220.7% to an inflow of £3.5m, driven by the termination fee received from the aforementioned contract exit, and cash impact of savings delivered through the cost reduction programme.

Outlook

Reflecting the non-repeat of the one-off benefits from the contract termination agreed in 2025, we expect the business to see significant revenue reduction and be breakeven in 2026.

1. Refer to APMs on pages 239 to 245.

Operating review › Achievements

Delivery achievements in 2025

Capita supports customers across the public and private sector to help them run a wide variety of complex business processes more efficiently.

Managed the collection of

£4bn

council tax and business rates for local councils and processed **£1bn** housing benefit and council tax support payments

Handled more than

306k

calls for the RSPCA helping to protect animals in need

Introduced

innovative training using AI

at our Fire Service College

Leadership in Service Excellence winner at the CCA Global Excellence Awards

Helped more than

170

schools deliver fully electronic mock exams across 16 subjects



Handled more than

37 million

calls for customers in Capita Experience

Capita Experience recognised as a

major contender

in customer experience management by Everest

Collected more than

£3.8bn

in licence fees

New offices opened

in South Africa, India and Bulgaria improving our multilingual capabilities for customers

Continued accelerated development

of agentic and gen AI solutions

Met investors and advisors to

understand market sentiment and expectations

Launched the Capita Catalyst Lab and Capita AI Catalyst Stack

Chief Financial Officer's review



“Our performance this year reflects the progress we are making in strengthening the business – delivering improved adjusted profit¹ and cash flow while continuing to simplify our operations and invest in the capabilities that will support sustainable growth.”

Pablo Andres, Chief Financial Officer

Overview

Adjusted revenue¹ declined by 1.2% reflecting good growth in Public Service and the Pension Solutions business, offset by a 17.5% decline in the Contact Centre business.

Public Service revenue growth benefited from the Health Assessment Advisory Service contract win, the Disabled Students Allowance contract, growth on the Transport for London contract, including the opening of the Silvertown Tunnel, and scope expansions on the Royal Navy training contract and Primary Care Support England, partly offset by the flow through of contracts lost in previous years.

In Experience, revenue in the Contact Centre business reduced due to lower volumes and offshoring, primarily within the Telecommunications vertical, and contract losses. Revenue in the Pension Solutions business benefited from indexation and extensions on existing contracts. Revenue growth in Regulated Services reflects a £19m one-off benefit from a contract exit in the Mortgage Software business. This is now the sole remaining business in this segment following the sale of the Mortgage Servicing business and the transfer of the closed book Life & Pensions business to business exits.

The 34.2% increase in adjusted operating profit¹ is driven by improved contract performance in Public Service and the in-year benefit from the £250m cost reduction programme.

Adjusted basic earnings per share¹ increased to 49.71p (2024: 1.60p) reflecting the increase in adjusted operating profit¹, reduction in the net finance costs excluded from adjusted profit, and the lower adjusted total tax charge¹ of £19.0m (2024: charge of £34.6m). The lower adjusted tax charge¹ in 2025 reflects the changes in the accounting estimate of recognised deferred tax assets, and a lower current income tax charge reflecting fewer current year losses carried forward on adjusted profits.

Financial highlights

| | 31 December 2025 | 31 December 2024 | YoY change |
|---|------------------|------------------|------------|
| Revenue | £2,312.3m | £2,421.6m | (4.5)% |
| Adjusted revenue ¹ | £2,199.5m | £2,225.7m | (1.2)% |
| Operating loss | £(129.6)m | £(9.9)m | (1,209.1)% |
| Operating margin ¹ | (5.6)% | (0.4)% | (520)bps |
| Adjusted operating profit ¹ | £113.5m | £84.6m | 34.2% |
| Adjusted operating margin ¹ | 5.2% | 3.8% | 140bps |
| EBITDA ¹ | £22.1m | £166.2m | (86.7)% |
| Adjusted EBITDA ¹ | £188.0m | 169.0m | 11.2% |
| (Loss)/profit before tax | £(170.9)m | £116.6m | n/a |
| Adjusted profit before tax ¹ | £74.5m | £40.5m | 84.0% |
| Basic (loss)/earnings per share | (144.13)p | 68.06p | n/a |
| Adjusted basic earnings per share ¹ | 49.71p | 1.60p | 3,006.9% |
| Operating cash flow ¹ | £114.6m | £86.3m | 32.8% |
| Operating cash flow excluding business exits ¹ | £139.7m | £82.8m | 68.7% |
| Adjusted operating cash conversion ¹ | 74.3% | 49.0% | 25.3% |
| Free cash flow ¹ | £(82.1)m | £(122.7)m | 33.1% |
| Free cash flow excluding business exits ¹ | £(54.0)m | £(110.9)m | 51.3% |
| Net debt ¹ | £(461.6)m | £(415.2)m | £(46.4)m |
| Net financial debt (pre-IFRS 16) ¹ | £(143.4)m | £(66.5)m | £(76.9)m |

1. Definitions and calculations of non-IFRS measures (alternative performance measures) can be found on pages 239 to 245.

The decline in reported revenue of 4.5% reflects the reduction in adjusted revenue¹ noted above, and the impact of businesses exited and in the process of being exited during 2025 and 2024. The most significant of these being the closed book Life & Pensions business.

The reported operating loss of £129.6m (2024: loss £9.9m), reflects the increase in costs to deliver the significant cost reduction programme (2025: £56.1m; 2024: £27.9m), the direct costs incurred as a consequence of the March 2023 cyber incident, primarily the £14m fine paid to the Information Commissioner's Office (ICO) (2025: £15.9m; 2024: £1.0m), and the loss from business exits

in the year, primarily the closed book Life & Pensions business (2025: £97.2m; 2024: profit £9.7m), partly offset by the improvement in adjusted operating profit¹ detailed above, and a slightly lower goodwill impairment charge (2025: £73.7m; 2024: £75.1m).

The move to a reported loss before tax of £170.9m (2024: profit £116.6m), reflects the increased reported operating loss detailed above, the loss from business exits in the year of £1.6m (2024: gain £184.6m from the sale of Capita One and the Group's 75% shareholding in Fera), partly offset by lower net finance costs to £39.2m (2024: £46.3m).

1. Refer to APMs on pages 239 to 245.

The reduction from a reported basic earnings per share to a reported loss per share reflects the move to a reported loss before tax noted above, offset by the move to a reported tax credit (2024: tax charge). The move to a reported income tax credit reflects the reduction in the adjusted tax charge¹ noted above, and a change in the accounting estimate of recognised deferred tax assets which had resulted in a higher deferred tax asset being recognised.

Operating cash flow excluding business exits¹ improved 68.7% to an inflow of £139.7m (2024: inflow £82.8m), reflecting the increased adjusted operating profit¹ and a lower working capital outflow. The lower working capital outflow in 2025 includes favourable timing within Public Service, together with a continuing focus on cash conversion cycles across the Group. This is partly offset by an increased outflow from the net of deferred income and contract fulfilment assets.

Cash generated from operations excluding business exits¹ increased by £45.9m to £72.9m, reflecting the above improvement in operating cash flow excluding business exits¹ and the reduction in pension deficit contributions, partly offset by an increase in cash costs to deliver the cost reduction programme, and an increase in the direct cash cost of the 2023 cyber incident, in particular the fine paid to the ICO and related legal fees.

Free cash flow excluding business exits¹ was an outflow of £54.0m (2024: outflow £110.9m), and includes £53.2m of cash costs to deliver the cost reduction programme (2024: £44.5m), and £13.6m net cash outflow in respect of the 2023 cyber incident (2024: £5.0m). The improvement year on year primarily reflects the improvement in cash generated from operations excluding business exits¹ above, continued capital investment in our contract delivery with new technology

solutions and cyber capabilities, lower net capital lease payments from the ongoing property portfolio rationalisation, and lower interest outflows.

The improvement in free cash flow¹ reflects the above reduction in free cash outflow excluding business exits¹, and a reduction in pension deficit contributions triggered by disposals, partly offset by the move to an outflow from those businesses being exited.

The Group has been seeking to exit its closed book Life & Pensions business, and in December 2025 announced it had reached a transition agreement for the remaining two legacy evergreen contracts with its last client (further detail on the agreement is provided later in this review). This business has been a challenging part of the Group from which Capita has been actively seeking to exit, and the above transition agreement marks the completion of a key element of our 'manage for value' strategy, eliminating a significant cash flow uncertainty.

In November 2023, we announced the implementation of a cost reduction programme expected to deliver annualised efficiencies of £60m from Q1 2024. In March 2024, we announced that we had identified additional cost saving opportunities expected to deliver an additional £100m of annualised cost savings by mid-2025. In December 2024, reflecting on the progress made ahead of schedule with £140m annualised savings already delivered, and increased confidence in the level of efficiencies that can be delivered, the cost reduction target increased from £160m to up to £250m (measured against the 2023 cost base) and was achieved by the end of 2025.

Liquidity as at 31 December 2025 was £329.4m, made up of £250.0m of undrawn revolving credit facility (RCF) and £79.4m of unrestricted cash and cash equivalents net of overdrafts. In July 2025, we extended

the maturity of the RCF by 12 months to 31 December 2027. In February 2026, we entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing RCF. The additional facility expires 18 months from signing.

Net financial debt (pre-IFRS 16)¹ increased by £76.9m to £143.4m at 31 December 2025, resulting in a net financial debt to adjusted EBITDA¹ (both pre-IFRS 16) ratio of 1.0x, as a result of the free cash flow¹ noted above. This is in line with the Group's medium term target ratio of $\leq 1.0x$.

Summary of financial performance

Adjusted results

Capita reports results on an adjusted basis to aid understanding of business performance. The Board has adopted a policy of disclosing separately those items that it considers are outside the underlying operating results for the particular period under review and against which the Group's performance is assessed internally. In the directors' judgement, these items need to be disclosed separately by virtue of their nature, size and/or incidence for users of the financial statements to obtain an understanding of the financial information and the underlying in-period performance of the business. In general, the Board believes that alternative performance measures (APMs) are useful for investors because they provide further clarity and transparency of the Group's financial performance and are closely monitored by management to evaluate the Group's operating performance to facilitate financial, strategic and operating decisions.

In accordance with the above policy, the trading results of business exits, along with the non-trading expenses (including the income statement charges in respect of major cost reduction programmes) and gain or loss on

disposals, have been excluded from adjusted results. To enable a like-for-like comparison of adjusted results, the 2024 comparatives have been re-presented to exclude 2025 business exits. As at 31 December 2025, the following businesses met this threshold and were excluded from adjusted results in both 2025 and 2024: closed book Life & Pensions, Fera, Capita One, Mortgage Services, Capita Scaling Partner, and a further business from Capita Public Service.

Reconciliations between adjusted and reported operating profit, profit before tax and free cash flow excluding business exits are provided on the following pages and in the notes to the financial statements.

Adjusted revenue¹

Adjusted revenue¹ reduced 1.2% year-on-year. The adjusted revenue¹ was impacted by the following:

- **Public Service** (4.5% growth): benefit from the Health Assessment Advisory Service contract win, the Disabled Students Allowance contract, growth on the contract with Transport for London, including the opening of the Silvertown Tunnel, and scope expansion on the Royal Navy training contract and extension of the Primary Care Support England contract, partly offset by the flow through of contracts lost in previous years;
- **Experience:**
 - **Contact Centre** (17.5% reduction): lower volumes, primarily within the Telecommunications vertical, the impact of working with our customers to drive volumes to our nearshore and offshore delivery centres, which reduces revenue while becoming more efficient and competitive, and contract losses;

1. Refer to APMs on pages 239 to 245.

Chief Financial Officer's review *continued*

- **Pension Solutions** (4.5% growth): benefit of indexation and extensions on existing contracts; and
- **Regulated Services** (200.0% growth): a £19m one-off benefit from a contract exit in the Mortgage Software business.

Order book

The Group's consolidated order book was £4,240.9m at 31 December 2025 (2024: £4,240.7m). Additions from contract wins, scope changes and indexation in 2025 totalled £1,748.3m, including renewals with the BBC in Contact Centre, Education Authority Northern Ireland, Primary Care Support England, expanded scope on the Royal Navy Training contract within Public Service, and extension of the Royal Mail Statutory Pension Scheme contract in Pension Solutions. These were offset by the reduction from revenue recognised in the year (£1,716.0m), contract terminations (£29.9m) and business disposals (£2.2m). Terminations primarily reflect a contract exit within our Regulated Services business.

Adjusted operating profit¹

Adjusted operating profit¹ increased in 2025 driven by the following:

- **Public Service:** net benefit from the revenue flow-through on new and expanded contracts and material savings delivered through the cost reduction programme, partly offset by continued reinvestment in technology solutions, and a £9m impact from the rise in National Insurance;
- **Experience:**
 - **Contact Centre:** flow through of revenue decline, lower levels of project work, rise in National Insurance and reinvestment, partly offset by savings delivered through the cost reduction programme. The operating loss for the business also includes c.£15m of costs in respect

of under-utilised property and a c.£10m loss from the German business;

- **Pension Solutions:** flow through of revenue benefit and savings delivered through the cost reduction programme, partly offset by reduced interest income due to lower UK interest rates (2025: £17m; 2024: £22m);
- **Regulated Services:** a £6m benefit from termination fee received from the contract exit in the Mortgage Software business, and savings delivered through the cost reduction programme; and
- **Capita plc:** reflects benefits delivered through the cost reduction programme and a one-off gain related to the extension of a property sub-lease.

Adjusted profit before tax¹

Adjusted profit before tax¹ increased year-on-year to £74.5m (2024: £40.5m) reflecting the above improvements in adjusted operating profit¹ and reduced net finance costs excluded from adjusted profit of £39.0m (2024: £44.1m). The reduction in net finance costs primarily reflects lower debt levels, a more favourable interest rate environment, and movements in the value of non-designated foreign exchange contracts.

Adjusted tax charge¹

The adjusted tax charge¹ for the year was £19.0m (2024: charge £34.6m). The reduction is mainly as a result of changes in the accounting estimate of recognised deferred tax assets which had less of an impact in 2025 compared to 2024.

Operating cash flow excluding business exits¹

Operating cash flow excluding business exits¹ and operating cash flow conversion¹ increased in 2025 driven by the following:

Adjusted revenue¹ bridge by division

| Adjusted revenue ¹ bridge by division | Capita Experience | | | | Total £m |
|--|-----------------------------------|-------------------------|----------------------------|-----------------------------|----------------|
| | Capita Public Service £m | Contact Centre £m | Pension Solutions £m | Regulated Services £m | |
| Year ended 31 December 2024 | 1,387.2 | 650.9 | 179.0 | 8.6 | 2,225.7 |
| Net growth/(reduction) | 62.8 | (114.2) | 8.0 | 17.2 | (26.2) |
| Year ended 31 December 2025 | 1,450.0 | 536.7 | 187.0 | 25.8 | 2,199.5 |

Adjusted operating profit¹ bridge by division

| Adjusted operating profit ¹ bridge by division | Capita Experience | | | | Capita plc £m | Total £m |
|--|-----------------------------------|-------------------------|----------------------------|-----------------------------|------------------|--------------|
| | Capita Public Service £m | Contact Centre £m | Pension Solutions £m | Regulated Services £m | | |
| Year ended 31 December 2024 | 89.1 | (5.9) | 28.1 | 1.3 | (28.0) | 84.6 |
| Net growth/(reduction) | 31.9 | (11.1) | 1.8 | 4.1 | 2.2 | 28.9 |
| Year ended 31 December 2025 | 121.0 | (17.0) | 29.9 | 5.4 | (25.8) | 113.5 |

- **Public Service:** higher adjusted operating profit¹ flow through and favourable timing of receipts at the end of 2025;
- **Experience:**
 - **Contact Centre:** timing of key receipts and phasing of supplier invoicing. The cash flow for the business also includes a c.£20m outflow in respect of under-utilised properties and a c.£8m cash outflow from the German business;
 - **Pension Solutions:** investment in the year in the Civil Service Pension Scheme (CSPS) contract of £26m (contract fulfilment asset), and delay of a milestone payment;
 - **Regulated Services:** termination fee received from the contract exit in the Mortgage Software business, and cash impact of savings delivered through the cost reduction programme; and

- **Capita plc:** benefit from the cost reduction programme and lower repayments against the non-recourse trade receivables financing facilities during 2025.

Cash generated from operations and free cash flow¹

Operating cash conversion¹ improvement reflects the increased adjusted operating profit¹ detailed above, and the flow through to adjusted EBITDA¹, along with a lower working capital outflow, partly offset by an increase in non-cash and other adjustments. The lower working capital outflow in 2025 includes favourable timing within Public Service, together with a continuing focus on cash conversion cycles across the Group. This is partly offset by an increased outflow from the net of deferred income and contract fulfilment assets, reflecting the investment in the CSPS contract in the Pension Solutions business, together with timing differences in Public Service.

1. Refer to APMs on pages 239 to 245.

Non-cash and other adjustments include movement in provisions, and amendments and the early termination of leases.

Cash generated from operations excluding business exits¹ of £72.9m reflects the above operating cash flow excluding business exits¹, the cash cost of delivering the cost reduction programme (£53.2m), and the direct cash flow impact of the cyber incident (£13.6m), primarily the ICO penalty.

Free cash flow excluding business exits¹ for the year ended 31 December 2025 was an outflow of £54.0m (2024: outflow £110.9m), and includes £53.2m of cash costs to deliver the cost reduction programme (2024: £44.5m), and £13.6m net cash outflow in respect of the 2023 cyber incident (2024: £5.0m). The improvement year on year primarily reflects the improvement in cash generated from operations excluding business exits¹ above, continued capital investment in our contract delivery with new technology solutions and cyber capabilities, lower net capital lease payments from the ongoing property portfolio rationalisation, and lower interest outflows.

Reported results

Adjusted to reported profit

As noted above, to aid understanding of our underlying performance, adjusted operating profit¹ and adjusted profit before tax¹ exclude a number of specific items, including the amortisation and impairment of acquired intangibles and goodwill, the impact of business exits, and the impacts of the cyber incident and cost reduction programme.

Impairment of goodwill

In preparing the consolidated financial statements at 31 December 2025, the Group undertook a detailed impairment review, following which a goodwill impairment of £73.7m was recognised in respect of the Contact Centre cash generating unit (CGU).

As noted above, the business's adjusted revenue¹ declined 17.5% in 2025, driven by reduced volumes in the Telecommunications vertical and contract losses, and its adjusted operating loss¹ increased to £17.0m, which includes costs associated with under-utilised property and losses arising in the German business. During the year significant cost reductions were made to improve the business's financial performance however the phasing of these reductions was later than expected in 2025, and there is more work to do in respect of the property footprint which currently represents around 60% of the Group's lease liability and the German business.

Although the Contact Centre business secured deals with a total contract value of £716.5m in 2025, up by 66% on 2024 and its win rate across all opportunities was 80%, up from 57% in 2024, the business's unweighted and weighted pipeline has reduced compared to the end of the prior year. In addition, the majority of contracts won are framework agreements, which enable the customer to both ramp up and ramp down volume, providing both an opportunity but also a risk to the business's forecast, as seen with the reduction in volumes in the year.

A key aspect of the Contact Centre strategy is better technology, and the forecast for the business assumes an increase in the use of its new AI and generative AI solutions, such as AgentSuite, with expansion delivered in 2025 and further rollouts to clients planned in 2026. There is a risk with the assumed rollout of these new technology solutions, such as the pace of technological change, which brings increased uncertainty in delivery, and therefore a risk to the business's forecast.

To reflect these risks, for the purposes of the impairment test, the business plan cash flow projections have been risk adjusted in the Contact Centre CGU from 2026 onwards. This has resulted in the impairment noted above.

Operating cash flow excluding business exits¹ by division

| | Capita Experience | | | | Capita plc £m | Total £m |
|--|-----------------------------------|-------------------------|----------------------------|-----------------------------|------------------|--------------|
| | Capita Public Service £m | Contact Centre £m | Pension Solutions £m | Regulated Services £m | | |
| Year ended 31 December 2024 | 92.1 | 0.1 | 33.3 | (2.9) | (39.8) | 82.8 |
| Net growth/(reduction) | 42.9 | 6.6 | (14.9) | 6.4 | 15.9 | 56.9 |
| Year ended 31 December 2025 | 135.0 | 6.7 | 18.4 | 3.5 | (23.9) | 139.7 |
| <i>Operating cash conversion¹ year ended 31 December 2024</i> | 73.3% | 0.3% | 97.7% | (223.1)% | (151.3)% | 49.0% |
| Operating cash conversion¹ year ended 31 December 2025 | 88.7% | 41.1% | 49.2% | 61.4% | (101.3)% | 74.3% |

Adjusted operating profit¹ to free cash flow excluding business exits¹

| | 2025 £m | 2024 £m |
|---|---------------|------------|
| Adjusted operating profit¹ | 113.5 | 84.6 |
| Add: depreciation/amortisation and impairment of property, plant and equipment, right-of-use assets and intangible assets | 74.5 | 84.4 |
| Adjusted EBITDA¹ | 188.0 | 169.0 |
| Working capital | (30.8) | (84.2) |
| Non-cash and other adjustments | (17.5) | (2.0) |
| Operating cash flow excluding business exits¹ | 139.7 | 82.8 |
| Adjusted operating cash conversion¹ | 74.3% | 49.0% |
| Pension deficit contributions | — | (6.3) |
| Cyber incident | (13.6) | (5.0) |
| Cost reduction programme | (53.2) | (44.5) |
| Cash generated from operations excluding business exits¹ | 72.9 | 27.0 |
| Net capital expenditure | (46.2) | (49.3) |
| Interest/tax paid | (41.1) | (42.0) |
| Net capital lease payments | (39.6) | (46.6) |
| Free cash flow excluding business exits¹ | (54.0) | (110.9) |

1. Refer to APMs on pages 239 to 245.

Chief Financial Officer's review *continued*

Business exits

Business exits are businesses that have been sold, exited during the period, or are in the process of being sold or exited in accordance with the Group's strategy.

In accordance with our policy, the trading results of these businesses, along with the non-trading expenses and gains/(losses) recognised on business disposals, were classified as business exits and therefore excluded from adjusted results. To enable a like-for-like comparison of adjusted results, the 2024 comparatives have been re-presented to exclude the 2025 business exits.

At 31 December 2025 business exits primarily comprised the following:

- **Closed book Life & Pensions business:** this business, which previously sat within the Group's Regulated Services segment within Capita Experience, has been a challenging part of the Group which, as announced at the Company's Capital Markets Day in June 2024, Capita has been actively seeking to exit. The Group has entered into a number of transition agreements for the contracts within this business which are being migrated over the coming years. In December 2025, the Group reached a transition agreement for the remaining two legacy evergreen contracts, with its last client, Royal London, and therefore this business met the criteria to be presented as a business exit.

Under the transition agreement for the Royal London contracts, Capita agreed to pay Royal London an initial payment of c.£22m. The agreement provided an option, exercisable by either Royal London or Capita, for that initial payment to be settled through the issue to Royal London of 5,670,909 ordinary shares. This option was exercised in December 2025. The resulting share based payment charge of £22.4m has been included within business exits.

The Group will also make a contribution towards Royal London's costs, consisting of three payments, each of £10m, on the first, second and third anniversary of the migration completion. The migration is expected to take five years, so these payments are expected to take place in 2031, 2032 and 2033. Provision has been made for these payments in December 2025.

The closed books and contractual dynamics have led to onerous conditions to service certain of the contracts in this business and an onerous contract provision has been recognised in prior periods. This provision was increased in 2025 to reflect the current best estimate of the costs to continue service delivery up to the expected end of these contracts and the migration costs to handover these services, reflecting the terms of the exits agreed and experience of previous contract exits;

- **Mortgage servicing business:** this business met the threshold to be held-for-sale at 31 December 2024 and its sale completed on 13 October 2025; and
- **Corporate venture business, Capita Scaling Partner:** the Capita Scaling Partner business manages the Group's investments in start-up and scale-up companies. Part of our investment in one venture was sold during the year realising a gain of £nil and a net loss of £0.5m was recognised in relation to the revaluation of the remaining Capita Scaling Partner investments. The Group will seek to maximise value from the remaining Capita Scaling Partner investments, which at 31 December 2025 had an aggregate carrying value of £3.8m (2024: £4.8m), including loans receivable by Capita of £0.7m (2024: £0.7m). In order to facilitate this, an external third party was engaged in the year to manage the disposal process for the Group's remaining Capita Scaling Partner investment.

Adjusted¹ to reported results bridge

| | Operating profit/(loss) | | Profit/(loss) before tax | |
|--------------------------------------|-------------------------|------------|--------------------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Adjusted¹ | 113.5 | 84.6 | 74.5 | 40.5 |
| Amortisation of acquired intangibles | (0.2) | (0.2) | (0.2) | (0.2) |
| Impairment of goodwill | (73.7) | (75.1) | (73.7) | (75.1) |
| Net finance income/(costs) | — | — | 2.1 | (0.1) |
| Business exits | (97.2) | 9.7 | (101.6) | 180.4 |
| Cyber incident | (15.9) | (1.0) | (15.9) | (1.0) |
| Cost reduction programme | (56.1) | (27.9) | (56.1) | (27.9) |
| Reported | (129.6) | (9.9) | (170.9) | 116.6 |

Cyber incident

The Group has incurred exceptional costs associated with the March 2023 cyber incident. A charge of £15.9m has been recognised in the year ended 31 December 2025, which primarily comprises the £14m penalty from the Information Commissioner's Office and related legal fees, partly offset by insurance receipts. The cumulative total costs incurred, net of insurance receipts, in respect of the cyber incident are £42.2m. Further insurance receipts are anticipated but did not meet the criteria for recognition at 31 December 2025.

Cost reduction programme

The Group implemented a multi-year cost reduction programme in November 2023 to deliver annualised savings of £60m by Q1 2024. The programme was extended in March 2024, to deliver further annualised savings of £100m by mid-2025. In December 2024, reflecting on the progress made ahead of schedule with £140m annualised savings already delivered, and increased confidence in the level of efficiencies that could be delivered, the cost reduction target increased from

£160m to up to £250m, which was achieved by the end of 2025.

A charge of £56.1m (2024: £27.9m) has been recognised in the year ended 31 December 2025 for the expenses to deliver the cost reduction programme. This includes redundancy and other expenses of £53.4m (2024: £30.5m) to deliver a significant reduction in headcount, and a charge of £2.7m arising from the rationalisation of the Group's property estate (2024: a credit of £2.6m reflecting the successful exit of a number of properties which had been provided for previously). The cumulative expense recognised since the commencement of the cost reduction programme is £138.4m (2024: £82.3m), which is included within administrative expenses. Since the targeted savings were delivered by the end of 2025, no further expenses to deliver this cost reduction programme are expected beyond the end of 2025.

The cash outflow in 2025 in respect of the cost reduction programme was £53.2m (2024: £44.5m), which is included within free cash flow¹ and cash generated from operations excluding business exits¹. The cumulative cash outflow since the commencement of the

1. Refer to APMs on pages 239 to 245.

cost reduction programme in the second half of 2023 is £103.8m.

Further detail of the specific items charged in arriving at reported operating profit and profit before tax for 2025 is provided in note 2.4 to the consolidated financial statements.

Net finance costs

Net finance costs decreased by £7.1m to £39.2m (2024: £46.3m), reflecting lower debt levels, a more favourable interest rate environment, and movements in the value of non-designated foreign exchange contracts.

Reported tax charge

The reported tax credit for the year of £5.3m comprises a current tax charge of £8.6m, reflecting non-deductible business exit costs, the non-deductible ICO penalty relating to the 2023 cyber incident, non-deductible goodwill impairment, plus a deferred tax credit of £13.9m arising from changes in the accounting estimate of recognised deferred tax assets. The prior period charge of £36.2m comprised a current tax charge of £17.8m, reflecting non-deductible goodwill impairments and unrecognised current year tax losses, plus a deferred tax charge of £18.4m, reflecting the changes in the accounting estimate of recognised deferred tax assets. The reduction in the reported income tax charge reflects the reduction in the adjusted tax charge¹ noted above, and a change in the accounting estimate of recognised deferred tax assets.

Free cash flow¹ to free cash flow excluding business exits¹

The improvement in free cash flow¹ reflects the above reduction in free cash outflow excluding business exits¹, and a reduction in pension deficit contributions triggered by disposals, partly offset by the move to an outflow from those businesses being exited.

Movements in net debt

Net debt at 31 December 2025 was £461.6m (2024: £415.2m). The increase in net debt over the year ended 31 December 2025 primarily reflects the free cash outflow noted above.

Net debt does not include finance lease receivables, which at 31 December 2025 were £96.6m (2024: £95.7m) reflecting the successful sub-letting of property the Group is not utilising.

Net financial debt (pre-IFRS 16)¹ increased by £76.9m to £143.4m at 31 December 2025, resulting in a net financial debt to adjusted EBITDA¹ (both pre-IFRS 16) ratio of 1.0x. Over the medium term, the Group is targeting a net financial debt to adjusted EBITDA¹ (both pre-IFRS 16) ratio of ≤1.0x.

The Group was compliant with all debt covenants at 31 December 2025. To accommodate for the accounting impact of providing in 2025 for the future losses related to the transition agreement reached with Royal London to exit the remaining legacy contracts, the Group obtained lender approval to amend the US private placement interest coverage covenant for the measurement periods ending 31 December 2025 and 30 June 2026, resetting the minimum permitted value to 3.0x. Upon expiry of the amendment period, the covenant reverts to its original minimum permitted value of 4.0x.

Capital and financial risk management

Liquidity remains an area of focus for the Group. Financial instruments used to fund operations and to manage liquidity comprise US private placement loan notes, revolving credit facility (RCF) and overdrafts.

In March 2025, the Group issued £94.2m equivalent of US private placement loan notes across three tranches: £50m maturing 24 April 2028, USD13m maturing 24 April 2028 and

Free cash flow¹ to free cash flow excluding business exits¹

| | 2025 £m | 2024 £m |
|--|---------------|------------|
| Free cash flow¹ | (82.1) | (122.7) |
| Business exits | 28.1 | (2.7) |
| Pension deficit contributions triggered by disposals | — | 14.5 |
| Free cash flow excluding business exits¹ | (54.0) | (110.9) |

Net debt

| | 2025 £m | 2024 £m |
|--|----------------|------------|
| Opening net debt | (415.2) | (545.5) |
| Cash movement in net debt | (19.0) | 197.4 |
| Non-cash movements | (27.4) | (67.1) |
| Closing net debt | (461.6) | (415.2) |
| Remove closing IFRS 16 impact | 318.2 | 348.7 |
| Net financial debt (pre-IFRS 16)¹ | (143.4) | (66.5) |
| Cash and cash equivalents net of overdrafts | 125.3 | 191.4 |
| Financial debt net of swaps | (268.7) | (257.9) |
| Net financial debt/adjusted EBITDA¹ (both pre-IFRS 16) | 1.0x | 0.5x |
| Net debt (post-IFRS 16)/adjusted EBITDA¹ | 2.5x | 2.3x |

USD43m maturing 24 April 2030, with an average interest rate of 7.4%. The notes rank pari passu with the existing indebtedness of the Group and include financial covenants at the same level as those under the RCF and existing US private placement loan notes.

In July 2025, the Group extended the maturity of the RCF by 12 months to 31 December 2027. The available facility remains at £250m and was undrawn at 31 December 2025 (2024: undrawn). In February 2026, we entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing RCF. The additional facility expires 18 months from signing.

At 31 December 2025, the Group had a total of £24.6m (2024: £23.4m) invoices sold under non-recourse trade receivables financing facilities, including £17.2m (2024: £14.5m) attributable to the UK facility and £7.4m (2024: £8.9m) attributable to the German contract-specific facility. Both facilities provide an economically favourable rate versus the RCF.

At 31 December 2025, the Group had £125.3m (2024: £191.4m) of cash and cash equivalents net of overdrafts, and £266.4m (2024: £269.3m) of private placement loan notes and fixed-rate bearer notes.

1. Refer to APMs on pages 239 to 245.

Chief Financial Officer's review *continued*

Going concern

The Board closely monitors the Group's funding position throughout the year, including compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations. In addition, to support the going concern assumption, the Board conducts a robust assessment of the projections, considering also the committed facilities available to the Group.

The Group and Parent Company continue to adopt the going concern basis in preparing these consolidated financial statements as set out in Section 1 to the consolidated financial statements.

Viability assessment

The Board's assessment of viability over the Group's three-year business planning time horizon is summarised in the viability statement on page 86 and 87.

Pensions

The latest formal valuation for the Group's main defined benefit pension scheme (HPS), was carried out as at 31 March 2023. This identified a statutory funding surplus of £51.4m. Given the funding position, the Group and the HPS Trustee agreed that no further deficit contributions from the Group would be required other than those already committed as part of the 31 March 2020 actuarial valuation. These committed deficit contributions were satisfied by the end of June 2024.

The valuation of the HPS liabilities (and assumptions used) for funding purposes (the actuarial valuation) is specific to the circumstances of the HPS. It differs from the valuation and assumptions used for accounting purposes, which are set out in IAS 19 and shown in these consolidated financial statements. The main difference is

in assumption principles being used which are a result of the different regulatory requirements of the valuations. Management estimates that at 31 December 2025 the net asset of the HPS on a funding basis (ie the funding assumption principles adopted for the full actuarial valuation at 31 March 2023 updated for market conditions at 31 December 2025) was approximately £80.0m (2024: net asset £80.0m) on a technical provisions basis. The HPS Trustee has also agreed a secondary more prudent funding target to enable it to reduce the reliance the HPS has on the covenant of the Group. On this basis, at 31 December 2025, the funding level was around 100%.

The net defined benefit pension position of all reported defined benefit schemes for accounting purposes decreased from a surplus of £37.9m at 31 December 2024 to a surplus of £29.1m at 31 December 2025. The main reason for this movement is a slight improvement in assumed life expectancy and actual inflation being slightly higher than assumed over the year. The change in market conditions (which impacted both the assets and liabilities over the year), broadly cancelled each other out and did not have a material impact on the net position.

Consolidated balance sheet

At 31 December 2025 the Group's consolidated net assets were £41.8m (2024: net assets £195.7m). The movement is predominantly driven by the reported loss before tax for the year as explained above, the actuarial loss on defined benefit pension schemes, and the loss on cash flow hedges.

Parent company balance sheet

The company's market capitalisation continues to be significantly less than the net assets of the parent company at 31 December 2025 and the directors gave consideration as to why this might be the case and whether assets

Available liquidity¹

| | 2025 £m | 2024 £m |
|---|--------------|--------------|
| Revolving credit facility (RCF) | 250.0 | 250.0 |
| Less: drawing on committed facilities | — | — |
| Undrawn committed facilities | 250.0 | 250.0 |
| Cash and cash equivalents net of overdrafts | 125.3 | 191.4 |
| Less: restricted cash | (45.9) | (44.2) |
| Available liquidity¹ | 329.4 | 397.2 |

on the parent company balance sheet might be impaired. The factors considered included: the differing basis of valuations (including that third parties value the services sector on income statement multiples versus long-term view using a discounted cash flow for the basis of impairment testing under accounting standards), sum-of-the parts view and the multiples achieved on recent disposals, general market assumptions of the sector which can ignore the liquidity profile and specific risks of an entity, and other specific items impacting the market's view of the Group at the moment.

An impairment test was performed at 31 December 2025 in respect of the parent company's investments in subsidiaries and amounts owed by subsidiary undertakings. A net impairment charge of £96.8m was recognised in respect of the parent company's investments in subsidiaries, of which £39.1m was due to the return of capital from subsidiaries in advance of their liquidation, with impairment recognised being offset by dividend income received from the subsidiaries, and a net impairment charge of £57.7m was as a result of the impairment test performed at 31 December 2025.

A net impairment charge of £9.8m was identified in respect of amounts owed by subsidiaries.

Following the impairment charge recognised, management's estimate of the value in use of the Group used in the testing of goodwill for impairment at 31 December 2025, when adjusted for the fair value of the Group's net debt, gave a value for the Group that exceeded the market capitalisation at that date, and supported the parent company net assets

Following shareholder approval at the Company's 2025 Annual General Meeting held on 28 April 2025, the parent company ("the Company") completed a share consolidation at a ratio of 15 for 1, whereby every 15 ordinary shares of 2 1/15 pence were consolidated into one ordinary share of 31 pence. The Board believe that consolidation of the Company's ordinary shares will improve marketability of its shares to investors.

Also, following shareholder approval at the 2025 AGM and subsequent sanctioning by the High Court of England and Wales, the Company completed the cancellation of its share premium account, with the balance of £1,145.5m credited to retained earnings. The capital reduction optimises the structure of the balance sheet and increases the Company's distributable reserves.

1. Refer to APMs on pages 239 to 245.

Responsible business

Being a better company

Our commitment to being a responsible organisation is deeply embedded in everything we do at Capita. It remains a core priority, guiding a consistent, Group-wide approach to operating responsibly and creating long-term value for all stakeholders.

This year, we have made significant progress, underpinned by the dedication and professionalism of our colleagues across the organisation.

I am especially proud of our multi-year culture programme and, this year, the launch of our refreshed values and colleague playbook. Together with the leadership playbook, these resources ensure consistency in how we act and behave across the organisation. The values were co-created with global colleague input, I look forward to continuing to embed them across all aspects of our operations.

During 2025, we had to make some difficult people decisions on our journey to delivering a better Capita. We saw a year-on-year reduction in our overall headcount, partially through voluntary attrition, as we refined our organisational structures around service delivery and evolving market needs and saw the impact of TUPE from contract exits. While these were difficult decisions, this has been an important step for the Group and is helping to create a more sustainable organisation. Against this backdrop, I am pleased to see that our employee engagement score has held broadly steady at 63% (2024: 64%).



Customer first, always

We continue to prioritise our customers by embedding responsible practices into service delivery and governance. Our inclusion in the FTSE4Good Index Series, improved ESG risk rating in Sustainalytics, and higher Corporate Sustainability Assessment score demonstrate strong responsible business credentials that matter to our clients.

We achieved a Group cNPS of +31 points, our highest since 2018, reflecting the trust and confidence our customers place in us.

Our RB Committee has provided strategic oversight, accountability, and guidance throughout the year, ensuring we remain focused on opportunities and challenges that shape our responsible business strategy.

We also continue to align our efforts with the United Nations Sustainable Development Goals (UNSDGs), as detailed in this report.



Fearless innovation

Innovation is central to our transformation and how we operate. In 2025, we launched Celebrate!, our new AI-enabled recognition platform that connects colleagues globally and celebrates their achievements. Designed to reinforce our values and foster a culture of appreciation, Celebrate! enables colleagues to acknowledge each other's contributions in real time.

We also launched Capita's Copilot M365 programme, delivering almost 6,700 learning hours, and saving over 170,000 hours, and developing power users through our AI, Data & Technology Academy. These initiatives earned us the Workday Customer Award EMEA 2025 for Powering Innovation, and as part of this award, we received €5,000, which we proudly donated to Social Shifters, our charity partner.



Achieve together

I am inspired by the generosity our colleagues have shown through our payroll giving scheme. In 2025 alone, they contributed almost £177,000 to charities and, since partnering with Hands On Payroll Giving UK in 2013, Capita colleagues have donated almost £3.4m to causes close to their hearts. As a result of this continued dedication, Capita received the Payroll Giving Platinum Quality Mark Award from Charities Trust, a symbol of excellence awarded to organisations that generate sustainable income for UK charities through payroll giving.

Alongside this, our colleague survey results show progress: eNPS improved by 11 points; engagement is at 63%; and inclusion and wellbeing scores have risen. These improvements, coupled with our commitment to flexible working, demonstrate our focus on creating an environment where colleagues can thrive personally and professionally.

Our rolling 12-month voluntary attrition at the end of December 2025 has also reduced, aligning with our targets, a testament to the strength of our culture and values in action.



Everyone is valued

I am proud of the strides we have made in advancing diversity, equity and inclusion. In 2025, we earned the Gold TIDE Award, maintained Disability Confident Leader (Level 3) status, were recognised as a Financial Times-Statista Leader in Diversity, and featured on Forbes' Best Places for Women to Work for the third consecutive year.

We also made significant progress in closing our gender pay gap, and for the first time, we disclosed our disability pay gap alongside our voluntary ethnicity pay gap, reinforcing our commitment to transparency and fairness.



I am very proud of all of these achievements; they reflect the dedication of our colleagues and the strength of our values in action. Together, we are building a culture that not only supports transformation but defines it – creating a better Capita for our people, customers, and communities.

Scott Hill
Chief People Officer

Responsible business › Performance in 2025

2025 performance in key areas



* This year we have restated our carbon emissions intensity metrics to include all of our Scope 3 emissions, to align with improved emissions transparency. Reduction is from 2019 base year.

Responsible business › Ranking and external recognition

Ranking, memberships and external recognition



Double materiality assessment (DMA)

In 2025, we undertook a DMA, to identify and prioritise the sustainability topics most relevant to our business, our stakeholders, and our wider value chain and reflect the requirements of the European Sustainability Reporting Standards (ESRS) and Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464, CSRD). Although Capita is not currently in scope of the CSRD, the assessment was designed to reflect leading CSRD practices. Key features included:

- double materiality – assessing both inward financial risks and outward sustainability impacts;
- systematic impacts, risks and opportunities (IROs) identification – structured mapping of impacts, risks, and opportunities;
- robust scoring methodology – enabling transparent prioritisation and integration with enterprise risk management;
- system and finance – ensuring risk assessment and materiality thresholds aligned with existing processes; and
- leadership and subject-matter experts engagement – embedding business insight and ownership.

Mapping the value chain

A thorough mapping of Capita's value chain served as the foundation for identifying where the most significant IROs arise. It considered the full range of Capita's activities and relationships, starting with upstream suppliers who provide essential inputs such as data and IT services, facilities, energy, and professional services. It then examined Capita's own operations, including core business activities across finance, legal, people, technical operations, and product development. Finally, the assessment extended downstream to capture the effects of Capita's work on clients, consumers, investors, trade unions, and the wider community, as well as the end-of-life stage of services and products.

The assessment identified hotspots and key dependencies throughout the value chain – areas where Capita's business model is exposed to the most significant sustainability impacts or where there are critical dependencies that could pose financial risks. This value chain perspective ensured that the DMA did not focus solely on Capita's direct operations but also addressed the broader network of relationships and activities that shape our overall sustainability profile.

IROs

Building on the value chain mapping, Capita's DMA systematically identified and prioritised the sustainability topics most relevant to our business and stakeholders. By considering every stage of our value chain we ensured that the assessment captured the full breadth of our impacts, dependencies, and exposures.

We developed a comprehensive long list of 184 potential IROs through a combination of internal policy review, benchmarking against external standards such as the ESRS, peer analysis, and alignment with Capita's responsible business strategy. Each IRO was mapped to the relevant segment of our value chain, ensuring that both direct and indirect effects were considered.

We applied a robust scoring framework based on the scale and scope of each impact, the likelihood of occurrence, the degree to which negative impacts could be remediated and the potential financial magnitude. Scoring was done on an unmitigated basis. This approach allowed us to assess both the significance of each topic and its relevance within the broader context of our business model and value chain.

Stakeholder engagement was central to the process. We conducted interviews with senior executives, including members of the RB Committee and senior leadership and engaged with 27 subject matter experts from across the business, in the IROs scoring exercise. External advisors from SLR Consulting supported the methodology, scoring framework, and validation workshops, ensuring best practice and alignment with regulatory expectations.

External stakeholder perspectives were incorporated by proxy, drawing on existing engagement, reporting, and credible secondary sources.

Differences between the previous and current DMA

The updated DMA represents a significant evolution in Capita's approach, reflecting both our advancing corporate strategy and the shifting priorities of our stakeholders. Certain topics that were previously identified as material have not been carried forward into the 2025 materiality list. This shift does not indicate that these topics are unimportant; rather, it reflects a reassessment of their relative significance considering Capita's current strategic focus and stakeholder expectations.

In particular, biodiversity is addressed within Capita's wider environmental management and climate-related activities. Given the nature of Capita's operations, biodiversity does not represent a distinct area of material impact but is instead integrated into our broader approach to environmental stewardship.

Public policy and regulation is now embedded within the wider Business conduct and ethical AI material topic to reflect a holistic governance approach under ESRS, ensuring that critical activities such as stakeholder engagement and regulatory compliance are fully integrated into ethical behaviour, compliance, and responsible business practices across all operations.

Responsible business › Material topics

Material topics

From the initial longlist of 184 IROs, 39% were deemed material. These topics span responsible business areas and reflect Capita’s upstream and downstream value chain. Ten material strategy topics were identified. These findings now form the foundation for sustainability disclosures, policies, and programmes, and will be regularly reviewed to ensure they remain relevant as our business and the external environment evolve. The DMA confirmed that the topics identified as material are consistent with Capita’s current strategic priorities and risk management approach. The findings of this assessment will inform the ongoing implementation of our responsible business strategy, which covers the period 2024–2026, and will be fully integrated into our planned strategy refresh in 2026 to ensure continued alignment with evolving material topics and stakeholder expectations. The topics are organised according to the ESRS topical structure rather than by their relative materiality, with themes that span multiple ESRS areas placed where this offers greatest clarity.

| Material strategy topics | ESRS topic | Description | IROs | Value chain | Time horizon | UN SDGs supported |
|--|--|---|----------|-------------|--------------|-------------------|
| Environmental stewardship | E3 – Water and marine resources; E5 – Resource use and circular economy | Capita faces growing water-related risks due to its reliance on AI and data centres, which require significant water for cooling. There is also potential financial and reputational exposure if sustainability claims are perceived as unclear or unsubstantiated. | | ^ ^ v | ▶▶▶ | |
| Climate change | E1- Climate change | Capita faces financial risks from climate change extreme weather, carbon pricing, regulatory shifts, and energy volatility, impacting operations, supply chains, and competitiveness. Greenhouse gas emissions across the value chain create compliance and reputational challenges, while proactive measures, such as energy efficiency, heat decarbonisation, and renewables, offer opportunities to reduce costs and strengthen market position. | | ^ ^ v | ▶▶▶ | |
| Employee health, safety and wellbeing | S1 – Own workforce | Robust health and safety measures, mental health support, and ergonomic workplace design improve employee wellbeing and productivity, while structured dialogue and training strengthen trust and organisational culture. Inadequate measures can lead to legal issues, operational disruption, and contract loss. | | ^ ^ v | ▶▶▶ | |
| Diversity, equity and inclusion (DEI) | S1 – Own workforce | Promoting diversity and inclusion enhances innovation, strengthens market reach and improves competitiveness. On the contrary, unmanaged pay gaps and discriminatory practices may undermine inclusion and trust, as well as pose legal and reputational risks. | | ^ ^ v | ▶▶▶ | |
| Human and labour rights | S1 – Own workforce; S2 – Workers in the value chain | Fair and secure working conditions enhance engagement and mitigate risks of turnover, absenteeism, and reputational harm. Capita can create a positive social impact by investing in ethical sourcing, promoting fair labour practices, human rights and inclusive employment across its value chain, and mitigating child or forced labour risks in the value chain. | | ^ ^ v | ▶▶▶ | |

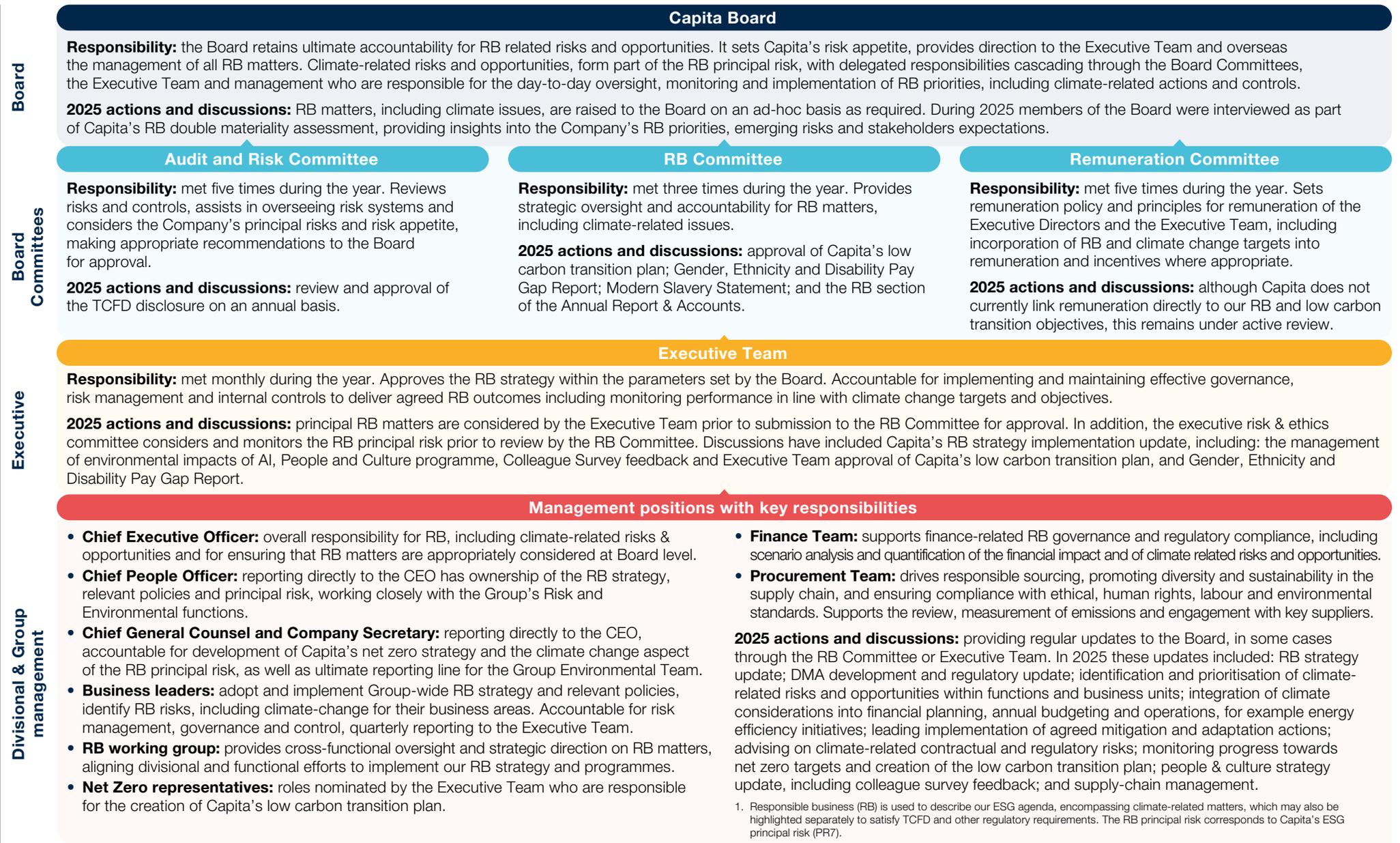
Responsible business › Material topics *continued*

| Material strategy topics | ESRS topic | Description | IROs | Value chain | Time horizon | UN SDGs supported |
|---|--|--|------|-------------|--------------|-------------------|
| Community impact | S3 – Affected communities | Capita drives positive social impact through volunteering, corporate donations, payroll giving and matched funding, fostering community wellbeing and employee engagement. Expanding these initiatives across operations and embedding them into contract delivery strengthens Capita’s social value credentials, enhances client relationships, and reinforces its position as a responsible business leader, while mitigating potential risks such as financial penalties and reduced stakeholder trust. | | | | |
| Customer welfare and safety | S4 – Consumers and end-users | Improving service quality and accessibility delivers societal benefits and creates financial opportunities through enhanced design and digital tools. At the same time, strong health and safety standards and accessibility measures mitigate potential risks of delays, errors, or trust erosion, ensuring customer welfare and reinforcing Capita’s reputation. | | | | |
| Business conduct and ethical AI | G1 – Business conduct | Capita strengthens responsible business governance and embeds compliance across operations to mitigate risks such as regulatory breaches, financial crime, and ethical challenges linked to AI and IT reliance. These measures help prevent penalties, service disruption, and trust erosion, while creating opportunities to engage in public policy dialogue and leverage ethical AI to enhance customer experience, employee wellbeing, and innovation. | | | | |
| Cyber security and data protection | G1 – Business conduct; S1 – Own workforce; S4 – Consumers and end-users. | Capita faces significant risks related to data privacy mishandling and cyber attacks, including potential penalties, litigation, reputational damage and contract loss. These challenges highlight the importance of robust data protection and security measures across operations and supply chains. At the same time, Capita has an opportunity to leverage its expertise in cybersecurity to offer advisory and managed services, strengthening resilience while creating new value for clients and society. | | | | |
| Sustainable, transparent and resilient supply chains | G1 – Business conduct | Building long-term, collaborative supplier relationships can reduce costs and improve service quality through innovation and shared risk, while inadequate supplier management risk may cause supply chain disruption and operational risks. | | | | |

Time horizon: Short Medium Long **Value chain:** Upstream Own operations Downstream

Type of IROs: Negative impact Positive impact Risk Opportunity

Responsible business › Governance

Responsible business (RB)¹ governance, including climate-related accountabilities and decision-making structure

Responsible business › Our responsible business strategy

Our responsible business strategy

Our responsible business strategy was developed in collaboration with our leaders, colleagues, clients, investors and community groups to identify the most important issues that Capita should address as a modern outsourcer.



* United Nations Sustainable Development Goals

Responsible business › Our people



Our people

Workforce

c.29,500

across operations in

8 countries

Capita's ambition is to support a healthy, safe, diverse and inclusive workforce. To uphold these principles, we have set the following 2026 targets:

- Increase gender and ethnic representation at management level;
- Achieve Gold TIDE Award (achieved); and
- Maintain Disability Confident Scheme Level 3 accreditation.

Progress against our targets

Culture: bringing our values to life

In 2025, Capita continued to make progress in embedding culture as a strategic lever as part of our transformation programme, aligning people, performance, and purpose to deliver sustainable business outcomes. The culture programme, now a core pillar of our high performing organisation strategy, has matured into a multi-stream initiative that is reshaping leadership, recognition, and organisational behaviours across the Group.

The launch of our refreshed values and colleague playbook marked a pivotal moment in our cultural evolution. Co-created with global colleague input through workshops, listening sessions, and surveys, these values are designed to be our guiding principles that drive behaviour, shape our culture, and steer our strategic direction.

They now underpin performance management, leadership behaviours, and recognition frameworks.

Our values



Customer first, always: we prioritise our customers in everything we do, working hard to exceed their expectations with exceptional service.



Fearless innovation: we love bold ideas and adopt the best solutions to continuously improve, working at pace to serve our customers and communities better.



Achieve together: we believe in the power of collaboration and being open, working together, holding each other to account to reach our shared goals.



Everyone is valued: we create a welcoming and inclusive environment where everyone feels valued and empowered to succeed.

“Being involved in shaping our new values was incredibly important to me because it gave me the chance to contribute to something meaningful culminating in defining what truly matters to us as an organisation. These new values embody Capita at its best, reflecting our commitment to integrity, innovation, and excellence in everything we do. I hope that they truly resonate across all employees and enable every member to feel empowered to make a tangible, positive impact to our company culture every day.”

Caroline Marshall, Senior HR Business Partner, TechOps (UK)

To help bring our new values to life and translate them into the positive actions and behaviours, we have created a colleague playbook which sets out how we all need to contribute and behave to positively demonstrate our values in our day-to-day working lives. Our colleague and leadership playbooks sit side by side and are essential in ensuring that we all work towards the same goal.

Since launching our refreshed values and colleague playbook, we have taken a multi-faceted approach to embedding them across Capita. A global town hall event set the tone for cultural alignment, followed by the formation of a cross-functional values champion working group to drive consistent joined up embedment. As part of a two-day conference, senior leaders explored how the values will shape our future. The values are being integrated into key people processes including recruitment, induction, mid-year and annual reviews, with further embedding planned through internal audits from 2026. We also introduced colleague-led listening focus groups, open to all to gather lived experiences and ideas for ongoing embedding activity, with sessions scheduled every six months. Creative engagement has been a priority, including a refreshed Workday landing page. We are committed to making our values visible, actionable, and enduring across Capita. Ongoing communications through our Viva Engage platform continue to link business activity and success stories to our values, using storytelling to make them relatable and real for colleagues.

In September 2025 we launched Celebrate!, our new global recognition platform. Designed to reinforce our values and foster a culture of appreciation, Celebrate! enables colleagues to acknowledge each other's contributions in real time.

It is already driving higher engagement, with almost 13,400 recognition moments since launch. We will evolve this in 2026 to include financial recognition features.

The culture programme is not a standalone initiative; it is a strategic lever for delivering our transformation agenda. From the future of work priorities to the refreshed performance cycle and enhanced high potential (HiPo) development, culture connects our people strategy to business outcomes. Operational KPIs such as eNPS, internal mobility, inclusion scores and voluntary attrition are tracked monthly and reported to the Board, ensuring transparency and accountability. In 2026, the culture programme will continue to evolve. Priorities include embedding our values further, expanding Celebrate! into new regions, our skills campaign and launching phase 2 of the leadership enablement programme. With continued support from our leadership and the passion of our people, Capita is building a culture that not only supports transformation but defines it. In 2026, we will continue to embed our refreshed values through a series of targeted initiatives designed to deepen cultural alignment and bring our principles to life. We will launch a series of interviews with our hyperscaling partners, exploring how our values shape collaboration and innovation. Our C500 leadership cohort will engage in values-led activities to drive ownership and accountability; storytelling will remain central, linking values to lived experiences across the business. We will maintain momentum through ongoing colleague focus groups and expand our network by introducing culture ambassadors alongside our existing values champion group. Our values will be further integrated into business processes and celebrated through initiatives such as the CEO, Black employee network and Local Hero awards.

Responsible business › Our people *continued*

A sustained communications campaign via Viva Engage will continue to spotlight how our values show up in everyday successes, reinforcing their relevance and impact across Capita.

Our pulse and people survey

We appreciate the importance of a highly engaged workforce and we continue to implement measures and interventions to ensure we achieve this. In 2025 we continued with our pulse survey, on top of our annual colleague survey, to better understand how our colleagues were feeling and acting on their feedback. 11,173 colleagues took the 2025 pulse survey with a response rate of 34% and an eNPS of -23, a 10-point improvement from 2024.

Our 2025 colleague survey achieved a 49% completion rate, representing a four point increase on the 2024 all-colleague survey and a 15 point improvement compared to the pulse survey. The eNPS was -22, an 11-point improvement on 2024 and 1 point higher than the 2025 pulse survey. Responses were grouped into three key indicators: engagement (63%, down 1%), inclusion (69%, up 1%), and wellbeing (68%, up 3%). Survey results were shared with key stakeholders and communicated to all colleagues, with leadership cascading insights across the organisation and local action plans being developed. These plans are aimed to drive meaningful improvements throughout 2026, supported by ongoing monitoring and a 'You said, we did' campaign to ensure continued engagement and accountability.

Human resources (HR) operations

In 2025, our HR Shared Services Team continued to focus on colleague experience by driving simplification, automation, and service excellence across HR operations, while maintaining high standards of quality and responsiveness. We successfully transitioned from our legacy ticketing tool to ServiceNow, enabling enhanced support services management in an exceptionally short timeframe, underlining our focus on speed of execution. Our PeopleHub site was relaunched, offering rich content and a more intuitive experience for colleagues. This was integrated into our AI digital assistant AskMeAnything, allowing colleagues to access information more efficiently and when convenient.

We continued to prioritise responsiveness and quality in our employee support services, handling over 119,000 queries with a 99.12% answer rate and a quality score of 97.92%. Our teams worked diligently behind the scenes to ensure data accuracy and integrity, updating over 215,000 records and completing nearly 8,000 process audits using our quality assessment tools. These efforts helped to create a smoother, more reliable experience for our colleagues across the business.

We launched a new Workday app, enabling colleagues to perform everyday tasks such as checking leave balances, requesting time off, giving feedback and accessing training. Managers can view team calendars, approve leave, and receive actionable notifications, streamlining workflows in a familiar workspace. This initiative was directed at driving self-service and ease of access to key people processes. Capita received the Workday Customer Award EMEA 2025 for powering innovation.

This award acknowledges Workday customers who drive ground breaking innovation, to build and shape new business capabilities through technology and collaboration.

We moved to a new occupational health provider – People Asset Management Group – a UK-based occupational health and wellbeing provider offering services such as health surveillance, absence management, physiotherapy, mental health support, and employee assistance programmes. Changes in the referral process led to a reduction of around 100 cases per month. The Employee Relations (ER) team continues to support managers on related cases.

In 2025, payroll teams in our international geographies delivered accurate and timely outcomes while enhancing compliance and automation. Key milestones included successful execution of annual bonus and salary revisions, and rollout of the new tax regime in India.

We achieved 100% Apprenticeship Act compliance and supported critical litigation and statutory responses. In South Africa, we resolved more than 4,000 cases for the Revenue Service submissions within the timeline, implemented 2026 tax tables, and closed audit findings. Automation efforts are underway to streamline reconciliation, document delivery, and compliance tracking, all aimed at improving efficiency and colleague experience.

Throughout 2025, our operations in Experience remained focused on supporting our people. From simplifying access to services and enhancing data accuracy, to launching intuitive tools, every initiative has been designed to improve colleague experience.

Our AI and automation efforts have reduced manual tasks and turnaround times, allowing teams to focus on what matters most – connecting with our people. Our goal remains clear: to empower our people with reliable, responsive, and human-centred HR services.

We have strengthened our partnership between the ER team, HR business partners and divisional people directors to help drive quality of service through the ER Hub. The team has provided a consistent level of service across the business with c.8,650 cases received to date and c.8,170 cases closed. Our continuous focus on efficiency and enhancing customer experience has included creation of a reasonable adjustments guide for launch to managers. This self-help guide enables managers to consider adjustments and support colleagues as required.

The Public Service People team (both talent acquisition and HR) made impressive strides through the data champions initiative, working towards embedding a consistent and strategic approach to data use that empowers teams to generate actionable insights and drive informed decision-making across the division. By identifying data gaps, cleaning and improving the quality of existing datasets, and working more closely with the central data and Management Information team, the initiative drives more accurate and reliable insights. Through bite-sized updates and learning sessions, the data champions are sharing best practice and data education, enhancing confidence in using data effectively and fostering a culture of data fluency while elevating the impact of HR metrics on business outcomes.

Representing the diversity of our communities

We believe that fostering an inclusive environment where everyone feels valued and respected is not just the right thing to do, but it also drives innovation and success. DEI is integral to our culture and operations. We strive to create a workplace where every individual, regardless of their background, can thrive and contribute their unique perspectives. This commitment extends beyond our internal practices to our interactions with clients, partners, and the communities we serve. Our journey towards greater DEI is ongoing, and we are continually looking for ways to improve.

In 2025, we strengthened our commitment to fostering an inclusive workplace by refreshing our DEI policy. The updated policy clearly outlines our expectations of all colleagues, managers, leaders, and partners reinforcing our shared responsibility to create a culture where everyone feels respected, valued, and empowered. The policy highlights that we uphold a zero-tolerance approach for all forms of discrimination and harassment (including sexual and non-sexual harassment), bullying, discrimination and victimisation, supported by an explicit statement in our Code of Conduct. Preventive measures are embedded throughout the employee lifecycle, from fair recruitment practices to equitable professional development and promotion processes.

Mandatory training on DEI (2025 completion rate: 96%), covering discrimination and harassment elements, as well as Code of Conduct training (2025 completion rate: 96%) is provided to all colleagues annually.

A formal grievance mechanism and remediation procedures are in place for victims, alongside corrective or disciplinary actions for confirmed cases.

Other highlights from the year include:

- Capita being ranked in the Forbes Global list of top employers for women for the third consecutive year, an assessment that cannot be nominated for but is determined following anonymous interviews with thousands of employees across the globe.
- Being recognised as a Financial Times–Statista Leader in Diversity, a prestigious accolade that highlights organisations across Europe for their commitment to fostering inclusive workplaces. It is considered one of Europe’s most respected benchmarks for workplace inclusion. The 2025 edition ranked 850 companies from various sectors, making inclusion in the list a significant achievement for any organisation.
- Undertaking the industry-recognised TIDE benchmark and being granted a Gold TIDE award, a testament to the strength of our inclusion practices.
- Our pay gaps improved in 2025 and, for the first time, we disclosed our disability pay gap, to increase transparency and drive accountability in creating an inclusive workplace where everyone is rewarded fairly:
 - our gender median pay gap is now 14.20% (2024: 14.91%) and the mean is 18.30% (2024: 18.40%);
 - our ethnicity median pay gap is now 21.80% (2024: 28.00%) and the mean is 14.70% (2024: 21.60%);
 - our median disability pay gap is -6.90%, indicating that employees with disabilities earn slightly more on average than their peers, meaning there is no gap. The mean pay gap is 2.30%, which reflects a minimal difference across the workforce.

- Our virtual-first, hybrid-working model which remains an important pillar in providing flexible working solutions for our colleagues and continues to receive a positive response. Colleagues have the opportunity to meet in person at our regional offices when required, ensuring collaboration and connection remain strong.
- Introducing inclusive recruitment measures, including a guaranteed interview scheme for candidates with disabilities and improved processes for those who require reasonable adjustments.
- Enhancing hiring practices through updated job adverts, inclusive messaging on career pages, and manager guidance on inclusive hiring.
- Delivering monthly events in partnership with employee network groups (ENGs) to support colleagues with insights and skills on applying for promotion.

Our global ENGs, which had more than 3,800 members at the end of 2025, are very important to us. The networks cover faith, ability, gender, sexual orientation, family, Black colleagues and ethnicity. In 2026 we are planning to introduce an ENG for military colleagues, supporting reservists, veterans, military spouses and their families. Each group is sponsored by a member of our Executive Team and has the opportunity to influence key organisational policies and practices. Throughout the year, we ran regular virtual ‘get involved’ sessions to build awareness and understanding of our similarities and differences. We celebrate events such as Pride, International Women’s Day, International Men’s Day and Black History Month on an annual basis.

In 2025 we continued with our three diversity focus areas: women in senior management; ethnic diversity in middle and senior management; and supporting colleagues with a disability. On 31 December 2025 our overall workforce was 52% female, as well as 31% of our senior management (leadership) roles, 38% of middle management roles, and 57% of junior management roles were female. Our Board was 43% female, and our Executive Team was 40% female.

In addition, our Board and our Executive Team were 29% and 20% ethnically diverse respectively. Details of our reporting criteria are listed on our website www.capita.com.

In 2025, we maintained our Disability Confident Leader (level 3) group level accreditation, demonstrating our commitment to DEI and ensuring that any colleague with a disability has the opportunity to succeed. The Disability Confident scheme has provided us with a valuable framework to identify what we were already doing well, take a more joined up approach and find ways to improve how we recruit, retain and develop colleagues with disabilities.

Responsible business › Our people *continued*

We continue to work with the Capita ability network (CAN) to strengthen understanding as well as support our colleagues with a disability, neurodiversity or long-term health conditions. In 2025, 28% of employees disclosed their disability status, which is higher than the UK average, with 15.8% identifying as disabled and 84.2% as not disabled. CAN was also shortlisted for Outstanding Ability Network of the Year at the 2025 British Diversity Awards.

Capita is proud to support Business in the Community's (BiTC) Opening Doors campaign, a flagship initiative championing inclusive recruitment across UK workplaces. As part of this commitment, Capita has implemented three key actions:

- **Diversifying interview panels:** through an Inclusive Recruitment pilot, members of Capita's Black employee network (BEN) and CAN joined interview panels, and DEI-focused questions were embedded at all hiring levels. This approach provided a broader perspective on candidate behaviours and motivations, enriching the overall assessment process.
- **Ensuring accessibility throughout the candidate journey:** Capita now asks all candidates if they require adjustments at every stage of recruitment. This led to a comprehensive review of the candidate experience, resulting in updated communications and new guidance for hiring managers to better support neurodivergent and disabled applicants.
- **Promoting transparency and commitment to inclusion:** Capita has begun publishing diversity pledges and value statements on its website and in senior-level job advertisements. This signals a clear and public commitment to building an inclusive workforce and attracting a wider range of talent.

Public Service has launched a dedicated initiative to support military spouses, a highly skilled yet often overlooked talent pool. These individuals bring exceptional qualities such as adaptability, resilience, time management, and cultural awareness, but face unique career challenges due to frequent relocations and limited access to informal support networks. Recognising that traditional office-based roles often exclude this group, we have leveraged its ability to offer fully remote roles, positioning itself to attract and retain this valuable talent. We also provide supportive onboarding with a single point of contact for both the new hire and their manager during the first six months to address skills gaps and ease the transition. This initiative reinforces Capita's commitment to the Armed Forces Covenant and strengthens its partnerships with the British Army and Royal Navy with building a resilient, loyal talent pool by removing employment barriers and enabling long-term career development.

Team Fisher, the Capita-led consortium driving data and technology-led transformation of Royal Navy training, was shortlisted for the Personnel Today Learning & Development Supplier of the Year Award for its pioneering work in inclusion and belonging within Royal Navy training. Recognising the strengths of neurodivergent individuals, including those with autism, ADHD, and dyslexia, Team Fisher adopted a person-centred approach that replaces deficit-based models with proactive, tailored support. This includes multiple opportunities for disclosure, early access to adjustments, and strategies aligned to individual strengths, enabling trainees to thrive.

Alongside our ENGs, we continue to work with a number of outstanding external partners who support and strengthen our DEI efforts. These include multiple job boards, such as Evenbreak, an award-winning job board for disabled people; Vercida, an independent platform championing inclusive employers across all strands of diversity; Forces Families Jobs; and the British Armed Forces Resettlement Service. We work closely with Onvero (formerly ENEI), a not-for-profit organisation helping employers build diverse teams and inclusive cultures through membership, training, and consultancy. We also collaborate with Purple Space, a professional development hub for disability network leaders, and BiTC, the UK's largest responsible business network. We are also proud signatories of the BiTC's Ban the Box initiative and Race at Work Charters, as well as Women in Transport, Working with Cancer Pledge, Menopause Pledge and Sands Champions. Our support for military personnel and their families is reflected in our pledge to the Armed Forces Covenant and being signatories of the Women in Defence Charter.

“Diversity, equity and inclusion are only meaningful when we are honest about where we stand and committed to where we need to go. Being transparent with our data helps us understand the realities of our workforce, identify gaps, hold ourselves accountable and take targeted action. Strong representation, especially in leadership and management, is essential to creating a culture where all colleagues feel valued and empowered.”

Maria Whiteley, Head of Technology Presales (AI&PO), Capita plc and the Chair of BEN

Disability reverse mentorship case study

In 2025 Capita's disability reverse mentorship programme, co-led by Capita's health assessment advisory service (HAAS) and disabled students' allowance (DSA) service teams, paired leaders and managers with colleagues who have disabilities, chronic health conditions, or neurodivergence to foster greater understanding and inclusion. Co-created with input from Capita colleagues, CAN, and external partner Onvero, the six-month pilot enabled 28 participants to engage in open dialogue, shape programme content, and influence how disability is discussed and supported across the organisation.

100% of participating leaders reported increased understanding and confidence in discussing disability-related topics, while mentors felt heard and empowered to reflect on their own experiences. Feedback highlighted how the initiative is already influencing team practices and driving change. Building on this success, Capita is expanding its efforts—developing an AI-based app for workplace accommodations, exploring automation of adjustment passports in Workday, and launching a neurodiversity training module for managers. We were delighted to be shortlisted in the Innovative Approach to Diversity, Equality and Inclusion category at the annual Onvero Awards, recognising our commitment to creating an inclusive workplace and driving meaningful change across the organisation.

Reporting tables on gender and ethnicity representation at Board, Executive Team and management levels at 31 December 2025

Reporting table on gender representation

| Gender | Number of Board members | % of Board | Number of senior Board positions* | Number in executive management | % of executive management | Number of all management | % of all management | Number of senior management (leadership)* | % of senior management (leadership) | Number of senior management* | % of senior management | Number of middle management | % of middle management | Number of junior management | % of junior management | Number of total workforce | % of total workforce |
|--------------------------------------|-------------------------|------------|-----------------------------------|--------------------------------|---------------------------|--------------------------|---------------------|---|-------------------------------------|------------------------------|------------------------|-----------------------------|------------------------|-----------------------------|------------------------|---------------------------|----------------------|
| Male | 4 | 57 | 3 | 6 | 60 | 3,684 | 59 | 72 | 69 | 1,274 | 63 | 912 | 62 | 1,792 | 43 | 14,031 | 47 |
| Female | 3 | 43 | 1 | 4 | 40 [◊] | 2,550 | 41 | 32 | 31 [◊] | 758 | 37 | 553 | 38 | 2,410 | 57 | 15,454 | 52 |
| Other categories | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 0.01 |
| Not asked in a country/Not specified | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 149 | 0.50 |

Reporting table on ethnicity representation

| Ethnicity | Number of Board members | % of Board | Number of senior Board positions* | Number in executive management | % of executive management | Number of all management | % of all management | Number of senior management (leadership)* | % of senior management (leadership) | Number of senior management* | % of senior management | Number of middle management | % of middle management | Number of junior management | % of junior management | Number of total workforce | % of total workforce |
|--|-------------------------|------------|-----------------------------------|--------------------------------|---------------------------|--------------------------|---------------------|---|-------------------------------------|------------------------------|------------------------|-----------------------------|------------------------|-----------------------------|------------------------|---------------------------|----------------------|
| White British or other White (including minority white groups) | 5 | 71 | 4 | 8 | 80 | 3,764 | 60 | 69 | 66 | 1,353 | 66.2 | 940 | 64 | 2,411 | 55.6 | 12,089 | 41 |
| Mixed/multiple ethnic groups | 0 | 0 | 0 | 0 | 0 | 120 | 2 | 1 | 1 | 34 | 1.7 | 31 | 2 | 86 | 1.9 | 1,392 | 5 |
| Asian/Asian British | 1 | 14.3 | 0 | 2 | 20 | 366 | 6 | 7 | 7 | 113 | 5.5 | 84 | 6 | 253 | 6.2 | 2,198 | 7 |
| Black/African/Caribbean/Black British | 1 | 14.3 | 0 | 0 | 0 | 177 | 3 | 0 | 0 | 55 | 2.7 | 46 | 3 | 122 | 3.5 | 2,147 | 7 |
| Other ethnic group, including Arab | 0 | 0 | 0 | 0 | 0 | 81 | 1 | 2 | 2 | 17 | 0.8 | 13 | 1 | 64 | 1.7 | 449 | 2 |
| Prefer not to disclose | 0 | 0 | 0 | 0 | 0 | 75 | 1 | 1 | 1 | 36 | 1.8 | 26 | 1 | 39 | 0.8 | 252 | 1 |
| Not asked in a country/Not specified | 0 | 0 | 0 | 0 | 0 | 1,663 | 27 | 24 | 23 | 436 | 21.3 | 326 | 23 | 1,227 | 30.2 | 11,111 | 37 |

At 31 December 2025 (being the reference date selected by the Board for the purposes of this disclosure), the Company complied, as detailed below, with the Financial Conduct Authority (FCA) regulatory targets, set out in Listing Rule 6.6.6R (9).

- The Board was 43% female;
- The Senior Independent Director (Georgina Harvey) was female; and
- The Board had two Directors from a minority ethnic background.

We achieved our target to have at least 40% female representation on the Board.

Capita collects the data used for the purpose of making the gender and ethnicity representations from Board members, Senior Management and the Executive Team on a voluntary basis. The data is extracted from the HR management system, Workday, or obtained via email as a self-declaration.

All management is defined as those in career levels C,D,E,F plus Directors; senior management – in career levels D,E,F plus Directors; middle management – in career level D plus Directors; and junior management – in career level C plus Directors.

The Executive Team is considered to be the Company's executive management as defined by the Listing Rules.

◊ KPMG, our independent assurance provider, has provided limited assurance over the selected information in this table denoted by the symbol (◊) using the assurance standard ISAE (UK) 3000. The assurance report as well as the reporting criteria and full methodology can be found in full on our website: <https://www.capita.com/about-capita/resources-and-reports>.

* Capita defines Senior Board positions as: Chairman, Chief Executive Officer (CEO), Chief Financial Officer (CFO) and, Senior Independent Director (SID); and senior management (leadership), as those in career level F within the Group in line with our career path framework, plus subsidiary legal entity directors within the Group (Directors), as per requirements of the Companies Act section 414C(3)(c)(ii) and 414c(10)(b).

Responsible business › Our people *continued*

Performance and development

2025 has been a successful year for performance and development, marked by strong engagement and measurable progress across key initiatives. Our annual appraisal process remains a critical enabler of talent development, incorporating comprehensive discussions around individual achievements, alignment with Capita values, strengths, development areas, feedback, future goals, and career planning.

Employees are encouraged to seek 360-degree feedback and focus on their development areas. We continue to embed our approach to performance reviews, which are multidimensional, assessing both the what (delivery against objectives) and the how (behaviours aligned with our values). Our completion rates reflect high engagement: end-of-year reviews achieved a 98% completion rate (2024: 97.3%) and mid-year reviews reached 96.5% (2024: 84.5%).

We enhanced our use of management information dashboards to drive targeted interventions to ensure fair and consistent distribution of ratings and quality of objective-setting. Objective setting has seen notable improvement, with 84% of eligible employees setting objectives in Workday, and more than 50% of those meeting SMART and compliance standards, a clear indicator of increased rigour and alignment.

We revised our performance and development strategy to meet the changing needs of our workforce. The 2026 approach will be streamlined to reduce repetition and complexity while leveraging new technologies. The new approach will be far more efficient and encourage focused performance conversations. Design changes have been driven by extensive colleague feedback, and guided by three key themes – simplicity, efficiency and transparency.

Some of the key changes will include moving to quarterly progress catch ups, a refreshed five-point rating scale and the removal of complex rating grids. Objective setting will use the objectives and key results framework and ‘better’ themes to enable greater flexibility for objective creation. Development pathways will be clearer to support development and retention, and features such as embedded analytics, discovery boards, gen AI feedback and Copilot will add further value to performance discussions. Capita’s performance and development programmes are inclusive, extending to contractual and part-time employees within our workforce to ensure equitable access to training, career development, and performance support.

Career path framework (CPF)

We have continued to embed the CPF, which comprises 23 frameworks launched to 29,500 colleagues across eight geographies. CPF is designed to empower everyone at Capita to grow their careers and take advantage of opportunities across the Group.

This year, our focus has been on aligning CPF with core people processes. Career pathways are now integrated into performance management, recruitment and role creation and have supported benchmarking during reorganisations. CPF continues to inform our reward practices, helping ensure consistency and transparency.

Reporting has also improved, with career levels now applied to people dashboards. We are moving away from the use of CEO levels, creating a more unified and accessible framework. So far, 152 job families have been completed, including AI & technology, growth, and operations, with work ongoing to finalise outstanding frameworks in collaboration with business areas.

To support consistency and governance, we have launched the CPF change request process, ensuring updates are managed effectively and aligned with best practice.

Career tool

Since its launch in 2024, the career tool has continued to evolve, offering colleagues a more personalised and empowering development experience. Colleagues can now complete competency assessments not only for their current role, but also for vertical and lateral career pathways. These assessments help identify development needs by highlighting gaps against Capita’s job role benchmarks. More than 1,400 development needs analysis (DNAs) questionnaires had been completed by 31 December 2025, and this tool will now be embedded into annual development reviews, supporting more targeted growth conversations. New features have been introduced to improve accessibility and impact. The competency library now enables colleagues to explore role-specific competencies without completing a DNA. Additionally, two new 360 feedback tools: Leadership 360 and Behavioural 360, have been launched. These tools are built on established psychological frameworks, including Johari’s Window and Carl Jung’s theory, and are fully aligned with Capita’s values.

They enable colleagues to gather anonymised feedback, offering a deeper understanding of their strengths, blind spots and leadership styles through a visual report. The response has been positive, with more than 1,250,360 feedbacks completed by the end of December 2025. These tools are helping colleagues take ownership of their development, build self-awareness and plan meaningful career journeys.

Talent acquisition and turnover

Due to the nature of Capita’s business, we continue to attract high volumes of applicants, resulting in nearly 8,500 new starters during the year. Our voluntary turnover was 17%, down from 21.7% in 2024.

Our colleagues tell us that our virtual-first working approach, where flexible and remote work are offered wherever client and business needs allow, is helping us to retain high-quality and increasingly diverse talent. At the same time, colleagues have the opportunity to meet in person at our regional offices when required, ensuring collaboration and connection remain strong.

Despite, some improvement in the external economic backdrop, our focus in 2025 has remained on employee retention initiatives with 20% of roles filled internally as part of our Capita-first policy.

Average learning hours completed per employee excluding local technical training

c.22
(2024: c.16)

Moving Ahead mentoring programme

Our Moving Ahead 2024–2025 mentoring programme concluded in July 2025, bringing together 39 colleagues from across the globe. With 18 mentors and 21 mentees, the programme continues to be a powerful driver of career development, internal mobility and leadership growth.

We partnered with Moving Ahead to support their 10-year anniversary celebrations, contributing to their partnership story and reinforcing our shared commitment to inclusive leadership. Our 2025-2026 cohort launched in November 2025, and these programmes remain a key part of our global strategy to increase diverse representation at senior levels. Retention data shows a clear upward trend: 88.6% in 2024-2025 to 91.3% in 2025-2026 demonstrating measurable impact. The net promoter score of the programme is +37.5, reflecting strong engagement and impact. We were Highly Commended in the Talent Retention, Development and Progression category at the annual Onvero Awards, highlighting our dedication to nurturing careers and creating long-term opportunities for our people.

“At Capita, we’re not just investing in talent – we’re deliberately creating opportunities for underrepresented groups to thrive. Programmes like Mission Gender Equity and Mission Include play a vital role in delivering real, measurable social value – by empowering women, increasing diversity in leadership and nurturing confidence in future changemakers.”

Emma Thornton, Head of Social Value, Capita Experience Pension Solutions.

Group mentoring

Since its launch in 2024, we have continued to embed Group mentoring functionality within Workday, expanding access to a rich and diverse mentoring database. This tool enables colleagues to form mentoring relationships across locations, business areas and career levels, with mentors and mentees able to connect freely and independently. By removing barriers to access, it encourages organic,

cross-functional growth and collaboration through individuals finding a diverse range of mentors they wouldn’t normally have access to, given our organisational design.

In 2025, 235 mentors registered, and 146 new mentoring relationships were formed (an increase from 198 registered mentors and 60 mentoring relationships in 2024). Localised initiatives such as the SheLeads pilot mentoring programme in South Africa and India can now register through the Group mentoring tool.

Capita academy

AI, data & technology academy

In 2025, we continued to invest in building AI, data, and digital literacy across the organisation, supporting our wider digital transformation goals. Through a mix of digital learning, targeted bootcamps, and hands-on virtual labs, more than 3,500 colleagues developed practical skills and confidence in applying AI and data tools and techniques in their day-to-day work.

Our learning approach has focused on the partnership between people and technology, particularly in the context of AI, emphasising the need to develop both human and digital capabilities. Additional initiatives such as AI learning weeks and bite-sized lunch and learn style sessions have helped a further 3,500 colleagues strengthen their understanding and use of AI and digital tools.

Working closely with the AI Enablement team, we delivered Capita’s Copilot M365 programme to support the rollout of nearly 5,000 Copilot licences. This programme has resulted in more than 6,680 hours of learning and is already showing measurable benefits as colleagues significantly improved their proficiency through summarising meetings, drafting content, analysing data and automating task, resulting in c.2.2 million

Copilot interactions and c.172,000 hours saved in the past six months. We also launched a Copilot pathfinder programme, developing over 190 power users who are now helping to lead AI adoption and innovation across the organisation.

We also supported learning around emerging technologies such as agentic AI and agent-based systems. This has helped colleagues explore how embedded automation can drive efficiency and has led to a noticeable increase in ideas submitted to our AI Catalyst Lab and Enablement Team.

To support leadership in digital transformation, we piloted a strategic AI in leadership programme in partnership with Corndel. This initiative has helped leaders and project leads turn AI transformation ideas into practical solutions that improve operations and customer service.

We expanded learning opportunities by leveraging our partnerships with leading hyperscaler and technology partners including Microsoft, AWS, Salesforce and ServiceNow. These collaborations have enabled colleagues to access high-quality training content, gain industry-recognised certifications, and deepen their expertise in AI, data, and cloud technologies. This not only supported individual development but also strengthened our internal capability to deliver technology-enabled solutions across the organisation.

The academy has adopted a more proactive approach to understanding how learners discover learning opportunities and how we can leverage these channels to communicate our learning offering effectively to colleagues. This allowed for more considered approaches and has helped us to build out Viva Engage, resulting in a 35.57% increase in followers over 2025 (196 colleagues), with over 44,500 views of our 197 Viva Engage communications so far this year.

This strategic shift enabled us to better align our communications with learner preferences, ensuring that our messaging is both timely and relevant. By leveraging insights into how colleagues discover learning opportunities, we were able to tailor our outreach and amplify engagement across the organisation. We began sharing our internal learning resources externally. Adapted versions of our AI, data, and digital programmes are now being used to support clients such as the FCA. We also started engaging with higher education institutions to build partnerships that support future skills development and help bridge the gap between research and practice in digital transformation.

“I honestly loved every part of this experience. The learning, the challenges, the people, and the chance to gain real, practical AI skills that actually make a difference in the workplace. It’s pushed me out of my comfort zone and helped me grow both professionally and personally.”

Daniel Spencer, Business Analyst, Capita Local & Regional Partnerships

Management and leadership academy

Our academy approach continued to evolve throughout 2025, reflecting our commitment to sustained growth and excellence. To ensure ongoing success, we recognise the importance of investing in our managers and leaders. In alignment with our academy, we have launched the C500 programme, designed to support our top 500 leaders across the Group in understanding and embracing the case for change, clarifying its impact on all colleagues and empowering them to actively contribute to the achievement of our strategic goals.

Responsible business › Our people *continued*

The C500 cohort plays a pivotal role in Capita's transformation. To maintain momentum and raise the bar, we must stimulate fresh thinking, establish clear priorities, foster ownership and accountability, and cultivate a mindset geared towards success. A wide range of resources is available to support this cohort, including: webinars; fireside chats; reactor sessions focused on solving specific problem statements; change learning modules; and head, heart and hands workshops, embedding Capita's four cornerstones of leadership – being accountable, building trusted relationships, learning and curiosity, and driving a winning mindset.

Our management and leadership academy remains a vital resource toolkit for ensuring our organisation continues to grow and evolve. Our commitment to leadership excellence also extends to the continuous professional development of our teams. In 2025, we enhanced our support structures by expanding mentoring opportunities, the HiPO programme, and peer learning forums, enabling managers to share experiences and best practices more frequently. This collaborative approach not only facilitates knowledge exchange but also strengthens a sense of community and shared purpose across the organisation.

Recognising the role of our managers and leaders in driving cultural change, Capita mandated participation in the management and leadership academy across the Group. This ensures that our management and leadership community are equipped to guide teams through transformation with clarity, empathy, and purpose. 816 junior managers have participated in the academy since launch. Completion rates are tracked weekly, with divisional leads actively supporting engagement.

Growth academy

In 2026, we will significantly strengthen our growth academy, building on our foundation, we will establish a dedicated academy tailored specifically to the needs of our sales professionals. It will offer targeted programmes, masterclasses, and practical workshops, the academy will launch an expanded suite of programmes and resources designed to empower both all colleagues to be ambassadors of Capita and offer blended learning resources aligned to our CPF families enabling our Growth teams to be successful.

In 2026, Capita academies will mature into collaborative spaces for knowledge sharing, mentoring, and skill development. The organisation will begin to adopt a skills-based approach, addressing the needs of a multi-generational workforce. Managers & leadership, AI & data, change, and growth will remain priority areas. Supporting change and growth keeps individuals and organisations competitive by driving innovation and continuous improvement. Capita will nurture adaptability and resilience through targeted programmes, helping staff thrive during organisational transformation and market expansion.

Apprenticeships

In 2025, our apprenticeship strategy continued to prioritise AI, data, and leadership development, reflecting the evolving needs of our business and clients. These themes have been embedded across our programmes to ensure colleagues gain future-ready skills.

We enrolled a total of 445 colleagues onto the AI for business value (AIBV) apprenticeship partnership with Multiverse, aligning closely with our internal AI Catalyst Lab. This integration has enabled learners to apply their newly acquired skills to real-world business and client challenges.

The programme has been embraced across the organisation, with strong endorsement from senior stakeholders. During National Apprenticeship Week in February, we hosted a live-streamed panel session featuring learner stories, joined by our CEO, which highlighted the tangible impact of these apprenticeships.

In November, we celebrated the graduation of our first AIBV cohort. Learners shared how the programme had positively influenced their roles and team dynamics. Data and Technology Apprenticeships remained a cornerstone of our offering, with an additional 126 colleagues enrolling in programmes such as data analyst, cyber security, and network engineering. At year end, 17 colleagues were enrolled in Scottish apprenticeships, spanning graduate apprenticeships in business management and technical pathways.

“Completing the apprenticeship has genuinely transformed how I approach my role day to day. The coursework gave me a deeper understanding of large data structures, which has helped me solve problems more efficiently and deliver clearer insights... Since finishing the course, I've used the skills regularly to improve how we handle data and rethink existing processes with a more refined perspective. Sharing practical tips has helped streamline how our team works together, making it easier to stay consistent and support each other when things get busy.”

Graeme Oliver, Data Analyst, AI&PO

We also continued to support aspiring, operational, and senior leaders, with 145 colleagues enrolling in leadership apprenticeships.

Our core programmes, delivered by Corndel, received outstanding feedback:

- 94% of Capita Corndel learners reported increased confidence and preparedness for their roles.
- 100% of line managers observed improvements in their team members' performance post programme.

In 2026, we aim to refine our core apprenticeship offering further, with a particular focus on expanding opportunities in Wales, Scotland, and Northern Ireland.

Reward

Our reward strategy is central to Capita's commitment to being a responsible, people-focused business. Since 2021, we have embedded the CPF, providing market-informed pay ranges, clear principles, and transparent guidelines. This ensures colleagues understand how pay decisions are made, supporting fairness, consistency, and effective cost management. The CPF now covers all colleagues globally.

We remain committed to supporting our lower-paid colleagues. Since 2021, our lowest earners have seen pay rise by more than 40%, reflecting our commitment to fair pay and supporting colleagues most impacted by cost-of-living pressures. Annual salary review (ASR) budgets prioritise those at the lower end of pay ranges, and we continue to review our position relative to the real living wage and national living wage, currently paying above the UK national living wage.

Transparency is a core principle of our reward strategy. In line with the UK Corporate Governance Code, we have run three Pay at Capita engagement sessions with colleagues, including ENG leaders, our Senior Leadership group and a cross-section of employees.

These sessions, provide open discussion on executive and workforce pay, our pay principles, and how pay decisions are made. Feedback from these sessions has directly informed improvements to our pay frameworks, manager training, and communication resources.

We have introduced enhanced training and tools, including the ASR Power BI app, to support consistent, evidence-based salary reviews. Controls include calibration of manager proposals up the management line, HR review for fairness and unconscious bias, and regular analysis of outcomes by protected characteristic group. Attrition and pay compression risks are flagged and addressed as part of the annual salary review process. We also provide training to managers as to how pay works at Capita, including explanatory videos and maintain a dedicated SharePoint site during the annual salary review with additional training and FAQs to support understanding and transparency.

Recognition is a key part of our approach. In 2025 we launched Celebrate!, our new recognition platform, making it simple for colleagues to thank and recognise each other in line with our values.

We continue to publish gender and ethnicity pay gap reports annually, and this year will publish the disability pay gap. Additionally, our colleagues benefit from workplace savings, electric vehicle schemes, private medical insurance, cycle-to-work, will writing, and discounts via our Extras platform. Access to these benefits is now easier, thanks to improved digital tools and communications. Our financial wellbeing app provides budgeting assistance and access to earned wages earlier, supporting colleagues' financial wellbeing.

Workday remains our single source of truth for people data, ensuring accurate reporting and insight. The Data Insights team surfaces trends and opportunities, supporting informed reward decisions. We regularly seek colleague feedback to keep our reward offering relevant and valued. We will continue to refine our reward strategy, focusing on fairness, transparency, and recognition. Priorities for 2026 include further automation, deeper integration of Celebrate! data into performance and talent management, and ongoing support for managers.

Health, wellbeing and safety

The health, wellbeing and safety of all Capita colleagues continues to be a priority. During 2025, our safeguarding framework was externally reviewed to ensure we achieved our regulatory requirements across the business with very positive results. We reviewed and refreshed our mandatory safeguarding training modules, due for implementation in the first half of 2026. We continue to push our current training compliance, ending 2025 with 92% completion for level 1 and 93% for level 2. Our safeguarding framework is well embedded within our divisions and Group functions. In 2025, 403 safeguarding reports were made with 282 needing further external referral support from local authorities or the emergency services (2024: 307 and 154 accordingly).

We actively promote workstation ergonomics and initiatives to address stress and psychological wellbeing. Our SafetyNet initiative continues to provide expert guidance to HR representatives and line managers supporting colleagues with complex issues related to wellbeing, safeguarding or vulnerability, we supported 116 colleagues in 2025 (2024:166).

We also have employee assistance programmes (EAP), or similar support services, available to all colleagues globally. They provide access to counselling and online resources. The wellbeing of our colleagues has been identified as a key priority by the C500 group. In 2025, we completed a comprehensive review of our internal resources and the external tool available through our partners, including training for managers. A proactive wellbeing strategy is scheduled for implementation in 2026 and beyond.

Our people survey showcased improvement in the wellbeing indicator which improved to 68% (2024: 65%).

We maintain a robust health, safety and environment (HSE) management system aligned with ISO 45001, ensuring that more than 95% of our operations and activities comply with Capita procedures and regulations. Several contracts hold external certifications to ISO 14001, ISO 45001, and ISO 9001, reinforcing our commitment to health and safety excellence. All operational sites have employee risk assessments in place, reviewed annually, and supported by regular inspections and audits.

Accident reporting is managed through CASPER (Capita's system for recording and managing HSE incidents, inspections, and compliance), with all incidents investigated according to tiered risk levels to prevent recurrence. Performance is monitored monthly via Power BI dashboards, summarising accident numbers and days lost, and supported by screen shots demonstrating reporting and measurement at a point in time. In 2025, 1,098 incidents were recorded, an 18% decrease from the prior year. Mandatory training on HSE achieved 97% compliance across the organisation.

Employees represented by an independent trade union or covered by collective bargaining agreements

14%
(2024: 17%)

Social dialogue

We maintain structured labour relations through regular engagement with employee representatives and trade unions, ensuring transparent communication and consultation on statutory changes and significant organisational decisions. Collective agreements typically cover key aspects of working conditions, including pay, working hours, and holiday entitlements. We uphold the right to freedom of association and collective bargaining across a number of our operations. Our collaboration with recognised trade unions – Unite, Unison, CWU and Prospect – supports constructive dialogue and ensures employee voices are represented in decision-making processes.

Responsible business › Our communities

Our communities

Capita's ambition is to have a positive impact on our customers and communities. To uphold these principles, we have set the following 2026 targets:

- Increase the total volunteering hours collectively to 44,000 annually; and
- Maintain 96% compliance in the Government's Modern Slavery Assessment Tool (MSAT).

Progress against our targets

In 2025, our partnership with BiTC continued to focus on helping communities flourish. Scott Hill, Chief People Officer, worked alongside senior leaders as part of BiTC's Education, Employment and Skills Leadership Team, shaping national solutions to improve social mobility.

With Capita's support, the team:

- Hosted two ministerial roundtables with the Skills Minister and the Secretary of State for Work and Pensions;
- Responded to three key government consultations – Curriculum Review, Get Britain Working, and Breaking Down Barriers to Opportunity – influencing policy at the highest level;
- Made 1.6 million jobs more inclusive through BiTC's Opening Doors initiative;
- Supported over 100 employers to embed inclusive employment practices;
- Engaged 400+ employers through flagship events; and
- Published thought leadership content – including employer videos, blog posts, case studies and reports – reaching an audience of more than 10,000. This included a Capita case study showcasing how we are opening doors to a more inclusive workforce and a thought leadership post featuring Capita's Virtual Work exposure programme.

As a leading member – Capita's Chief Executive Officer hosted a King's Seeing is Believing visit in Burnley, bringing together more than 14 employers to witness first-hand the impact of inclusive recruitment and to build meaningful connections within local communities.

Capita is engaged with the Talent Unlocked Programme as part of BiTC's partnership with the Youth Futures Foundation, helping businesses connect with and support ethnically diverse young people who face barriers to employment.

Also, as part of a three-year programme to tackle in-work poverty in Scotland, Capita joined a BiTC Steering Group to help shape and develop a digital tool that will enable employers to identify and implement practical actions to alleviate in-work poverty.

“We are delighted to partner with Capita on its responsible business journey and, in particular, help the company deliver impact and social value for its people and in its communities. In November, we were delighted that Adolfo Hernandez, Capita's CEO, led one of our King's Seeing is Believing visits to Burnley, exploring how businesses can take action to support ethnically diverse young people into good work. This visit was part of the Talent Unlocked partnership that BiTC has with Youth Futures Foundation, and Capita's involvement was a reflection of the company's willingness and commitment to creating real change in UK communities at pace and scale.”

Harriet Walker, Director of Advisory and Member Services at Business in the Community

We maintained 96% compliance in MSAT.

In 2025, Capita gifted almost £991,000 in levy funds to support apprenticeships in other organisations. Beneficiaries included Carers Trust, Refugee Action, RSPCA, NHS Trusts, The Royal Free charity and other charities and small and medium-sized enterprises (SMEs), reinforcing our commitment to responsible business.

In partnership with Hands On Payroll Giving (HOPG), we significantly increased our charitable impact. Our collaboration enables Capita employees to support their chosen charities and communities. In 2025, we raised almost £177,000 through payroll giving activities. Since we partnered with HOPG UK in 2013, Capita colleagues have donated almost £3.4m to their favourite charities through payroll giving. As a result of our continued commitment, Capita received the Payroll Giving Platinum Quality Mark Award issued by Charities Trust. The Platinum Award is a symbol of excellence and is awarded to employers that have succeeded in generating sustainable income sources for UK charities through Payroll Giving. We have also donated more than £12,000 to UnSeen and Social Shifters to support their important work.

The majority of our employees globally are granted one day per year for volunteering activities and almost 13,000 hours of volunteering were recorded in 2025.

In 2025, we continued our commitment to upholding the Armed Forces Covenant and creating a culture that honours and empowers those in the armed forces community.

For the third year running Capita supported the Social Shifters Global Innovation Challenge, designed to accelerate young (18 – 30 years) social innovators, to explore, start and grow their ideas to tackle the social or environmental

issues that matter to them most and contributes towards at least one of the 17 UNSDGs. Hundreds of Capita colleagues support Social Shifters as judges every year, with almost 400 people registered to volunteer in 2025 alone. This year we also supported the finalists as pitch coaches and had a pitch panel that judged the finalists and selected a winner. This was a new step in our partnership with Social Shifters that has strengthened the finalist's preparation and enabled them to compete for the Capita grant. Innovators from India, Germany, the United Kingdom, Ireland, South Africa, and Poland presented solutions to our panel on a wide range of issues including women's health, prosthetics, education, and career support. Among these inspiring projects was Anaphero, from Ireland, who won the challenge with a medical wearable for children with severe food allergies. The device detects early signs of anaphylaxis and quickly alerts parents and emergency services.

Social value

In 2025 Public Service developed its social value strategy, which is comprised of four principal themes: unleashing potential; enabling sustainable decision making; creating inclusive workplaces; and supporting partner growth and is underpinned by the UK Government Social Value Model. Our Social Value Strategy is rooted in the belief that business success and societal progress are deeply interconnected. By aligning our operations and initiatives with the broader needs of society, we aim to create a positive impact that extends beyond our immediate business activities. Our Mission is to harness the power of data and technology to create meaningful social value that enriches lives and positively impacts communities.



We have delivered some impactful projects and initiatives to support implementation of our social value strategy:

- Capita Entrust Laches Wood Outdoor Education Centre delivered 300 Outdoor Activity Day opportunities to young people aged 5–15 from Cannock through the Holiday Activity and Food (HAF) programme, funded by Staffordshire County Council. The initiative supported low-income families by promoting enrichment, inclusion, confidence, health, wellbeing, and educational readiness. Evaluations from Northumberland and Sandwell councils reported improved wellbeing, reduced food insecurity, and increased physical activity, while parents described the programme as a lifeline that helps their children feel part of a community and develop interpersonal skills;
- We marked National Inclusion Week by donating 395 repurposed laptops to communities in Barnet, Lambeth, Birmingham, and North Tyneside, helping bridge the digital divide for those most in need. The donations supported students at Selly Oak Trust School, vulnerable residents via Barnet's 2second Chance charity, and local initiatives led by Lambeth Council and The Meadows community hub in North Shields. Alongside device distribution, Public Service colleagues also delivered digital skills workshops, reinforcing Capita's belief that inclusion means more than access – it's about dignity, opportunity, and equity;
- At Darlington Borough Council's Destination STEM (science, technology, engineering, and mathematics) event at Hopetown, Capita Pension Solutions engaged Year 5 and 6 pupils with a creative pensions challenge that encouraged them to think about saving, spending, and how small decisions add up over time;

- The activity helped children connect maths to everyday life, showing how percentages and numbers can become meaningful when applied to real-world choices;
- Our school's team in Northern Ireland supported a digital leader training event at St Mary's Primary School Glenview, engaging over 270 pupils from 30 schools across Northern Ireland in coding, problem-solving, augmented reality, and digital wellbeing activities; and
- We help to close the employment gap for students with special educational needs and disabilities (SEND) through a new hybrid work experience programme co-created with Vision West Notts College. The two-day initiative supports SEND students on the Foundation Business Administration course with sessions on CV writing, gen AI, inclusive design, and career insights—culminating in real-world experience alongside current interns. This pan-Capita collaboration reflects our commitment to social value and inclusion, empowering young people with the skills and confidence to thrive.

Scholarships for South Africa colleagues

Since 2017, our scholarship programme has supported more than 1,000 children of Capita colleagues in South Africa, helping them thrive through education. This year, we awarded 205 scholarships. The programme covers essentials like tuition fees, school clothing, books and sports equipment, giving every child the best chance to succeed.

Community investment,
including apprentice levy

c.£2.1m

(2024: c.£1.9m)



“As a single parent, balancing work, personal responsibilities, and financial commitments can be incredibly challenging. This scholarship has made a meaningful difference in my life, both professionally and personally. This initiative is more than just financial support – it’s a reminder that the company values and invests in its people.”

Tracey Williams, Operational Oversight Officer, Capita Experience

Responsible business › Our business

Our business

Capita's ambition is to operate ethically, responsibly and securely. To uphold these principles, we have set the following 2026 targets:

- EcoVadis Silver Medal; and
- Mandatory data security & cyber protection training – 96% plus annual compliance.

Progress against our targets

In 2025, Capita was included in the FTSE4Good Index Series for the second time. The Series, by global index and data provider FTSE Russell, is designed to measure the performance of companies demonstrating strong ESG practices.

Capita continued to strengthen its sustainability performance, achieving a score of 53 out of 100 in the Corporate Sustainability Assessment, an eight-point improvement from 2024 and placing us in the 90th percentile globally. We also reduced our ESG risk rating in Sustainalytics from 15.5 to 13.5, reflecting lower exposure to sustainability-related risks.

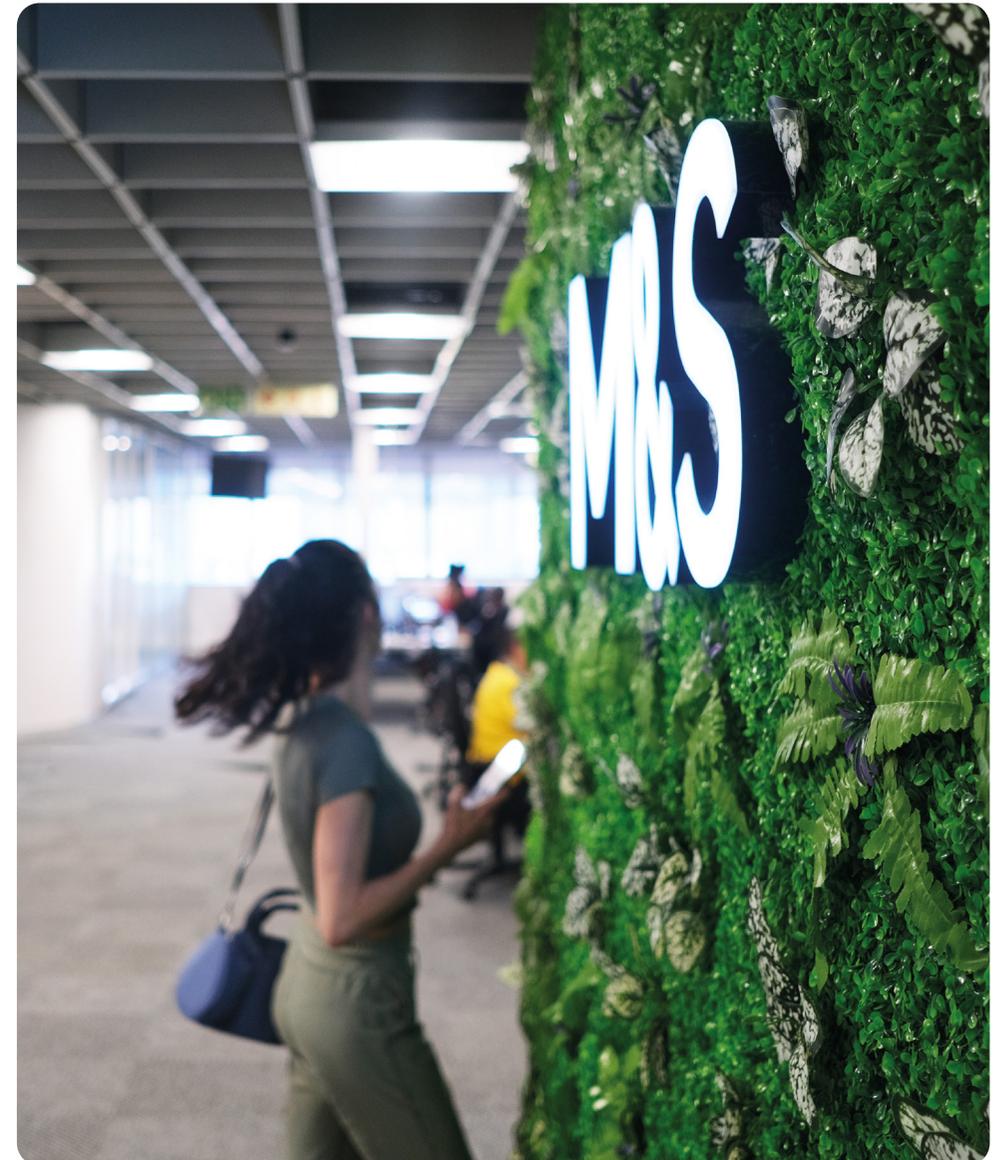
Additionally, we earned a score of 60 in our EcoVadis assessment, maintaining our Good status and receiving the Committed badge. While our ranking shifted, we proactively addressed areas for improvement and implemented targeted actions to enhance transparency and evidence-based reporting. These efforts demonstrate our ongoing commitment to responsible business and position us for even stronger outcomes in future assessments.

The Fair Tax Foundation has recredited us with the Fair Tax Mark, reaffirming our commitment to transparency and ethical tax practices.

With the rapid adoption of AI within Capita, we have developed a set of rules and commitments to ensure that all AI activities are governed by the same principles as other technologies, including compliance with ethical standards, data protection, cybersecurity, and acceptable use guidelines. Specific frameworks, such as the generative AI policy, data ethics standard and self-assessment, as well as the Code of Conduct, guide ethical development and deployment, with a focus on transparency, bias mitigation, and accountability.

Client relations

We actively seek the views of our clients through an annual customer net promoter score (cNPS) survey. We ask for feedback on our current performance, key drivers and encourage comments on areas that they would like us to focus on in future. We feed this information back to our teams who then take the time to understand any root causes of issues raised and set actions, which are monitored via our customer relationship management platform, Salesforce. We are proud of the improvement achieved across all areas of the business, but particularly in Experience; the Group cNPS score improved to +31 points (2024: +28 points), our highest score since we began to record results in 2018. Our response rate was 51% (2024: 57%).



Supplier engagement

Capita is committed to partnering with suppliers who share our values: driving innovation, putting customers at the centre of everything we do, achieving success collaboratively, and ensuring that everyone feels valued.

We want to work with suppliers and supply chain partners that help us deliver our purpose, to create better outcomes. This includes the provision of safe working conditions, treating workers with dignity and respect, acting ethically and being environmentally responsible. Our supplier charter has been updated this year and remains at the core of strengthening our commitments to support more small and medium sized enterprises (SMEs), increasing the diversity of our supply chain, promoting supply chain resilience and encouraging ambitious carbon reduction targets. 100% of new and renewing suppliers adhere to our supplier charter, which explicitly outlines expectations regarding labour rights, ethical practices, and compliance with modern slavery legislation. We continuously monitor suppliers to maintain adherence to the supplier charter and subsequently identify potential risks early, ensuring ethical sourcing practices are followed transparently and upholding the highest standards. In addition to the refresh of the our supplier charter this year, we have also refreshed the procurement standard and policy to ensure resilient and ethical procurement practices are in place.

In 2025, Capita strategically invested in technology through its partnership with Salesforce to enhance oversight, monitor supplier performance, and centrally manage supplier-related information. The supplier relationship management portal has been designed to strengthen engagement and ensure consistency across our supply chain governance processes.

We value the business relationships we have with our suppliers and seek to build lasting engagement, treating our suppliers and partners fairly and paying promptly. Across the Group we spent more than £1.68 billion in 2025 with 10,488 direct suppliers in 35 countries.

SMEs including sole traders and micro-businesses, make up approximately 91% of our supply chain and represent 34% of our total spend. We continue to recognise the impact that global economic challenges might have on many of these suppliers, with varying demand for products and services often severely affecting their cash flow. Consequently, we strive as a business to prioritise and ensure payment to terms with our suppliers at all times where possible. In 2025, 97% of our suppliers were paid within 60 days or less and 86% of SMEs were paid within 30 days or less. We continue to look for new ways to strengthen our procurement practices, build capabilities and increase our spend with SMEs and voluntary, community, and social enterprises (VCSEs) to support their resilience and amplify their impact.

As part of Capita's commitment to achieve net zero by 2045, we recognise that emissions associated with our supply chain represent a significant proportion of our overall footprint. We therefore request emissions-related information from suppliers (covering their Scope 1, 2 and 3), including whether they have committed to science-based targets, to support our understanding of our Scope 3 emissions and to monitor the proportion of Capita's supplier spend covered by such commitments over time. Capita has a Science Based Targets initiative (SBTi) approved target relating to supplier spend coverage.

Further information, including performance against this target, is set out in the Planet section on page 64. In 2025, 71% of our spend was with suppliers that have SBTs.

In addition, we ask our suppliers to share their EcoVadis sustainability assessment scorecards, where available, and we are working to continuously increase the volume of suppliers that use the EcoVadis portal. EcoVadis scorecards provide suppliers with valuable insights into their own company's strengths and areas of improvement across environmental and social factors. In 2025, we monitored 400 EcoVadis scorecards. As a result, 54% of our spend was with suppliers that have scorecards in place.

Targeting bribery and corruption

We do not tolerate bribery or corruption in any form. Our Anti-Bribery and Corruption (ABC) Standard and Financial Crime Policy apply to all Capita businesses, employees and suppliers. Oversight sits with the Executive Team and Audit and Risk Committee, supported by the Financial Crime Prevention team, which monitors compliance.

We have established procedures to investigate any breach of our ABC Standard, with corrective measures and disciplinary actions, including dismissal or termination of contracts, applied where appropriate. Our Gifts and Hospitality Standard sets out the company requirements relating to the recording, approval and monitoring of specific activity.

All employees must complete annual financial crime training, which covers ABC principles, recognising and reporting risks, and handling gifts and hospitality. In 2025, the completion rate was 97%.

Upholding human rights

Capita is committed to playing a proactive role in society by ensuring robust systems, policies, and processes are in place to identify any potential instances of exploitation and, if found, eradicate modern slavery in all its forms from our business and supply chain.

Our updated human rights and modern slavery policy outlines our commitment to upholding the principles of human rights, as set out in the UN Declaration of Human Rights and the International Labour Organization's core labour standards. We comply with all relevant legislation, including the UK Modern Slavery Act, and our compliance statement is publicly available on our website: capita.com/modern-slavery-statement.

We set clear expectations for our suppliers and work collaboratively to ensure they operate in accordance with our policy and uphold human rights across their operations and supply chains. We take active steps to ensure that everyone working for Capita has their fundamental human rights respected, and that our business partners share these values.

Our Modern Slavery Statement details the policies, processes, and actions we have taken to prevent modern slavery and human trafficking within our operations and supply chains. We monitor supply chain risk using the Walk Free Foundation's Global Slavery Index (GSI), which provides national and industry-specific vulnerability estimates. In 2025, we engaged with two suppliers operating in two countries classified as high risk.

Responsible business › Our business continued

Capita conducts supplier monitoring through annual Supplier Relationship Management (SRM) surveys, EcoVadis scorecards, and a sustainable procurement dashboard. Suppliers in high-risk geographies or industries are subject to enhanced due diligence, including reassessments. These activities are tracked and reported through our modern slavery monitoring framework, ensuring alignment with our published commitments.

Mandatory ethical procurement training delivered by the Chartered Institute of Procurement and Supply, is provided annually to all strategic procurement buyers and relevant colleagues. In 2025, the training completion rate was 100%.

There were no material breaches of modern slavery in 2025. Additionally, we achieved 96% compliance in the Government's MSAT.

Protecting data privacy and information security

Capita handles substantial volumes of personal data across our operations, clients, colleagues, and service users.

We are committed to safeguarding this data by ensuring it is processed lawfully, securely, and transparently, in line with applicable data protection laws and contractual obligations.

Our data privacy programme is underpinned by a risk-based framework and guided by comprehensive policies, procedures, and guidance that define our data protection standards. These are regularly reviewed and updated to reflect evolving regulatory requirements, emerging risks, and technological advancements. Colleague awareness remains a key mitigant to data privacy risk. All Capita colleagues, including contractors and temporary workers, are required to complete mandatory data privacy training, which covers a range of areas such as identifying personal data, understanding responsibilities, and responding to privacy issues. We actively monitor training completion rates to ensure a minimum threshold of 95% is consistently achieved. In 2025, the training completion rate across Capita was 97%.

This year, our data privacy programme responded dynamically to strategic organisational initiatives, including the expansion of our AI capabilities. Through our privacy control framework, we ensured privacy risks were proactively identified and addressed across these evolving areas. We also enhanced our privacy toolset to improve operational efficiency and oversight, while strengthening our international presence to support compliance across diverse regulatory environments. Our policies, procedures, and guidance continue to provide a robust framework that supports these initiatives and ensures we uphold the highest standards of data protection.

Capita has implemented a comprehensive Information and cyber security policy that sets out clear commitments to maintaining the confidentiality, integrity, and availability of information across all operations. Capita aligns its practices with ISO 27001 Information Security Management System (ISMS) and National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) standards. A records retention schedule is in place, and all processing, sharing, and retention of confidential information is subject to stakeholder consent in line with contractual and regulatory requirements. All employees complete mandatory awareness training, supplemented with role-based training and ongoing awareness to reduce the risk of security breaches, with 98% completion rate of mandatory training for 2025. Regular risk assessments, due diligence of third parties and audits of control procedures are conducted to ensure the Capita's information assets are protected against evolving cyber threats, regulatory requirements are met, and any vulnerabilities are promptly identified and addressed.

Capita maintains an incident response plan and threat and incident management standard to manage breaches effectively, supported by a post-incident review process. In 2025, no reportable information security incidents were recorded. Capita maintains robust information security-related business continuity plans to ensure critical systems and data remain protected and recoverable in the event of a disruption, with regular testing and updates performed to validate resilience and compliance.

As part of its ongoing cyber security programme, in 2025 Capita built a security champions network which is embedded across the business. Champions work in partnership with the central security team to cascade awareness, reinforce good practice, and act as trusted points of contact for colleagues to raise concerns or seek support. The network was formalised with clear roles, training, and regular communications, and by year-end comprised 1.16% of the workforce across 77.46% of business units.

Transparent reporting: Global Reporting Initiative (GRI)

Capita plc reported the information cited in the GRI content index which is available on our website: <https://www.capita.com/about-capita/responsible-business-resources-and-reports> – for the period 1 January to 31 December 2025 with reference to the GRI Standards.

This section has been prepared on a consolidated basis, covering global operations, aligning with the same reporting scope as the Group financial statements, and reflecting our commitment to transparency and accountability. The information presented is based on data collected from internal systems, stakeholder engagement, and materiality assessments conducted during the reporting period. It covers our approach to responsible business priorities, ensuring alignment with applicable regulations and industry best practice.

Any instances of restated data in this report are accompanied by an explanatory footnote detailing the basis for the restatement, ensuring transparency and supporting consistent interpretation of our disclosures.

Engaging with our stakeholders



Section 172 statement

Capita's directors are fully aware of and understand their statutory duties under Section 172 of the Companies Act 2006 (the Act), which requires the Board to consider the views of all its stakeholders when making decisions. The Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. When making decisions, each director ensures that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1)(a) to (f) as detailed below.

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster business relationships with suppliers, clients and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly towards all members of the Company.

This section 172 statement forms the directors' statement required under section 414CZA of the Act and describes how the directors have taken into account wider stakeholders in their decision making and also the principal decisions taken during the year.

Our people

Why this relationship matters

Our colleagues are central to the delivery of the Group's strategy, the embedding of a values-based culture, and the provision of high-quality products and services that meet client expectations.

Their key priorities and expectations

Colleagues' priorities include opportunities for learning, development and career progression; a positive and inclusive workplace culture; fair and transparent pay and reward; support for health and wellbeing; flexible ways of working; and open, two-way communication with leadership, including clear visibility of strategy, change programmes and decision-making.

How we engaged

- Regular all-employee communications, including leadership briefings and global townhalls;
- Workforce engagement through Dr Nneka Abulokwe OBE, our designated non-executive director for colleague engagement, including site visits and engagement sessions in the UK, Germany, Bulgaria and South Africa;
- Employee focus groups and ENGs;
- Workforce engagement on pay at Capita; and
- Ongoing engagement through management cascades, local action planning and 'you said, we did' feedback mechanisms.

Topics of engagement

- Creating and sustaining an inclusive workplace;
- Culture, values and leadership behaviours;
- Health, safety and wellbeing;
- Speak Up arrangements and ethical culture;
- Directors' remuneration and pay at Capita;
- Career development, internal mobility and the career path framework; and
- Annual salary review and reward transparency.

Outcomes and actions

The 2025 all-colleague survey reported an eNPS of -22, representing an 11-point improvement on the 2024 survey. While this indicates improving colleague sentiment, the Board recognises that overall survey indicators show engagement remains an area of focus. Survey insights have informed targeted action planning at Group, divisional and local levels.

During the year, the Group continued to progress its multi-year culture programme, building on foundations established in 2024 to rally, reset and embed Capita's culture. This included the further mobilisation of more than 250 culture accelerators globally, mandated management and leadership development, and the embedding of refreshed Group values and the launch of an employee playbook to support consistent behaviours and ways of working. The Group also introduced Celebrate!, a recognition platform designed to reward and celebrate colleagues and reinforce behaviours aligned to Capita's values across

the organisation. Capita continued to strengthen its focus on inclusion and fair reward. Gender pay gap performance improved compared to the prior year, and the Group continued its voluntary disclosure of ethnicity pay gap data and, for the first time, disability pay gap data. Since reporting commenced in 2017, Capita has reduced its median gender pay gap by more than 10 percentage points.

Engagement with colleagues on pay, progression and reward transparency was strengthened through dedicated workforce engagement sessions during the year. Promotion of the Speak Up policy continued across the organisation, reinforcing the Group's commitment to ethical behaviour, openness and psychological safety.

Risks to stakeholder relationship

- The ability to attract, retain and develop colleagues, with potential impacts on service quality and financial performance; and
- The pace of cultural change and the effectiveness of embedding new behaviours and ways of working during transformation.

Key metrics

Voluntary attrition, eNPS, employee engagement index and colleague survey completion level.

Further details

Responsible business section on pages 37 to 78 and Directors' remuneration report on pages 119 to 137.

Responsible business › Engaging with our stakeholders *continued*

Clients and customers

Why this relationship matters

Clients and customers rely on Capita for the consistent and timely delivery of critical services. Capita's reputation, contract performance and long-term success depend on meeting their service expectations and supporting effective transformation outcomes.

Their key priorities and expectations

High-quality service delivery; delivery of transformation projects within agreed timeframes; and responsible, ethical and sustainable business credentials.

How we engaged

- Regular client meetings, monthly or quarterly business reviews and surveys;
- Regular meetings with Government stakeholders and annual review with the Cabinet Office;
- Through our customer advisory boards; and
- Through our senior client partner programme which provides an experienced single point of contact for key clients and customers.

Topics of engagement

- Current service delivery, continuous improvement initiatives and operational excellence;
- Transition and mobilisation of services
- Capita's digital and gen AI transformation capabilities; and
- Possible future services, market and client needs.

- Co-creation of client value propositions in collaboration with our hyperscaler partners, AWS, Microsoft, Salesforce and ServiceNow such as Databricks and Snowflake; and
- Ongoing benefits of hybrid working, near and offshore capabilities on client services.

Outcomes and actions

Feedback provided to business units to address any issues raised; client value proposition teams supporting divisions with co-creation ideas; direct customer and sector feedback; and senior client partner programme undertaking client-focused growth sprints and account plans to build understanding of client issues and ideas to help address them.

Risks to stakeholder relationship

- Loss of business by not providing the services that our clients and customers want;
- Damage to reputation by not delivering to the requirements of our clients and customers; and
- Loss of customers for our clients.

Key metrics

cNPS; specific feedback on client engagements.

Further details

Chief Executive Officer's review on pages 30 to 36.

Responsible business section on pages 37 to 78.



Suppliers and partners

Why this relationship matters

At Capita, our suppliers and partners including leading hyperscalers, play a pivotal role in delivering our purpose. By collaborating with organisations that share our values, we maintain high standards, ensure operational excellence, and achieve outcomes aligned with our social, economic, and environmental commitments. Our partnerships, particularly with hyperscalers including AWS, Microsoft, Salesforce and ServiceNow, enhance our ability to innovate and deliver cutting-edge digital solutions.

We will continually review our supply base to ensure it delivers better outcomes for customers while addressing the need to reduce supply chain complexity and improve service quality.

Their key priorities and expectations

- Transparent and fair procurement processes;
- Collaboration on joint initiatives that drive innovation and foster long-term partnerships;
- Reliable and timely payment terms;
- Shared commitment to sustainability, resilience, and compliance with Science-Based Targets (SBTs) backed approach to net zero;
- Provision of a safe working environment for anyone affected by Capita businesses while upholding the highest standards of ethical conduct in all endeavours;

- Partnering with diverse suppliers that bring innovation, disruptive technologies and positively impact local communities; and
- Maintaining availability, integrity and confidentiality of our business relationships and the systems that support them, remaining resilient through periods of disruption.

How we engaged in 2025

- Strategic collaboration with hyperscalers: focused on co-creating solutions for Capita's clients, integrating advanced AI and cloud capabilities into our offerings;
- Innovation forums: by conducting joint workshops with hyperscalers to align on product roadmaps and explore new technologies that enhance the customer experience;
- Performance reviews: by ongoing performance assessments to ensure value delivery and alignment with Capita's strategic goals;
- Sustainability partnerships: collaborating with hyperscalers to assess and mitigate the environmental impact of cloud-based operations, contributing to the reduction of Capita's Scope 3 carbon footprint;
- Engagement reviews: regular supplier meetings, ensuring openness throughout the source to procure process complete with in-life feedback questionnaires and risk assessments;
- Supplier performance monitoring;
- Supplier charter commitments;
- Partnering opportunities; and
- Joint development of AI-powered customer service tools.



Suppliers and partners continued

Topics of engagement

- New technology and gen AI offerings suitable for both Capita and Capita-customer use;
- Supplier payments;
- Sourcing requirements and bid opportunities;
- Supplier performance monitoring;
- Supplier charter commitments;
- Partnering opportunities;
- Joint development of AI-powered customer service tools;
- Deployment of cloud-native platforms to modernise public and private sector operations;
- Commitment to sustainability, including carbon footprint transparency and initiatives to meet net zero goals; and
- Enhancing cyber security standards across partner ecosystems to safeguard stakeholders.

Outcomes and actions

Our Supplier Charter, which is available on our website, remains central to Capita's approach to supplier relationships and sets out the standards and behaviours expected of suppliers, including acting ethically, providing safe working conditions, treating workers with dignity and respect, and operating in an environmentally responsible manner. The Group seeks to work with suppliers and partners that share its values and support delivery of its purpose to create better outcomes.

As part of its responsible business commitments, Capita manages and monitors a range of supply chain-related metrics, including sustainability performance, spend with SMEs, VCSEs and diverse-owned businesses, and modern slavery risk.

During the year, procurement governance and risk management arrangements were strengthened through the introduction of enhanced supplier due diligence and a new supplier risk assessment framework, supported by a centralised supplier relationship management platform. These controls improve visibility across the supplier lifecycle and support the identification, monitoring and mitigation of risks relating to human rights, modern slavery, ethical conduct and regulatory compliance.

During 2025, 97% of our suppliers were paid within 60 days.

Risks to stakeholder relationship

- Evolving regulatory and environmental requirements;
- Maintaining shared commitments to transparency and sustainability; and
- Maintaining resilience in the supply chain and partner ecosystems.

Key metrics

Percentage of supplier payments made within agreed terms; SME spend allocation; and supplier diversity profile.

Further details

Supplier engagement section on page 57.



Investors

Why this relationship matters

Investors own the business and provide essential capital; and their input and feedback is considered when making tactical and strategic decisions.

Their key priorities and expectations

Clear and transparent reporting on the Group's strategy, operational performance and responsible business activities; delivery of sustainable financial performance; alignment between executive remuneration and performance and appropriate access to the Board and senior management.

How we engaged in 2025

- Regular market communications, including financial results announcements and trading updates;
- Active engagement by the CEO, CFO, Chief AI and Product Officer and Company Chair with major investors;
- Dedicated webinars for retail shareholders;
- Ongoing dialogue through the Investor Relations function; and
- Engagement at the Company's AGM.

Topics of engagement

- Delivery of the Group's strategy;
- Financial performance, cash flow generation and balance sheet strength;
- Progress on the Group's cost reduction programme and operational efficiency;
- Transformation of the Contact Centre business;

- Resolution of the closed book Life & Pensions business;
- Digital transformation, including the application of AI;
- Capital structure matters; and
- Culture and colleague engagement in support of delivery and performance.

Outcomes and actions

Engagement during 2025 highlighted strong investor focus on delivery against financial and strategic commitments, particularly cash generation and operational execution. Feedback reinforced the importance of clear, consistent financial disclosure and transparency around transformation progress. The Board and management responded through enhanced segmental disclosure, regular market updates and continued direct engagement with shareholders.

Risks to stakeholder relationship

- Failure to deliver strategic and financial objectives;
- Insufficient clarity or consistency in external communication; and
- Governance outcomes, including remuneration decisions, not aligned with shareholder expectation.

Key metrics

Revenue; profitability; free cash flow and cash conversion; net debt and liquidity; valuation; and voting outcomes at the AGM.

Further details

Principal decisions table on page 63.

Responsible business › Engaging with our stakeholders *continued*

Society

Why this relationship matters

Capita is a provider of key services to government impacting a large proportion of the population.

Their key priorities and expectations

Social value; community engagement; diversity, equity and inclusion; climate change; data privacy and security, AI, business ethics; accreditations and benchmarking; and cost-of-living pressures.

How we engaged during 2025

- Membership of non-governmental organisations;
- Charitable and community partnerships;
- External accreditations and benchmarking; and
- Working with our partners, clients, suppliers, and the Cabinet Office.

Topics of engagement

- Social value;
- Workplace inequalities;
- Diversity, equity & inclusion;
- Data privacy and security;
- AI and business ethics;
- Climate change; and
- Community engagement.

Outcomes and actions

Community engagement programme such as Social Shifters; Business in the Community's Opening Doors campaign, a flagship initiative championing inclusive recruitment across UK

workplaces. Listed on the Forbes Global list of top employers for women for the third consecutive year; our gender pay gap has improved by 11.10% since we began reporting. We achieved Onvero's Gold Talent Inclusion and Diversity Evaluation (TIDE) Award, maintained a Disability Confident Employer (level 3) recognition across the Group and Armed Forces Covenant Gold Employer Recognition Award, received Carbon Disclosure Project (CDP) ranking of B, EcoVadis Committed badge and the Charities Trust's Payroll Giving Platinum Quality Mark Award.

Risks to stakeholder relationship

- Lack of understanding of the issues important to them; and
- Insufficient communication or involvement in shaping and influencing strategies and plans.

Key metrics

Community investment, workforce diversity and ethnicity data, including pay gaps, external indices performance such as EcoVadis.

Further details

Responsible business: Our people section on pages 45 to 53.

Responsible business: Our communities section on page 54 to 55.

Responsible business: Our planet section on pages 64 to 78.



Principal decisions: consideration of stakeholders and outcomes

Examples of some of the principal decisions that the Board has taken during 2025 and how s172 considerations have been factored into the Board's decision making are set out below:

| Principal decisions considered by the Board | Impact on long-term sustainable success | Stakeholder considerations | Further details |
|---|---|---|--|
| <p>Finance:</p> <ul style="list-style-type: none"> Confirmation of the cancellation of the Company's share premium account. | <p>The cancellation of the share premium account increased the Company's distributable reserves, optimised the structure of the balance sheet and provides the Board with flexibility to consider payment of dividends at some time in the future.</p> | <p>Our shareholders: no dilution of rights, no change to shares in issue, and increased optionality for future returns.</p> <p>Our clients and colleagues: the enhanced financial resilience supports continued delivery of services and investment in transformation.</p> <p>Our creditors and pension trustees: a more flexible balance sheet reduces financial risk and underpins long-term stability.</p> | <p>Strategic report on pages 2 to 87.</p> <p>Chief Financial Officer's report on pages 30 to 36.</p> <p>Directors' report and other disclosures on pages 247 to 252.</p> |
| <p>Share Capital:</p> <ul style="list-style-type: none"> Recommendation of 1-for-15 share consolidation, effective on 29 April 2025, following shareholder approval at the 2025 AGM. | <p>The consolidation repositioned Capita's share price within a more conventional trading range, improved the liquidity and marketability of Capita's shares and addressed Capita's low share price which affected investor perception.</p> | <p>Our shareholders: economic and voting rights were unchanged; consolidation did not affect proportional holdings.</p> <p>Market participants: improved share price clarity and reduced volatility benefiting trading liquidity and valuation transparency.</p> | <p>Strategic report on pages 2 to 87.</p> <p>Chief Financial Officer's report on pages 30 to 36.</p> |
| <p>Portfolio/Strategic Restructuring:</p> <ul style="list-style-type: none"> In December 2025, the Company reached agreement to exit the final two contracts in its closed book Life & Pensions business. | <p>Transitioning the remaining closed book Life & Pensions contracts back to Royal London will eliminate a structural annual cash outflow and allow the Group to focus on higher-growth areas.</p> <p>The transaction with Royal London included an option for them to receive c.5% of the Company's issued share capital in newly issued shares.</p> | <p>Our clients: ensures an orderly transition overseen by the Board to maintain service stability.</p> <p>Our colleagues: provides clarity around the long-term future of the business area and supports redeployment planning.</p> <p>Our shareholders and potential investors: improves profitability and risk profile.</p> <p>Our shareholders: the exercise of the option introduced Royal London as an institutional shareholder, enhancing the stability and depth of the Company's share register.</p> | <p>Chief Financial Officer's report on pages 30 to 36.</p> |
| <p>Financing:</p> <ul style="list-style-type: none"> Approval of new US private placement notes. | <p>The issuance strengthened liquidity, diversified the Group's funding sources, and extended the Group's debt maturity profile, improving financial stability.</p> | <p>Investors and lenders: demonstrates disciplined financial planning and supports long-term creditworthiness.</p> <p>Clients ensures continuity of service by underpinning liquidity throughout the transformation programme.</p> | <p>Chief Financial Officer's report on pages 30 to 36.</p> |

Responsible business › Our planet



Our planet

Emissions halved and transition plan sets course to net zero

In 2025, Capita achieved a significant milestone in its environmental journey, reducing overall emissions by over 50% compared to the baseline year. This progress reflects targeted sustainability actions and transformation programmes, including strategic resizing of the property portfolio and the adoption of virtual first working where appropriate. While the baseline year predates the Covid19 pandemic, the pandemic acted as a catalyst for new ways of working that the Group has since embedded, alongside changes to the Group’s operating model, resulting in a more efficient business with a lower emissions footprint than in 2019. Our ambition goes further. Capita has published its first low carbon transition plan, which sets out a clear and actionable pathway to achieving net zero emissions across our value chain by 2045, covering property, business travel, supply chain activities and the services we provide to clients, while strengthening climate resilience and embedding sustainability within our culture and governance. The full plan is available on our website.

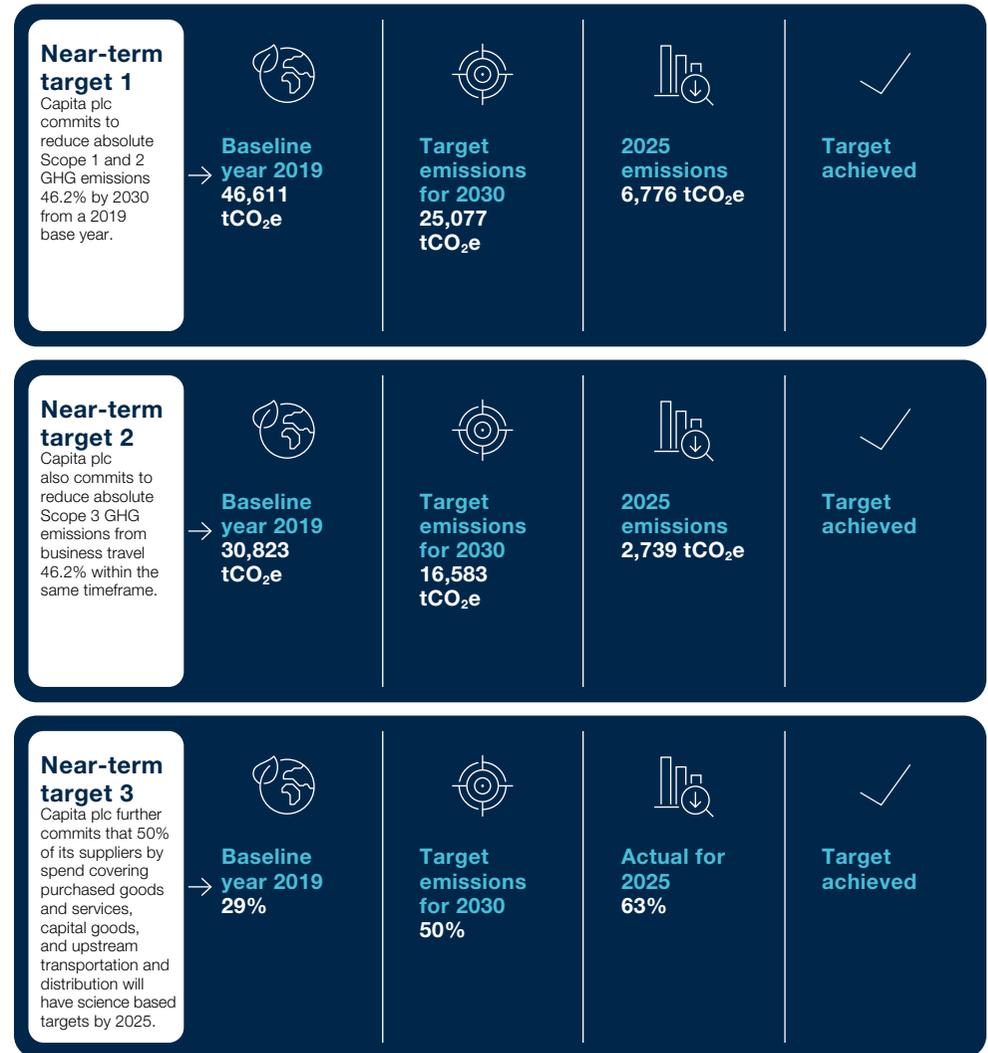
Our net zero targets – clear, science-based and ambitious

Capita’s ambition is to reach net zero greenhouse gas emissions across the value chain by 2045.

This year, our updated long-term and net zero targets were validated by the Science Based Target initiative (SBTi). Our near-term targets are also validated by SBTi and are due for review in 2026.

Addressing the final challenge: our approach to managing residual emissions

Capita does not currently use carbon credits or GHG removals to meet its climate targets. We focus on significantly reducing emissions across our operations and value chain, only considering high-quality, independently verified credits or removals for residual emissions after at least a 90% reduction. Any future use will meet strict criteria and be transparently reported.



Net zero target

→ Capita plc commits to reach net-zero greenhouse gas emissions across the value chain by 2045.

- Baseline year (2019) emissions: 426,684 tCO₂e
- Target emissions for 2045: 42,668 tCO₂e
- Current year (2025) emissions: 193,413 tCO₂e

Long-term targets

→ Capita plc commits to reduce absolute Scope 1 and 2 GHG emissions 90% by 2045 from a 2019 base year.

- Baseline year (2019) emissions: 46,611 tCO₂e
- Target emissions for 2045: 4,661 tCO₂e
- Current year (2025) emissions: 6,776 tCO₂e

→ Capita plc also commits to reduce absolute Scope 3 GHG emissions 90% within the same timeframe.

- Baseline year (2019) emissions: 380,073 tCO₂e
- Target emissions for 2045: 38,007 tCO₂e
- Current year (2025) emissions: 186,637 tCO₂e

Driving down direct emissions: our progress in Scope 1 operations

Scope 1 emissions primarily arise from the combustion of gas for our heating systems and the use of fuel for our vehicle fleet.

This year our Scope 1 emissions were 3,911 TCO₂e, down from 5,150 in 2024.

This decrease was due to our continuing focus on making sure our property estate is the right size for our business and energy efficiency measures. In total our Scope 1 emissions have reduced by 79% from our 2019 baseline year.

Powering progress: reducing our indirect emissions from purchased electricity

Our Scope 2 emissions are from electricity used to power Capita's buildings, data centres and offices, and to charge Electric Vehicles at our premises.

This year our Scope 2 (market based) emissions were 2,865 TCO₂e, down from 4,076 in 2024. This decrease was due to ensuring our property estate was the right size for our business. In total our Scope 2 (market based) emissions have reduced by 90% from our 2019 baseline year.

Shining a light on Scope 3: unveiling our full value chain emissions

In 2025, Capita is publishing its full Scope 3 greenhouse gas emissions for the first time in the Annual Report. This step demonstrates our commitment to climate transparency, aligns with the Greenhouse Gas Protocol, and strengthens both our net zero strategy and stakeholder trust.

Building trust: independent verification of emissions data

Emissions data marked * are subject to independent limited assurance. For 2025 this was in accordance with ISO 14064 Part 3 (2019): Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statements.

Renewable energy use

| | 2025 | 2024 | 2023 |
|--------------------|------|-------|--------|
| Global electricity | 84%* | 89%** | 90%*** |
| Total global power | 41%* | 52%** | 34%*** |

* Includes circa 4m kwh of renewable energy certificates purchased for India and South Africa locations.

** Includes circa 8m kwh of renewable energy certificates purchased for India and South Africa locations.

*** Includes circa 10m kwh of renewable energy certificates purchased for India and South Africa locations.

Total global power includes electricity, district heat, gas, diesel, fleet fuel and excludes business travel activities from Scope 3.

On-site renewable energy

We currently have a solar energy generation project at our Fire Service College premises. This project has generated over 26,000kwh of energy in 2025, all used on site. Plans are underway to expand this capacity further.

Energy efficiency: innovations and achievements across our estate

We invested in energy-efficiency measures across our estate in 2025 to deliver savings below.

| Building plant upgrades and initiatives | (tCO ₂ e reduction per annum) |
|---|--|
| Replacement LED lighting | 31 |
| Increasing awareness of energy waste | 16 |
| Updated boiler controls | 90 |
| Installation of pipework insulation | 19 |
| Air conditioning unit upgrade | 5 |
| Extraction fan isolation | 40 |
| Total | 202 |

We have introduced energy performance monitoring through sensors across two sites, providing early alerts for temperature deviations. Looking ahead to 2026, our priorities include expanding solar installations, continuing the rollout of energy sensors, and optimising building management systems. We will also explore opportunities for smart building integration to enhance efficiency and sustainability.

Capita plc annual GHG emissions by scope (tCO₂e)

| Emissions category | 2019 Baseline year | 2023 | 2024 | 2025 |
|---|--------------------|---------|---------|----------|
| Scope 1 | 18,960* | 12,247* | 5,150* | 3,911* |
| Scope 2 (market based) | 27,651* | 3,553* | 4,076* | 2,865* |
| Scope 2 (location based) | 41,894* | 21,365* | 16,010* | 9,789* |
| Subtotal emissions (Scope 1 + 2 market based) | 46,611 | 15,800 | 9,226 | 6,776 |
| Subtotal emissions (Scope 1 + 2 location based) | 60,854 | 33,612 | 21,160 | 13,700 |
| Scope 3 | | | | |
| Category 1 – Purchased goods and services | 196,330 | 144,611 | 117,235 | 115,045* |
| Category 2 – Capital goods | 106,646 | 13,377 | 11,133 | 10,029* |
| Category 3 – Fuel and energy related activities | 10,874 | 9,900 | 7,405 | 3,970 |
| Category 4 – Upstream transportation and distribution | 2,893 | 39,927 | 14,343 | 12,955* |
| Category 5 – Waste generated in operations | 58 | 222 | 76 | 24 |
| Category 6 – Business travel | 30,823* | 6,772* | 5,154* | 2,739* |
| Category 7 – Employee commuting | 7,147 | 9,266 | 5,573 | 4,595 |
| Category 8 – Upstream leased assets | n/a | n/a | n/a | n/a |
| Category 9 – Downstream transportation and distribution | 25,302 | 13,658 | 22,233 | 22,871* |
| Category 10 – Processing of sold products | n/a | n/a | n/a | n/a |
| Category 11 – Use of sold products | n/a | n/a | n/a | n/a |
| Category 12 – End of life treatment of sold products | n/a | n/a | n/a | n/a |
| Category 13 – Downstream leased assets | n/a | 1,520 | 9,313 | 14,409 |
| Category 14 – Franchises | n/a | n/a | n/a | n/a |
| Category 15 – Investments | n/a | n/a | n/a | n/a |
| Subtotal Scope 3 emissions | 380,073 | 239,253 | 192,465 | 186,637 |
| Total emissions (market based) | 426,684 | 255,053 | 201,691 | 193,413 |
| Total emissions (location based) | 440,927 | 272,865 | 213,625 | 200,337 |

Tracking emissions performance: intensity ratios and trends

We've expanded our intensity ratios to include all relevant Scope 3 categories, as we are now disclosing our full Scope 3 emissions for greater transparency.

| Metric | 2019 | 2023 | 2024 | 2025 |
|---|--------|-------|-------|-------|
| TCO ₂ e per £1m revenue (location based) | 119.86 | 96.95 | 88.22 | 86.64 |
| TCO ₂ e per FTE headcount (location based) | 6.97 | 7.21 | 5.92 | 6.76 |
| TCO ₂ e per £1m revenue (market based) | 115.99 | 90.62 | 83.29 | 83.65 |
| TCO ₂ e per FTE headcount (market based) | 6.74 | 6.74 | 5.62 | 6.53 |

Responsible business › Our planet *continued*

Streamlined energy and carbon reporting

GHG emissions (tCO₂e) and energy use (kWh) for period 1 January 2025 to 31 December 2025

To avoid duplication, Capita have changed how we are reporting against SECR legislation by clearly displaying the minimum requirements below and then expanding on the data we publish throughout this Planet Section of our report.

| | Current reporting year 2025 | | | Comparison reporting year 2024 | | | Comparison reporting year 2023 | | |
|--|-----------------------------|----------------------------------|------------|--------------------------------|----------------------------------|------------|--------------------------------|----------------------------------|-------------|
| | UK and offshore | Global excluding UK and offshore | Total | UK and offshore | Global excluding UK and offshore | Total | UK and offshore | Global excluding UK and offshore | Total |
| Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1)/tCO ₂ e | 3,449 | 462 | 3,911 | 4,811 | 339 | 5,150 | 11,936 | 311 | 12,247 |
| Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, location based)/tCO ₂ e | 4,295 | 5,494 | 9,789 | 6,744 | 9,266 | 16,010 | 12,583 | 8,782 | 21,365 |
| Total gross Scope 1 & Scope 2 (location based) emissions/tCO ₂ e | 7,744 | 5,956 | 13,700 | 11,555 | 9,605 | 21,160 | 24,519 | 9,093 | 33,612 |
| Energy consumption used to calculate above emissions:/kWh | 53,943,989 | 12,522,301 | 66,466,290 | 57,425,387 | 17,196,655 | 74,622,042 | 127,180,480 | 18,583,836 | 145,764,316 |
| Intensity ratio: tCO ₂ e (gross Scope 1 + 2 location based)/£1m revenue | 3.76 | 23.72 | 5.92 | 5.37 | 35.40 | 8.74 | 9.71 | 31.51 | 11.94 |

Notes: Intensity ratio for 2024 and 2023 have been restated in 2025, due to improved data breakdown between countries. 2024 Scope 2 UK and offshore location based emissions have been updated from 6691 tCO₂e to 6744 tCO₂e.

Capita's approach to calculating and reporting greenhouse gas emissions: methodology for Scopes 1, 2 & 3

Capita calculates its greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Scope 3 Standard. Emissions are reported under the operational control approach across both Capita owned and leased buildings and across all geographies. We aim to track Capita's emissions in a relevant, complete, consistent, transparent and accurate manner, to ensure high-integrity data that meets regulatory reporting obligations.

Scope 1

Capita's stationary fuel data is collected directly from the supplier for our largest sites, accounting for the majority of Capita's floor space. For the remaining sites, where data is not tracked directly, we use comparable operations to derive intensity factors and estimate missing data. Mobile fuel emissions are calculated using fuel card data for our fleet. Any fuel figures provided in litres have been converted into kWh or tCO₂e using gov.uk and Defra conversion tables. Fugitive emissions are calculated using data directly from our suppliers and Defra conversion factors.

Scope 2

Emissions data from purchased electricity are collected from utility invoices. For sites where we do not receive invoice data, intensity factors are used to estimate electricity and are derived from Capita buildings for which actual data is available. Capita's renewable energy purchases include Renewable Energy Guarantees of Origin (REGO) compliant electricity, on site renewables, off-site power purchase agreements (PPAs), green tariff programs and International Renewable Energy Certificates (IRECs). In the market-based method, we apply a zero-emission factor to renewable energy. In the location-based method, renewable energy has no effect or benefit to emission figures.

Scope 3

Calculation methods for the different categories of Scope 3 emissions are included in the table below

| Category | Calculation method |
|---|--|
| Purchased goods and services | Capita categorises procurement spend for goods and services, converts it to USD, adjusts for inflation, and applies EEIO emission factors. |
| Capital goods | Capita splits capital goods spend into categories, converts it to USD, adjusts for inflation, and applies EEIO emission factors. |
| Fuel and energy related activities | Operational data from utility bills, fuel records, and internal systems is used for gas, diesel, fleet fuel, electricity, and district heat. Defra emission factors calculate well-to-tank and transmission/distribution emissions as appropriate. |
| Upstream transportation and distribution | Method updated in 2023 to improve accuracy by aligning with latest EEIO category and emission factors. Procurement spend is categorised, converted to USD, adjusted for inflation, and matched to the relevant EEIO emission factor, using 'with margin' factors for upstream transportation and distribution. |
| Waste generated in operations | Waste data for UK, India, and South Africa sites is supplied directly; other sites are estimated based on averages. Defra emission factors are used. |
| Business travel | Travel data is received through our travel booking supplier and expenses system. Defra emission factors are applied to spend to calculate GHG emissions. |
| Employee commuting | Method updated in 2023 to improved country specific data and emission factors. Internal FTE data per country is matched with country specific commuting statistics from numbeo.com. Defra emission factors are used for each transport mode. |
| Upstream leased assets | Not applicable – All facilities under operational control are accounted for in Scopes 1 and 2. |
| Downstream transportation and distribution | Procurement spend for downstream transport is converted to USD, adjusted for inflation, and EEIO emission factors are applied. |
| Processing of sold products | Capita is predominantly a services-led organisation and any limited sales of physical IT equipment occur on a small scale and do not result in material downstream emissions. |
| Use of sold products | Capita is predominantly a services-led organisation and any limited sales of physical IT equipment occur on a small scale and do not result in material downstream emissions. |
| End of life treatment of sold product | Capita is predominantly a services-led organisation and any limited sales of physical IT equipment occur on a small scale and do not result in material downstream emissions. |
| Downstream leased assets | Emissions data is sourced from utility invoices; where unavailable, estimates use intensity factors from similar buildings. Defra emission factors are used. |
| Franchises | Not applicable – Capita does not operate any franchises. |
| Investments | Not applicable – investments account for less than 0.01% overall revenue and are not material. |

Capita is committed to continuous improvement in emissions data quality and transparency, and to aligning its reporting with international best practice.

Responsible business › TCFD

TCFD statement of compliance

In 2025, Capita improved climate risk management through a scenario workshop and risk project, strengthening analysis and embedding double materiality into our risk framework. We now manage climate risks and opportunities more systematically, achieving the below compliance status with UK Government's Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and the FCA Listing Rule UKLR 6.6.6R(8) on climate-related financial disclosure.

| | TCFD recommendations | Capita's progress | Page number |
|--|--|--|-------------|
| Governance Disclose the organisation's governance around climate related risks and opportunities. | a) Describe the board's oversight of climate-related risks and opportunities. | Comply | 43, 69 |
| | b) Describe management's role in assessing and managing climate-related risks and opportunities. | Comply | 43 |
| 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. | Comply | 71-74 |
| | b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. | Comply | 71-74 |
| | c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | Comply | 60 |
| 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. | Comply | 70 |
| | b) Describe the organisation's processes for managing climate-related risks. | Comply | 77 |
| | c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | Comply | 77 |
| 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. | Partially comply: Capita currently reports metrics to assess transition-related climate risks and opportunities and will focus on physical climate risks in the future. | 78 |
| | b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | Comply | 65, 78 |
| | c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | Comply | 64, 78 |

Governance

The Board has ultimate accountability for climate related risks and opportunities, with delegated responsibilities to both Board committees including the RB Committee and the Executive Team, cascading to management for day-to-day oversight.

See page 43 for more information on how climate related responsibilities and decision making fit into Capita's RB governance structure.

Board and organisational capability on climate risk

Capita's Board and senior management provide strong sustainability leadership and are expanding expertise as climate risk evolves. As part of our low carbon transition plan (LCTP) we have planned a targeted training programme—sponsored by the Chief General Counsel and Company Secretary – which will further enhance Board and executive understanding of climate risk, with any actions tracked at RB Committee meetings to ensure ongoing best practice and compliance.

Strategy

Capital expenditure, financing, and investment for climate strategy

Capita is investing in decarbonisation, digital innovation, and service transformation to deliver our climate strategy. For example, Capita has invested in a dedicated resource to deliver innovative energy efficiency solutions, using smart technologies and analytics to identify and address inefficiencies in our fire service college facility.

All capital and financing decisions follow clear governance processes to ensure alignment with our transition plan. We will work towards measuring, and reporting funds allocated to energy efficiency, fleet electrification, and renewable energy, tracking impact through emissions and energy savings metrics.

Capita's strategy incorporates our LCTP to ensure we progress towards our climate targets. The Executive Team has responsibility to ensure that all major capital investment and financial decisions align with Capita's LCTP. Although we have not yet implemented an internal carbon pricing mechanism, we recognise its potential to incentivise sustainable practices and reduce costs, and we are committed to exploring this approach.

Resilience of our strategy

Our LCTP identifies long-term value opportunities for Capita in a low-carbon economy. To ensure our strategy stays resilient as climate and policy landscapes evolve, we assess its performance under different climate scenarios, helping us pinpoint where to adapt or enhance our approach.

In an Orderly (1.5°C) scenario, Capita's strategy is well positioned. Predictable policy and limited physical impacts mean we can manage transition risks through early decarbonisation and innovation, benefiting from lower costs and increased demand for our services. Our focus on digital transformation and efficiency (see our LCTP for more detail) aligns well with a net zero economy, making our strategy resilient and advantageous in this scenario.

In a Disorderly (2°C) scenario, we could face abrupt regulatory changes and cost shocks, such as sudden carbon tax increases or rapid compliance demands. However, by taking early action and front-loading our decarbonisation efforts, we reduce our exposure to these risks. While we may need to adjust—like accelerating supplier diversification if carbon tariffs are imposed—our flexible digital first operations and diverse client base help us remain resilient. Ultimately, although a disorderly transition may increase short- to medium-term costs, our proactive approach and early climate initiatives position Capita to manage these challenges effectively.

Building resilience year on year

Since 2021 we have progressively broadened and deepened our strategy for the assessment of climate-related risks and opportunities. The diagram below outlines the steps we've taken each year:

| | |
|----------------|--|
| 2021 | Workshops and interviews were used to identify key climate risks and opportunities – both transition and physical – as well as new sustainability prospects. The analysis highlighted the most material issues for the business. |
| 2022 | Capita advanced its climate strategy by modelling the financial impacts of priority risks such as carbon pricing, supplier costs, carbon credits, and water stress . The resulting analysis, which combined external climate-economic data and internal business information, informed consideration of targeted actions like exploring energy efficiency initiatives and assessing water contingency measures at high-risk sites. |
| 2023 | Capita analysed the growing transitional risk of losing bids due to climate-related scoring criteria and addressed it by raising awareness across the business, enhancing environmental performance, strengthening bid governance, and building climate related capabilities within contract delivery teams. |
| 2024 | Flood mapping identified 11 at risk sites across the property portfolio. To manage long-term risks – damage, disruption and insurance costs – flexibility was built into continuity planning through short-term leases and remote working. |
| 2025 | We significantly expanded our climate scenario analysis in both scope and sophistication. We engaged external climate risk specialists (SLR Consulting) to help conduct a double materially assessment and develop a comprehensive, structured Climate Risk Assessment aligned with TCFD and IFRS S2 . This involved scoring each of the 15 identified climate risks and 5 opportunities across three representative climate scenarios and time horizons and evaluating Capita's vulnerability to each risk. |
| Future actions | Capita remains committed to continuous improvement and transparency, and will continue to enhance our disclosures, including taking steps to further develop the metrics we use to understand climate related risks and opportunities. |

In a Hot-House (3°C+) scenario, physical impacts become more significant, requiring Capita to focus on adaptation and resilience, such as investing in robust infrastructure and business continuity planning. Market demand for sustainable solutions may grow more slowly. While this future would mean more volatility and the need for stronger risk management, our strategy would shift towards resilience and proactive climate governance,

ensuring we continue to create value and meet stakeholder expectations. Capita would pivot toward resilience, with Property, Operations, IT, Procurement, Finance, Risk, and the Environmental team strengthening infrastructure, stabilising supply chains, managing physical risk costs, and adapting services to ensure continuity and support clients in a more volatile, climate impacted world.

Responsible business › TCFD *continued*

Identification and prioritisation of risks and opportunities

Risks and opportunities were identified through a comprehensive review of internal and external sources, including ESRS topics, GRI frameworks, Capita's policies, and the enterprise risk management framework (ERM). This ensured alignment with regulatory requirements and Capita's business context.

An internal team, comprising individuals across key business operations, attended training on scenario analysis and risk scoring to enable them to effectively carry out scoring assessments on the identified risks. The individuals were able to apply their business understanding to assess the size and scope of the potential risk and opportunity to Capita. The Group Environmental Manager and Director of Group Risk provisionally scored R&Os using an unmitigated approach to reveal inherent exposure.

Risks were assessed by magnitude, likelihood, and vulnerability, while opportunities were scored for size and execution capability. Risk thresholds defined within Capita's ERM framework were applied to evaluate and score each risk. The four highest scoring risks were subsequently prioritised for further review; prioritisation was based on relative scoring. From this prioritised shortlist, two risks were selected for quantitative assessment. These were chosen on the basis that they had not previously undergone internal review, were appropriate for third party analysis, and were underpinned by sufficient data held by Capita to enable robust quantification.

Climate scenarios

Each risk and opportunity was evaluated under three climate scenarios, chosen to give Capita a comprehensive view of possible climate futures and inform robust, resilient planning:

Orderly Transition (1.5°C), a **Disorderly Transition (2°C)** and a **Hot House World (3°C)**

— each reflecting a distinct combination of policy, market and physical climate conditions. These scenarios are grounded in recognised external scenario families and were chosen to ensure coverage of materially different climate futures relevant to Capita's operational footprint and regulatory environment.

Each scenario incorporates a distinct set of assumptions and key drivers:

Orderly Transition (1.5°C): Early and coordinated climate policy, rapid technological deployment, increasing carbon pricing signals, and relatively moderate physical climate impacts.

Disorderly Transition (2°C): Delayed or inconsistent policy action, more abrupt regulatory shifts, higher transition costs, and increasing — but still manageable — physical climate impacts.

Hot House World (3°C): Limited policy intervention, slow decarbonisation, low uptake of low-carbon technologies, minimal carbon pricing mechanisms, and **strongly escalating physical climate risks**, including more severe acute and chronic impacts.

Time horizons

Risks and opportunities were evaluated across three timeframes: short-term (0–3 years) to align with Capita's business planning cycle, medium-term (4–9 years) to capture periods when strategic initiatives like technology investments, contract renewals, and regulatory changes typically occur and influence resilience, and long-term (10+ years) to account for wider economic shifts, evolving client expectations, and physical climate impacts, enabling us to test our strategy against transformational change.

Score review

We scored each risk and opportunity across 27 scenario and time horizon combinations, ensuring thorough analysis. Scores were refined by subject matter experts and validated in a final session with SLR Consulting and internal leads.

Effect of climate scenarios & time horizons

| Risk description | | Orderly transition 1.5°C | Disorderly transition 2°C | Hot house world 3°C | Mitigation actions |
|---|-------------|---|---|---|---|
| Climate policy and compliance Increasing climate regulations and disclosure requirements could lead to non-compliance, higher costs, and reputational harm if Capita fails to adapt quickly. Possible impacts are lost bids due to misaligned standards, supplier non-compliance, rising legal and reporting costs, and infrastructure upgrades. | Short-term | Compliance costs increase as Capita implements new carbon reporting and disclosure requirements. Early action helps manage these changes, but there is still a need for investment in systems and training. | Regulatory changes may be abrupt and inconsistent across markets, creating operational challenges and increasing the risk of non-compliance. Capita must respond quickly to avoid penalties or reputational harm. | Regulatory progress is limited, but stakeholder scrutiny intensifies. Capita faces questions about its climate commitments and may need to justify its approach to clients and investors. | Capita has a structured process for reviewing all relevant climate-related legislation and regulations. The Legal and Environmental teams track upcoming regulatory changes, assess their impact on operations, and report findings to the RB Committee, allowing for regular governance and oversight. |
| | Medium-term | Ongoing regulatory developments require further investment in compliance and reporting. Capita's proactive approach supports continued alignment, but costs and complexity remain significant. | Unclear or conflicting regulations increase legal and reputational risks. Capita may face higher compliance costs and greater pressure from clients and stakeholders to demonstrate robust governance. | As climate impacts become more visible, legal and reputational risks grow. Capita must maintain transparency and adapt to evolving expectations to protect its market position. | |
| | Long-term | The regulatory environment becomes more stable. Thanks to strong compliance and governance practices, Capita faces lower legal and financial risks. | Persistent regulatory uncertainty and high compliance costs may expose Capita to fines or litigation, with potential impacts on financial and reputational stability. | Without strong preparation, Capita could face significant legal and reputational consequences, making it harder to compete and maintain stakeholder trust. | |
| Market shift: customer climate expectations Clients increasingly demand low-emission services and strong environmental credentials, creating risk if Capita cannot meet expectations. Possible impacts are lost bids, reputational damage, supplier misalignment, poor emissions data, and higher delivery costs. | Short-term | Some clients begin to prioritise suppliers with strong environmental credentials. Capita may face mild revenue risk if it cannot demonstrate progress on sustainability. | Client expectations become less predictable, with varying requirements for climate action. Capita must adapt quickly to avoid losing business. | Demand for climate solutions is emerging but remains limited. Capita risks missing early opportunities if it does not prepare for future expectations. | Capita will continue to expand on services specifically designed to help clients reduce their carbon footprint. Additionally, Capita will enhance existing services by integrating low-carbon options, such as using renewable energy sources, electrifying transport fleets, and promoting circular economy practices. To deliver credible climate solutions, Capita must invest in upskilling its workforce with specialised training in sustainability. Upgrading operational infrastructure—such as modernising buildings to improve energy efficiency and transitioning vehicle fleets to electric or hybrid models—will also be crucial. |
| | Medium-term | More clients actively seek low-carbon solutions. Capita may lose bids if it cannot show credible progress, increasing competitive pressure. | The risk of lost revenue rises as clients demand stronger climate credentials. Regulatory uncertainty adds to the challenge of meeting these expectations. | Capita faces heightened operational and reputational risks if it cannot demonstrate credible climate action, as stakeholder scrutiny increases and the business environment becomes more volatile and fragmented. | |
| | Long-term | Sustained investment in decarbonisation and innovation positions Capita to meet market expectations and maintain competitiveness. | Persistent revenue losses are possible if Capita falls behind competitors offering more advanced climate solutions. Reputational damage may be difficult to repair. | Even in a world with severe climate impacts, clients expect alignment with ESG standards. Capita risks exclusion from major contracts if it cannot demonstrate low-carbon capabilities. | |

Responsible business › TCFD *continued*

Effect of climate scenarios & time horizons

| Risk description | | Orderly transition 1.5°C | Disorderly transition 2°C | Hot house world 3°C | Mitigation actions |
|--|-------------|---|---|---|---|
| Investments for decarbonising our business Investment is needed to decarbonise operations—upgrading buildings, vehicles, and systems—posing financial and operational challenges. Possible impacts higher capital expenditure, risk of stranded assets, client loss if expectations are unmet, and need for new tools and training. | Short-term | Capita invests in energy-efficient upgrades, with manageable costs and time to plan. Early action supports sustainability goals and operational efficiency. | Sudden policy changes may require unplanned spending, leading to higher upfront costs and limited time to adapt. | Immediate pressure to invest is low, but delaying action may increase future costs and risks. | We take a phased, prioritised approach to decarbonisation investments, aligning upgrades to buildings, fleet and systems with natural replacement cycles to manage costs and avoid stranded assets. Carbon reduction needs are built into capital planning, supported by improved data, governance and emissions modelling. Engagement with clients, suppliers and internal teams helps ensure solutions are practical and meet expectations, while targeted training supports colleagues in adopting new technologies and processes effectively. |
| | Medium-term | Continued investment in low-carbon technologies is needed to meet client and regulatory expectations. These efforts reinforce Capita's market position. | There is growing pressure to retrofit buildings and systems quickly. This increases the risk of stranded assets—investments that lose value—and potential fines for non-compliance. | As physical climate risks increase—such as extreme weather—spending on adaptation becomes more likely. At the same time, reputational pressure from stakeholders begins to build. | |
| | Long-term | Thanks to early action, long-term costs are lower. Capita benefits from a stronger reputation and greater resilience in a low-carbon economy. | High capital expenditure may be required to catch up with competitors, with potential impacts on market share and profitability. | Without early investment, costs of climate-related damage rise significantly, and rapid action may be needed to comply with new regulations. | |
| Supply chain climate costs Capita faces transition risk from rising climate-related costs within its supply chain, particularly in logistics, data centres, construction, and IT hardware. Possible impacts cost volatility, sourcing difficulties, and reputational risk if suppliers act unsustainably. | Short-term | Slight cost increases as suppliers adapt to new compliance standards. Capita manages these changes through engagement and planning. | Capita's supply chain faces increased costs driven by sudden regulatory changes and volatility in energy and raw material prices. Rapid compliance with new requirements may raise administrative and operational expenses, while unpredictable market conditions can impact procurement and logistics. | Slight cost increases as suppliers begin to respond to market pressures, but adaptation efforts remain limited. | Engaging suppliers on setting Science Based Targets and aligning their plans with Capita's net zero strategy. We will work with key categories to identify efficiency opportunities that help reduce both emissions and cost pressures over time. Strengthening expectations through our procurement approach and ongoing supplier engagement supports more resilient, lower carbon supply chains and helps manage volatility and reputational risk. |
| | Medium-term | Supplier costs continue to rise gradually. In response, Capita adapts by prioritising sustainable procurement practices and improving operational efficiency. | High-cost exposure and budget pressures increase as suppliers lag in sustainability efforts, making sourcing more difficult. | Inflation drives ongoing cost increases, making it harder for Capita to protect margins and stay competitive. | |
| | Long-term | The risk is low. Most suppliers have successfully reduced their carbon emissions, and the costs associated with the transition have stabilised. | Cost volatility persists, and major supplier restructuring may be needed to maintain stability and meet climate targets. | Persistent inflation and supply chain pressures require significant changes to procurement strategies and supplier relationships. | |

Effect of climate scenarios & time horizons

| Risk description | | Orderly transition 1.5°C | Disorderly transition 2°C | Hot house world 3°C | Mitigation actions |
|--|-------------|--|---|--|--|
| Physical climate risks Extreme weather events—floods, heatwaves, wildfires, storms—could disrupt operations and damage assets across Capita’s value chain. Possible impacts costly repairs, operational downtime, supply chain delays, and infrastructure failures such as power outages. | Short-term | Early action on climate policy reduces future risks and prepares Capita for regulatory changes. Proactive planning supports resilience. | Delayed action and sudden policy shifts can worsen financial impacts, increasing uncertainty and reducing preparedness. | Effects of climate change become more noticeable, with more frequent extreme weather events, but the full impact is not yet realised. | Integrate climate resilience into property, operational and continuity planning, using climate related data to identify vulnerable sites and critical services. Monitor key suppliers for exposure to physical climate risks to understand potential disruption in our value chain. Where needed, invest in practical adaptation measures—such as improving site resilience or updating contingency plans—to reduce the likelihood and impact of extreme weather events. |
| | Medium-term | A well-managed transition begins to deliver tangible benefits—such as fewer heatwaves, reduced flooding, and less strain on infrastructure—supporting smoother service delivery and operational continuity | Without timely adaptation, Capita and its partners become more vulnerable to extreme weather, leading to operational and financial strain. | As little action is taken, global temperatures continue to rise. Physical climate risks become more intense and widespread, affecting communities, infrastructure, and supply chains. | |
| | Long-term | These efforts lead to stronger financial stability and more resilient supply chains. Capita is better positioned to withstand climate-related disruptions and maintain long-term value for stakeholders. | The cumulative effects of inaction result in greater long-term costs, reputational damage, and reduced capacity to recover from climate-related shocks. | The consequences are severe and far-reaching—major damage to infrastructure, loss of valuable assets, and growing gaps in insurance coverage. Long-term resilience and financial stability are undermined. | |

Key climate-related opportunities

Climate change presents both risks and opportunities, driving innovation, efficiency, and long-term value. By addressing these together, we align our response with Capita’s strategic aims and stakeholder expectations. Our process has identified several key opportunities.

Effect of climate scenarios & timescales

| Opportunity description | | Orderly transition 1.5°C | Disorderly transition 2°C | Hot house world 3°C | Actions to capture opportunity |
|--|-------------|---|--|---|--|
| Energy efficiency in buildings Reduce operational costs and strengthen its sustainability credentials by improving energy efficiency across its offices and buildings. Value to Capita: lower energy bills; quick financial payback; enhanced employee comfort; stronger sustainability credentials. | Short-term | Strong policy support and incentives for energy efficiency. Capita can reduce operating expenditure quickly by upgrading facilities and benefit from early access to sustainable financing. | Sudden policy shifts and energy price volatility increase urgency. Capita can mitigate rising costs by accelerating energy efficiency retrofits. | Weak regulation and low-pressure delay action. However, rising energy prices and climate-related disruptions begin to impact operating expenditure. | Proactively investing in energy efficiency improvements across our offices and buildings, focusing first on high impact retrofits that deliver the strongest financial payback. We will also leverage available incentives and work with supplier partners to adopt cost effective technologies and solutions. These actions help reduce energy bills, improve employee comfort, and strengthen Capita’s sustainability credentials. |
| | Medium-term | Energy-efficient operations become standard. Continued savings from reduced energy use and maintenance. Competitive advantage in tenders requiring sustainability credentials. | Reactive compliance pressures strain budgets, but early investments in efficiency buffer against shocks. Capita avoids penalties and maintains operational continuity. | Energy supply instability and extreme weather events increase operational costs. Capita’s energy-efficient sites perform better under stress. | |
| | Long-term | Energy efficiency is embedded in procurement and compliance. Long-term cost savings are maximised, and Capita is seen as a low-risk, future-ready supplier. | Firms that delayed action face high retrofit costs. Capita’s foresight in energy efficiency secures long-term cost advantages and resilience. | High energy costs and stakeholder pressure penalise inefficient operations. Capita’s early investments protect margins and support long-term viability. | |

Responsible business › TCFD *continued*

Effect of climate scenarios & timescales

| Opportunity description | | Orderly transition 1.5°C | Disorderly transition 2°C | Hot house world 3°C | Actions to capture opportunity |
|---|-------------|--|--|---|--|
| Grow the business with low-emission services Offering services with lower carbon emissions to meet rising client demand for sustainable delivery. Value to Capita: increased contract wins; enhanced brand reputation; future-proofed services; and improved long-term competitiveness. | Short-term | Clear policy signals and rising client demand for low-emission solutions. Capita can gain early market share by offering lower emission processes. | Regulatory uncertainty and patchy demand create challenges. Capita can still differentiate by proactively developing low-emission processes. | Weak regulation delays widespread action, but niche demand for low-emission processes begins to grow. Capita can capture early adopters. | Expanding our portfolio of low carbon services to meet growing client demand for sustainable delivery. Embedding sustainability into bids strengthens our value proposition and supports increased contract wins. Continued investment in innovation and capability building enables us to develop future proofed solutions that enhance our brand reputation and long term competitiveness. |
| | Medium-term | Sustainability becomes a procurement priority. Capita's offerings align with client expectations, leading to increased contract wins and brand strength. | Reactive competitors struggle to meet emerging standards. Capita's early investments position it as a reliable supplier, gaining market share. | Climate disruptions and investor pressure increase demand for sustainable operations. Capita's low-emission processes offer stability and appeal. | |
| | Long-term | Low-emission processes are standard. Capita's leadership in this space secures long-term market dominance and resilience against future regulation. | Firms that lag face reputational and compliance risks. Capita's established low-emission capabilities ensure continued relevance and client trust. | High stakeholder scrutiny penalises unsustainable practices. Capita's proactive strategy protects its reputation and secures long-term market access. | |
| Renewable energy procurement Investing in renewable energy generation (eg solar panels) or securing long-term contracts with sustainable energy providers. Value to Capita: reduced energy cost volatility; predictable budgeting; lower long-term costs; and enhanced environmental leadership. | Short-term | Clear policy support and incentives for renewable energy adoption. Capita can stabilise energy costs early and benefit from sustainable financing. | Policy uncertainty and energy price volatility increase. Early investment in renewables buffers Capita from sudden cost spikes. | Weak regulation delays action, but energy price volatility begins to rise. Capita can act pre-emptively to reduce future cost exposure. | Implementing PPAs to secure long term access to renewable energy at stable prices. We will explore on site generation options, such as solar installations, to reduce exposure to grid energy volatility. Integrating renewable sourcing into our procurement strategy strengthens cost predictability and supports lower long term energy costs. |
| | Medium-term | Energy markets favour renewables. On-site generation and PPAs provide predictable, lower-cost energy, reducing exposure to fossil fuel volatility. | Delayed action by others leads to grid instability and rising prices. Capita's secured renewable supply ensures operational continuity and cost control. | Climate-driven disruptions and fossil fuel price shocks increase operating expenditure unpredictability. Capita's renewable investments offer a stable energy supply. | |
| | Long-term | Renewable energy becomes the norm. Capita's long-term contracts and infrastructure ensure cost stability and resilience against future energy shocks. | Energy markets remain volatile. Capita's foresight in securing renewable energy sources protects margins and enhances competitiveness. | High energy costs and stakeholder pressure penalise fossil-reliant operations. Capita's early transition ensures long-term cost resilience and reputational strength. | |

Ongoing quantitative assessment of priority risks and opportunities

Following the 2025 refresh of Capita's climate risk assessment, we selected the top four risks for financial quantification based on their significance and available data. Two risks—customer climate expectations and physical climate risks—were already assessed in previous years, so this year's focus is on increased expenditure in climate mitigation measures required to meet Scope 1 and Scope 2 targets, and rising operational costs for purchased goods and services, as suppliers pass on increased carbon price costs. For each, we identified key value drivers impacting Capita financially and assessed the effect of policy and market risks before and after mitigation, highlighting the financial benefits of our decarbonisation plans.

Impact pathways were developed, and relevant information requests to Capita contacts were collected to refine the input data and assumptions for the financial impact projections. Additional research was conducted to identify appropriate climate scenarios to overlay on Capita's business data, targets and decarbonisation initiatives identified. Models were created for the subset of transition risks and opportunities which included the following considerations.

Risk 1: increased expenditure in climate mitigation measures required to meet Scope 1 and Scope 2 targets.

- **Changes to energy costs:** in the energy transition energy prices could change as demand for renewables increases, energy efficiencies are realised, and economies of scale are gained. Amongst several other factors, this could result in price increasing or decreasing over time depending on the source and climate scenario.
- **Increased pass-through costs from energy suppliers associated with carbon taxes:** to date, beyond existing carbon taxes included in energy costs Capita's assets and activities fall outside of carbon pricing mechanisms. However, it is possible that carbon pricing mechanisms may expand their scope and pricing levels may increase in the future.
- **Avoided direct and indirect GHG costs through investment in decarbonisation:** climate mitigation measures to reduce GHG emissions will change Capita's exposure to the climate transition. Understanding how these measures can help to avoid future transition costs can strengthen the business case for further investments required to reach climate goals.
- **Capital expenditure required for decarbonisation:** Capita is developing its understanding of the financial investment required to decarbonise its business and has started to identify the known and potential future costs required to transition its business.

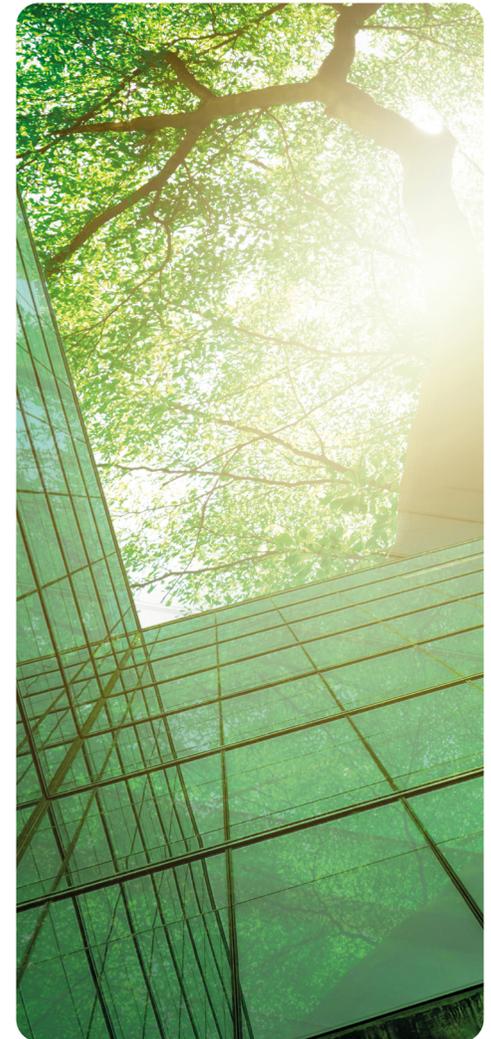
To assess the potential financial impact of these value drivers, Capita's energy and emissions profile for Scope 1 and 2 was projected based on business growth assumptions out to 2045. The annual financial impact was modelled to provide a sense of scale and an indication of the level of impact under different climate scenarios.

Risk 2: rising operational costs for purchased goods and services, as suppliers pass on increased carbon price costs.

Increased supplier costs from exposure to carbon taxes: with the introduction of CBAM in the EU in 2027 and other potential carbon pricing mechanisms in other regions, it is possible that Capita's suppliers, especially in technology and hardware sectors, will be increasingly exposed to carbon taxes which may be passed through to customers including Capita.

To assess the potential financial impact from suppliers, Capita's Scope 3 purchased goods and services and capital goods emissions profile was grouped into sectors then projected based on business growth, supplier decarbonisation targets (SBTi aligned only) and for suppliers without targets the International Energy Association's (IEA) pathways for decarbonisation by sector grouping were used to estimate future emissions.

Carbon prices under the NGFS scenarios (Current Policies, Delayed Transition and Below 2 degrees) were then applied to the emissions projections.



Responsible business › TCFD continued

Risk 1: Increased expenditure in climate mitigation measures required to meet Scope 1 and Scope 2 targets

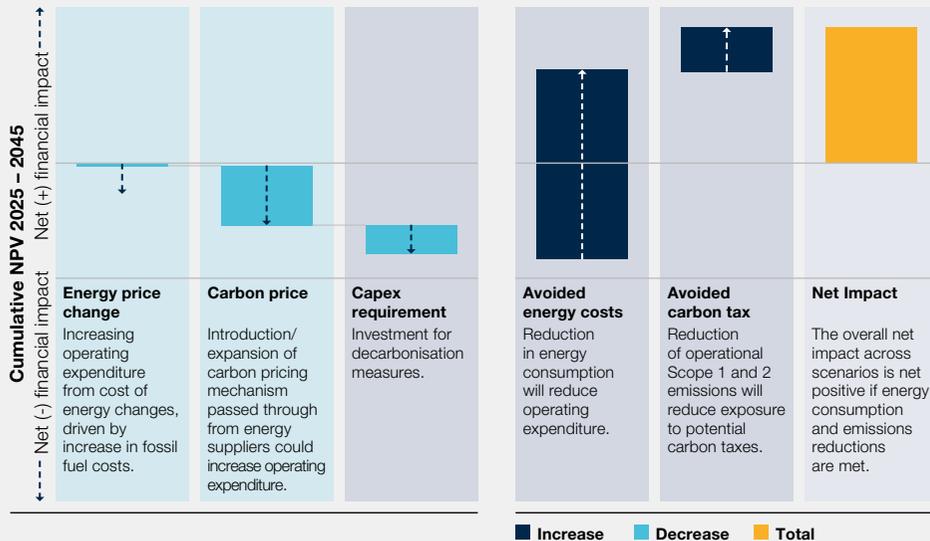
Energy and carbon costs projections use **NGFS Delayed Transition scenario**

Before mitigation

Potential impacts under climate scenario before accounting for decarbonisation actions.

After mitigation

Capita has long-term decarbonisation targets of achieving net zero by 2045 (a 90% reduction in Scope 1 and 2 emissions). Overall, results show that while there will be some investment requirements to support carbon-reduction measures at sites under our operational control, the expected reduction in energy consumption and associated emissions will significantly mitigate the potential financial impact.



The initial assessment did not identify any material financial impacts under the mitigated scenarios reviewed. However, it did highlight several areas that require further analysis because they were outside the scope of this first phase. This includes our downstream leased asset site portfolio and additional considerations on the different leasing terms of our direct sites.

Risk 2: rising operational costs for purchased goods and services, as suppliers pass on increased carbon price costs.

Carbon costs projections use **NGFS scenarios**

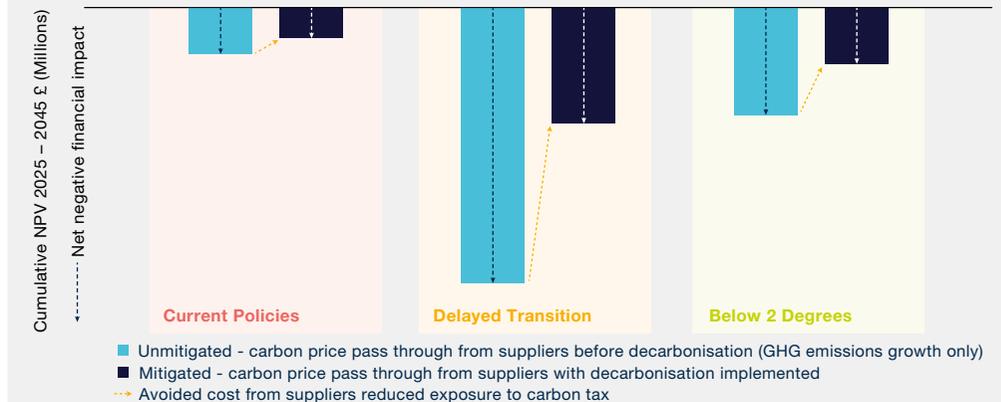
Before mitigation

Potential impacts under climate scenario before accounting for supplier decarbonisation actions.

After mitigation

Capita has Scope 3 supplier decarbonisation targets and engagement plans in place. If decarbonisation plans are implemented and suppliers meet target reductions, this will result in lower exposure to future carbon taxes. The delayed transition scenario has the highest cost exposure due to the higher potential carbon costs by 2045 (£70 – £410 per tCO₂e).

Carbon costs associated with suppliers



The assessment helped us identify the sectors that are most vulnerable to potential future pass through costs from the climate transition. These insights will inform our supplier engagement plans, ensuring we prioritise more proactive engagement where the potential cost impact is higher.

Capita's LCTP: managing climate-related risks and opportunities

Ambition and strategic approach

Capita is committed to achieving net zero greenhouse gas emissions across its entire value chain by 2045, supported by science-based targets verified by the SBTi. Our LCTP is our road map to net zero.

How the transition plan manages exposure to climate-related risks and opportunities

| Key risk or opportunity | LCTP actions to address |
|--|---|
| Climate policy and compliance | The plan embeds compliance into governance, reducing exposure to regulatory shocks and reputational harm. |
| Market shift: customer climate expectations | By expanding low-carbon offerings and building internal capabilities, Capita is positioned to meet rising demands for sustainable services. |
| Investments for decarbonising our business | Proactive planning and budgeting for decarbonisation investments (buildings, vehicles, systems) mitigate financial and operational risks. |
| Supply chain climate costs | Supplier engagement and the requirement for science-based targets help manage cost volatility and reputational risks in the value chain. |
| Physical climate risks | The plan integrates climate resilience into property and continuity planning, including adaptation measures for extreme weather events. |
| Energy efficiency in buildings | Investments in energy efficiency deliver operational savings, enhance sustainability credentials, and improve employee comfort. |
| Growth in low-emission services | Capita's expanding portfolio of low-carbon services increases contract wins, strengthens brand reputation, and future-proofs the business. |
| Renewable energy procurement | Long-term contracts and on-site generation help stabilise energy costs and demonstrate Capita's commitment to environmental responsibility. |

How climate related risks and opportunities are managed at Capita

Climate change is fully integrated into Capita's enterprise risk management framework as part of the RB principal risk, managed with the same discipline as other key risks (see pages 79 and 80 for more details on Capita's enterprise risk management framework). The term RB principal risk corresponds to the Capita's Environment Social and Governance principal risk (ESG PR7). The Audit and Risk Committee oversees progress with quarterly updates, and the risk is owned by the Chief People Officer. As with all Group-wide risks, the scoring process applied to climate change within the RB principal risk identifies key controls to reduce the risk level from inherent to residual. Risk reduction actions are developed to achieve the risk target, which is set using the risk appetite defined by the Board. Current climate risk controls can be found in the risk and opportunities tables on pages 71 to 74.

Risk integration approach

We also annually conduct specialised analyses to understand the unique, long-term nature of climate risks. The Environment and Group Risk teams collaborate on monitoring climate scenarios and emerging issues, and the findings are integrated into our overall enterprise risk management process. Climate risks and opportunities recorded in Capita's risk management system where they are reviewed and integrated at all business levels. Major climate risks are escalated to the RB principal risk profile, ensuring visibility and action through our established risk governance and reporting processes.

Responsible business › TCFD *continued*

Metrics & targets

These metrics are designed to monitor exposure to climate-related risks and progress on climate-related opportunities, ensuring accountability against our transition plan.

| Metric category | Reason for having this metric | What page we have reported this on | Notes/next steps |
|---|--|------------------------------------|---|
| GHG emissions (Scope 1, 2, 3) and emissions intensity | Tracks exposure to transition risk from carbon pricing, regulation, and client expectations; measures progress on decarbonisation opportunities. | 65 | Methodologies follow the GHG protocol and targets are SBTi-verified. External assurance details are on page 65. |
| Transition risks – amount and extent of assets or business activities vulnerable to transition risks | Identifies business areas most exposed to policy, market, and technology shifts; informs strategic investment and resilience planning. | 71-76 | |
| Physical risks – amount and extent of assets or business activities vulnerable to physical risks | Assesses vulnerability to extreme weather and climate impacts; supports adaptation planning and continuity measures. | Not yet reported | Capita currently reports metrics to assess transition-related climate risks and opportunities and will focus on physical climate risks in the future. |
| Climate-related opportunities – proportion of revenue, assets, or other business activities aligned with climate-related opportunities | Measures growth in low-carbon services and energy efficiency offerings; links to strategic opportunity capture. | 71-76 | Opportunity captured under avoided costs – energy prices and carbon taxes. |
| Capital deployment – amount of capital, expenditure, financing, or investment deployed toward climate-related risks and opportunities | Demonstrates proactive investment to mitigate risks (eg compliance, resilience) and capture opportunities (eg renewables, efficiency). | Not yet reported | Capita intend to report on capital deployment metrics in the future. |
| Internal carbon prices – price on each ton of GHG emissions used internally by Capita | Embeds cost of carbon into decision-making; incentivises low-carbon choices and mitigates financial risk from future regulation. | Ref page 61 | We have not implemented internal carbon pricing yet but recognise its potential and are committed to exploring it during our transition. |
| Remuneration – proportion of executive management remuneration linked to climate considerations | Aligns leadership incentives with delivery of climate targets and risk mitigation actions. | Ref page 43 | Capita does not currently link remuneration to low carbon transition, but we continue to review this. |

SBTi verified climate related targets

Capita is committed to ambitious climate action through the adoption of science-based targets, verified by the SBTi. These targets form a central pillar of our wider sustainability strategy, demonstrating our resolve to significantly reduce GHG emissions across our operations and value chain. Our LCTP is our roadmap for achieving these targets, more detail can be found on pages 64 and 65.

Use of carbon credits and GHG removal activities

Capita does not currently use carbon credits or GHG removals to meet its climate targets, instead prioritising deep emissions reductions. Only after reducing absolute emissions by at least 90% will high-quality, verified credits or removals be considered, with a focus on transparency and rigorous criteria. Our approach will be regularly reviewed to stay aligned with best practice and stakeholder expectations.

Risk management and internal control

We proactively manage risks and pursue ongoing improvements

Capita faces a range of risks which, if they materialise, could adversely impact the Group's financial performance, reputation, operational resilience, and delivery of services to customers. Our established governance structures and Group risk management framework (GRMF) underpin effective risk management and internal control processes. These are essential for safeguarding shareholder value, effective and resilient delivery to our clients and customers, and achieving strategic objectives, including readiness to explore new growth opportunities. In 2025, we introduced technology by partnering with a third party to develop a tailored risk management and control self-assessment tool, designed to strengthen our risk management and monitor compliance of material controls in readiness for Provision 29, see later in this section for more details.

Risk governance and oversight

The Board is ultimately accountable for providing strategic governance and stewardship of the group and is committed to the continuous improvement of governance structures and risk management processes. The Audit and Risk Committee (ARC), operating under delegated authority from the Board, reviews and assesses Capita's risk management and internal control systems. The ARC oversees the principal risk profile and ensures that management develops and implements effective risk response strategies. Throughout 2025, the ARC continued to review and update the Board on the Group's

risk management and internal control systems, including monitoring the effectiveness of procedures for financial reporting, compliance, and operational matters.

The executive risk and ethics committee (EREC) identifies, assesses, and monitors principal risks across Capita's unregulated businesses and provides regular updates to the ARC. For Capita's financial services businesses, regulatory oversight is provided by the financial regulated entities oversight committee (FREOC), chaired by an independent non-executive director and supported by specialist risk and compliance professionals. The FREOC updates the ARC on the management and mitigation of regulatory risks.

Capita's risk management policy mandates a unified approach to risk management across all business areas. The accompanying risk management standard sets out mandatory risk management steps/process, ensuring leaders at all levels identify, manage, monitor and report risks in line with the GRMF. The GRMF promotes consistency, proactive communication, and collaboration across the group, supporting timely escalation and decision making. We continually seek opportunities to strengthen our risk management and internal control environment by introducing greater rigour and standardisation, safeguarding operational resilience and enabling delivery against strategic objectives. Capita recognises that risk cannot be fully eliminated and that there are certain risks the Board and/or business leaders will accept when pursuing strategic business opportunities.

However, these risk acceptance decisions are made at an appropriate authority level and reflect the defined risk appetite.

Internal controls and Financial Reporting Council revisions to UK Corporate Governance Code

The Financial Reporting Council (FRC) introduced revisions to the UK Corporate Governance Code in January 2024 to strengthen board accountability and enhance transparency in risk management and internal controls. A key change, set out in Provision 29 and effective for financial years beginning on or after 1 January 2026, requires boards to declare in the annual report the effectiveness of all material controls, including financial, operational, reporting, and compliance, and disclose any weaknesses and actions taken. Capita launched an internal controls improvement programme in 2024 to document key business processes and material controls. This programme is overseen by the ARC, and in 2025 we undertook an initial identification of key business processes, documented these processes and identified material controls, and defined a testing and assurance plan to comply with the revised Code and the Provision 29 disclosure requirements. The ARC will continue to monitor progress of this programme in 2026. The Group Internal Audit function will provide assurance over control design and operating effectiveness as part of its 2026 audit plan. The Board and the ARC recognise the importance and challenge to fully embed a robust internal control framework.

Minimum control standards

Minimum control standards refer to the self-assessment of financial controls undertaken by the finance function to identify areas where improvements are required. Any material issues are dealt with through mitigating activities to ensure the effectiveness of the existing controls over financial reporting. During 2025, the finance function ran the self-assessment process to obtain assurance over the operation of key financial controls which were operating effectively. The results from the self-assessment exercise are reported to the ARC.

Key control questionnaire

Capita conducts an annual key control questionnaire (KCQ) process as part of its management attestation approach. Through the KCQ, business leaders confirm the effectiveness of financial, operational, IT and resilience controls and adherence to group policies linked to principal risks within their respective functions, divisions, or business units. The process also requires disclosure to the CEO and CFO of any areas of non-compliance or weaknesses in control execution. By reinforcing accountability, the KCQ increases awareness of responsibilities for maintaining an effective control environment. Results from the KCQ are used to develop control improvements and are reported to the ARC jointly by the CEO and CFO in their annual control effectiveness attestation letter. Progress on these improvement actions is monitored by the EREC throughout the year.

Risk management and internal control *continued*

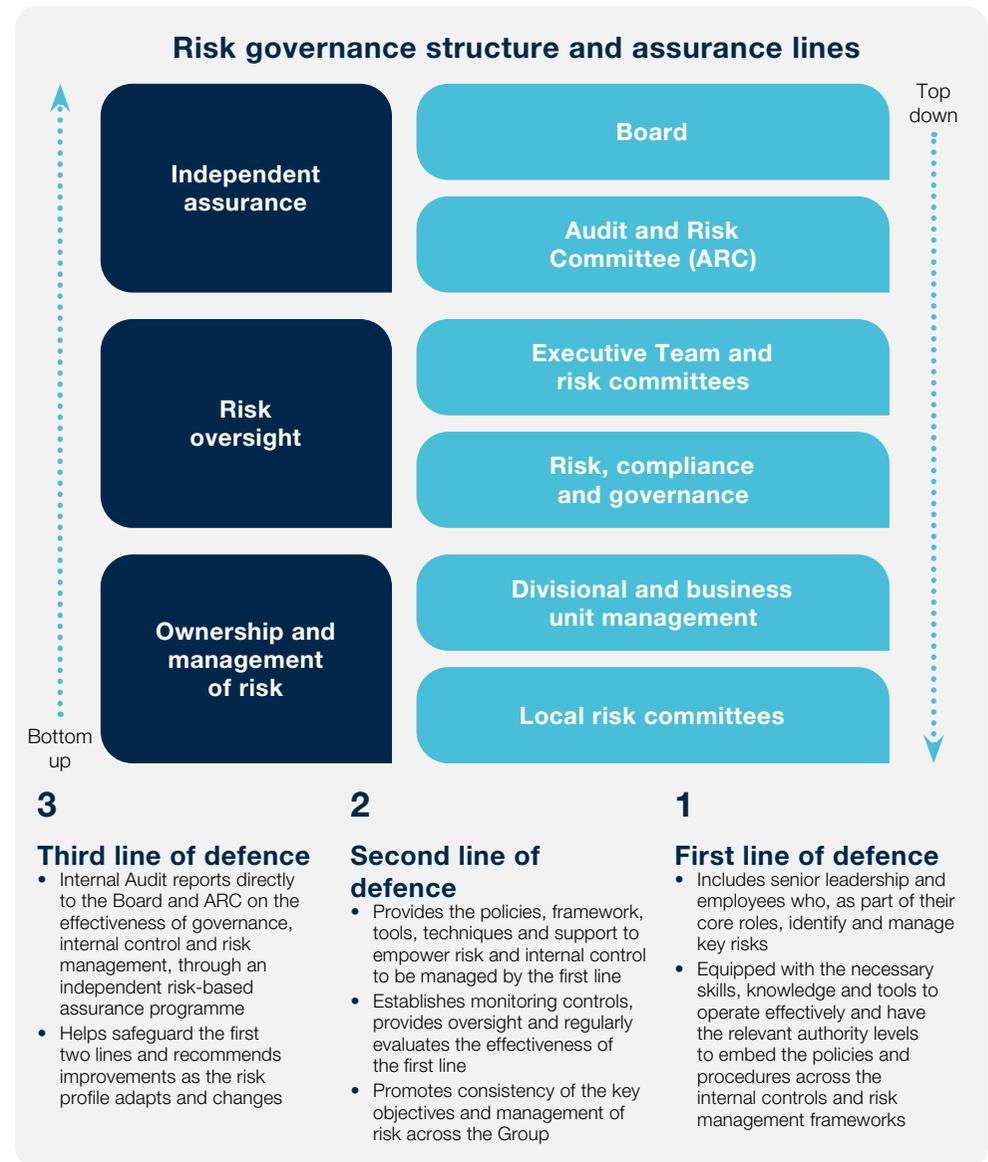
New risk management and control self-assessment application

During Q4 2025, Capita launched a new risk management and control self-assessment tool, developed in partnership with a third party. This tool embeds technology into our end-to-end risk management process, and also provides an audit trail for risk data and streamlines review and approval processes. Real time dashboards and data analytics enable proactive monitoring and a better view of how we are managing our risks.

Risk management process

Capita’s GRMF comprises the risk management policy, standard, guidance, training materials, and tools, and sets out the mandated approach for managing risks across the group. Implementation and execution of the risk management policy is owned by business leaders within their respective functions, divisions, and business units. The GRMF provides a consistent methodology for identifying, assessing, responding, monitoring, and reporting on risks and opportunities. It also ensures that ownership and responsibilities for managing risks and operating risk governance committees are clearly defined and embedded across the group.

The risk management process outlined in the standard is reported through established governance committees. Risks are documented in risk registers with assigned owners responsible for periodic reviews and reporting on risk status, including any mitigation actions. The outcome of these reviews is reported to business units, divisional and functional risk and assurance committees, and subsequently at the EREC and the ARC. The effectiveness of existing controls is evaluated to determine whether further mitigating actions are required to manage risks within the Board approved risk appetites. Business leaders adopt a ‘top-down, bottom-up’ approach to ensure risk information flows across all levels of Capita. A centrally coordinated risk and assurance committee timetable supports timely escalation of risk information from business units to divisions/functions, then to the EREC, and ultimately to the ARC.



Emerging risks

Emerging risks are identified through a bottom-up process by functions, divisions, and business units, complemented by a top-down view from the Executive Team. Regular reviews of all risks, including emerging risks, are conducted through Capita's risk governance committees. In Q4 2025, it was agreed that a supply chain failure risk should be included as a principal risk in 2026. Further consideration of this risk reflects alignment with Capita's strategic objective to leverage technology and AI partnerships to deliver better outcomes for clients and end customers.

Our principal risk profile

Principal risks are those considered most material to Capita's performance, reputation, and operational resilience. Each principal risk is owned by a member of the Executive Team, ensuring accountability and appropriate focus on effective management. The principal risk profile is reviewed twice a year at EREC to confirm its progress against planned trajectory, relevance and alignment with strategic objectives.

Capita has individual risk appetites for each principal risk, defining the level of risk Capita is willing to accept. These appetites are categorised as averse, cautious, moderate, or high, and guide risk owners in developing response strategies. We have adopted 'cautious' instead of 'low' as a risk appetite to provide a clearer and more proactive reflection of our overall risk management approach. Using cautious communicates a vigilant and deliberate stance, recognising that while risks may be managed, ongoing monitoring, assessment and adaptability are essential. The EREC and ARC approved these risk appetites, which were reviewed and updated in 2025 and will be reviewed annually to ensure they reflect Capita's evolving risk posture.

The Board remains confident that existing governance frameworks and risk management processes enable effective identification and management of risks, including emerging risks, while acknowledging the ongoing work required to fully embed a more robust internal control framework to allow for disclosure aligned to Provision 29 requirements. Principal risks are assessed over the same three-year horizon as the Group's viability statement. For each risk, listed below, Capita discloses key drivers, current mitigations, planned future actions, and the associated risk appetite level.

Principal risk

1. Profitable growth

Attract new clients and retain existing clients on appropriate commercial terms

Executive owner:

Divisional Chief Executive Officers

Risk appetite:

Moderate

2025 risk trend:

Stable

Key risk drivers

- Ineffective client engagement and/or relationship management
- Non-competitive cost proposition and solutions
- Inappropriate commercial terms
- Lack of investment in technology solutions to innovate and deliver in new customer value propositions
- Misalignment to market requirements

How we manage the risk

Securing new contracts or renewing existing agreements on commercially viable terms is a core element of our growth strategy. We continue to place greater emphasis on harnessing digital platforms and technology-driven solutions to strengthen and enhance our customer value propositions.

Mitigating actions

- Sales governance process
- Investment committee
- Growth operating model
- Regular performance reviews/checkpoints
- Annual client engagement survey

Future mitigation

- Acceleration of technology strategy through our new Chief AI & Product Officer in collaboration with hyperscalers
- Continue to strengthen customer focus
- Focus on a broader range of target deals

Risk management and internal control *continued*

Principal risk

Key risk drivers

How we manage the risk

2. Contract compliance

Deliver services to clients in line with contractual and legal obligations

Executive owner:

Divisional Chief
Executive Officers

Risk appetite:
Cautious

2025 risk trend:
Stable

- Contract and/or legal obligations not understood
- Poorly designed or ineffective contract frameworks
- Inadequate workforce planning/roles and responsibilities unknown
- Supply chain failure
- Poor data integrity/availability

Our clients and customers remain central to everything we do. Delivering services that meet contractual and legal obligations, while consistently going beyond expectations, is fundamental to our strategy and reinforces our position as a trusted partner. We maintain a strong focus on enhancing customer engagement and strengthening governance across the contract lifecycle.

Mitigating actions

- Contract performance reviews
- Workforce management/planning
- Contract lifecycle process
- IT disaster recovery and operational business resilience recovery plans

Future mitigation

- Contract monitoring and assurance
- Continue to deepen relationships through regular engagement and feedback mechanisms to anticipate evolving client needs
- Expand the use of technology-enabled platforms to improve service delivery

Principal risk

Key risk drivers

How we manage the risk

3. AI adoption and governance

Strategic and operational exposure from inadequate AI adoption and governance

Executive owner:

Chief AI &
Product Officer

Risk appetite:
Moderate

2025 risk trend:
Stable

- Absence of a clear AI adoption roadmap or strategy
- AI solutions misaligned to organisational strategy
- Limited skilled resources in AI and data science
- Inadequate governance frameworks for AI development & deployment
- Regulatory non-compliance and poor data governance
- Dependence on external 3rd parties

This is a newly created risk that was previously called Innovation. Capita manages the strategic and operational risks associated with AI adoption and governance through a structured approach that aligns AI initiatives with business objectives, ensures robust governance, and fosters a culture of responsible innovation.

Mitigating actions

- Formalisation and communication of AI strategy
- Standardisation of AI platforms and solutions
- Development and implementation of training and culture initiatives
- Establishment of robust governance and oversight
- Enhancement of data governance and compliance

Future mitigation

- Expand and track AI training
- Strengthen governance frameworks
- Implement synthetic data policy

| Principal risk | Key risk drivers | How we manage the risk |
|--|--|--|
| <p>4. People attraction and retention</p> <p>Attract, develop, engage and retain the right talent</p> <p>Executive owner: Chief People Officer</p> <p>Risk appetite: Cautious</p> <p>2025 risk trend: Stable</p> | <ul style="list-style-type: none"> Increased demand for digital and specialist skills across the labour market Attrition in critical roles and leadership positions Gaps in future-fit capabilities required to support transformation programmes Challenges in maintaining employee engagement and cultural integration following the operating model changes Pressure to maintain competitive pay and benefits across geographies | <p>In 2025, talent attraction and retention were influenced by market volatility, competitive labour markets, specialist skills gaps and internal transformation. Our people remain a critical asset, and we will continue to prioritise engagement, development, and retention as we move into 2026.</p> <p>Mitigating actions</p> <ul style="list-style-type: none"> Embedding of culture initiatives across divisions to strengthen engagement and inclusion Completion of leadership enablement programmes to enhance capability and succession planning Roll out of career path framework to support internal mobility and development Integration of global reward framework to standardise core benefits and pay governance globally Implementation of systemised workforce planning to improve forecasting and resource allocation <p>Future mitigation</p> <ul style="list-style-type: none"> Enhanced employee value proposition, focus on flexible benefits and wellbeing Global talent marketplace, to accelerate redeployment and reduce external hiring dependency Continuous key risk indicator development, improved data insights for proactive risk management |

| Principal risk | Key risk drivers | How we manage the risk |
|--|--|--|
| <p>5. Financial stability and resilience</p> <p>Our ability to maintain financial resilience and achieve financial targets</p> <p>Executive owner: Chief Financial Officer</p> <p>Risk appetite: Cautious</p> <p>2025 risk trend: Stable</p> | <ul style="list-style-type: none"> Unexpected breach of debt covenants resulting in inability to draw down facilities/refinance as required Inaccurate (long and short term) forecasting, business planning and connected cash flow volatility Insufficient cash-back profits resulting from revenue shortfalls or excess cost Inefficient cost base Significant unexpected cash-consumptive event(s) | <p>The trading performance of the Group is outlined in the Chief Financial Officer's review. The Group's low levels of net debt, pension surplus, prudent balance sheet management and focus on improving free cash flow before business exits, all serve to mitigate the risk of financial instability.</p> <p>Mitigating actions</p> <ul style="list-style-type: none"> Deal approval board approves key contracts, monitoring of major contract risks Internal review and challenge of business plan and forecasting during the year Scenario modelling (including stress testing) during business planning which is presented to the Board Prospective monitoring of direct cash flow and covenant compliance Maintenance of appropriate insurance to mitigate some events Ongoing reviews of business performance and proactive monitoring to maintain cost efficiency Positive/proactive engagement (debt investors & relationship banks) <p>Future mitigation</p> <ul style="list-style-type: none"> External review of the Group's debt structure Continued rationalisation of the Group's property portfolio |

Risk management and internal control *continued*

| Principal risk | Key risk drivers | How we manage the risk |
|--|---|--|
| <p>6. Cyber security Protect our systems, networks and programs from unauthorised use and access Executive owner: Chief Technology Officer</p> <p>Risk appetite: Averse</p> <p>2025 risk trend: Reducing</p> | <ul style="list-style-type: none"> Sub-optimal identify, protect, detect, respond, and recover capability (cyber security's five functions as defined by the National Institute of Science and Technology (NIST)) External threat (technology change, legal and regulatory) People (insider threat, capacity and capability, training and awareness) Third party and partners' inadequate cyber and information security posture Threat landscape changes due to geopolitical shifts | <p>The residual risk has reduced due to continued investment in strengthening IT controls, which has enhanced the Group's overall cyber security posture and protection against unauthorised access. Over the past year, we have further improved our cyber detection and response capabilities through our partnership with a managed security service provider. We have reduced the risk of data loss by implementing data loss prevention technology across the estate and have strengthened access controls for our most privileged users.</p> <p>Our security strategy is grounded in industry best practice and aligned to internationally recognised frameworks, including the NIST Cybersecurity Framework. An independent third party assessment in 2025 confirmed that our NIST maturity score now places us ahead of peer organisations. Continued investment is planned to build on this progress and further enhance our resilience in the coming years.</p> <p>Mitigating actions</p> <ul style="list-style-type: none"> Cyber security strategy and maturity assessment framework Security tooling strategy is delivering an enhanced posture to plan Enhanced data loss prevention and improved detection and response capabilities Cyber training, awareness and security champions network <p>Future mitigation</p> <ul style="list-style-type: none"> Deliver ongoing cyber improvement initiatives Deliver consistent multi-cloud security capabilities Deliver controls to mitigate the risk associated with agentic AI adoption Continued focus on human aspects of cyber risk |

| Principal risk | Key risk drivers | How we manage the risk |
|--|---|--|
| <p>7. Environment, social and governance (ESG) Comply with regulatory and contractual requirements to drive a purpose driven organisation with the right focus on governance Executive owner: Chief People Officer</p> <p>Risk appetite: Cautious</p> <p>2025 risk trend: Stable</p> | <ul style="list-style-type: none"> Increasing regulatory obligations (eg Corporate Sustainability Reporting Directive) Net zero commitments and emissions reduction targets Supply chain sustainability and adherence to the Supplier Charter Diversity, inclusion & pay equity requirements Board governance standards and executive accountability Human rights and modern slavery compliance | <p>Capita upholds its commitment to achieve net zero by 2045, minimise our environmental footprint, and enable clients and suppliers to do likewise.</p> <p>Mitigating actions</p> <ul style="list-style-type: none"> Implemented enhanced ESG governance reporting via risk governance forums Updated net zero targets and monitoring dashboards Embedded diversity & inclusion metrics into workforce planning Rolled out mandatory training on ESG compliance and modern slavery Strengthened supplier due diligence aligned with the supplier charter <p>Future mitigation</p> <ul style="list-style-type: none"> Expand Scope 3 emissions reporting and improve data quality Review of the risk, in line with our new double materiality assessment and the RB Committee priorities for 2026 and beyond Continue integration of ESG principles into talent and reward frameworks Advance Board-level ESG competency and independence reviews |

Principal risk**Key risk drivers****How we manage the risk****8. Safety and health**

Protect the safety and health of all Capita's employees and manage our duty of care to them, the people we work with and those affected by our acts and omissions

Executive owner:

Divisional Chief
Executive Officers

Risk appetite:

Averse

2025 risk trend:

Stable

- Lack of ownership and accountability across Capita
- Inadequate HSE capability, capacity and structure
- Inadequate incident and near miss reporting and analysis
- Lack of standardised and reliable HSE Analytics
- Non-adherence to construction (design and management) regulations
- Lack of implementation of HSE systems, processes and procedures

As a responsible employer we are committed to the safety, health and wellbeing of all Capita's employees, the people we work with and those affected by our acts and omissions.

Mitigating actions

- Framework of HSE policies, procedures and standards including mandatory training
- HSE strategy and governance in place across the organisation, including HSE champions
- HSE accidents, incidents, near misses and hazards reporting
- Provision of DSE training, assessment and equipment

Future mitigation

- Review of HSE policies, standards and processes
- Design changes to be implemented for HSE assurance
- Updates to online tools for reporting and managing HSE needs alongside HSE systems, metrics and targets to reflect our current working model

Principal risk**Key risk drivers****How we manage the risk cont.****9. Data governance and data privacy**

Manage our data effectively (both clients' and Capita's) as a strategic asset across the organisation

Executive owner:

Chief General
Counsel and Chief
Technology Officer

Risk appetite:

Averse

2025 risk trend:

Reducing

- Poorly defined data governance framework, practices or technology to manage data
- Lack of awareness within the business of regulatory (especially data privacy) obligations
- Obsolete and/or non-compliant IT systems
- Inadequate people training
- Ineffective data inventory mapping

We have established comprehensive controls, including a data ownership framework and actively embedded data management practices, complemented by the Data Privacy Control Framework to ensure robust protection of personal data. These frameworks work together to manage both governance and privacy risks effectively. A culture emphasising accountability has been successfully promoted throughout the organisation, including mandatory training for all employees on data governance and privacy to drive awareness and improve competence. Our intention is to ensure we comply with UK GDPR, the Data Protection Act, and other applicable data protection laws in the jurisdictions we operate in. We have governance and privacy activities and have embedded clear responsibilities for safeguarding personal data throughout its lifecycle.

Mitigating actions

- Internal governance (including policies, standards and operating guidance)
- Strategic maturity enhancement programme (based on Data Maturity Association framework)
- Technology enabled policy enforcement and compliance
- Staff training to promote accountability and ethical use
- Clearly defined governance routines to manage data classification, storage, asset management and retention
- Incident and breach monitoring and reporting processes

Future mitigation

- Continued focus on embedding and improving data privacy and data management processes, controls and practice
- Deployment of enhanced data governance technology to further strengthen data integrity

How we manage the risk

The residual risk has been reduced through focussed programmes of work. Our data governance and privacy strategies are founded on industry best practice and adhere to internationally recognised standards, such as those set by the Data Management Association International, which offers a unified framework for data governance.

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code published by the Financial Reporting Council (FRC) in January 2024, and the FRC Guidance on Risk Management and Business Reporting, the Board has assessed the viability of the Group over the three-year period to 31 December 2028.

Period of assessment

Assessing the Group's viability over a three-year period is aligned with the period of the Group's business planning process. The Board believes that a three-year period provides sufficient clarity to consider the Group's prospects and facilitates the development of a robust base case set of financial projections against which the Group's viability can be assessed.

Capita's strategic plan and priorities

In June 2024, the Executive Team announced forward-looking strategic priorities to improve both operational delivery and financial performance, alongside introducing the strategic themes of better technology, better delivery, better efficiencies and better company.

Since then, the transformation to a better Capita has made significant progress to ensure the long-term resilience of the business. In particular:

- An efficiency programme has delivered £250m of targeted annualised cost savings, which put the Group in a position to fund its profitable growth.
- Agreement has been reached with the final customer in the loss-making closed book Life & Pensions business to hand back their contracts and thereby reduce the uncertainty of future cash outflows.
- Reached a £14m settlement with the Information Commissioners Office, bringing to a close the Group's March 2023 cyber incident.
- Adjusted operating margin¹ improvement from 3.8% to 5.2% in 2025.
- Reduced free cash outflow excluding the impact of business exits¹ of £54.0m, and higher adjusted operating cash conversion¹ of 74% in 2025 (2024: £110.9m outflow and 49% respectively).

- £250m revolving credit facility (RCF) committed until 31 December 2027, the additional committed financing facility of £75m providing additional liquidity upon signing in February 2026 for eighteen months, and the US private placement debt issued in March 2025 with maturities over the period to 2030.

The base case financial projections

The foregoing elements provide the backdrop to the three-year business plan approved by the Board in March 2026. The main assumptions underpinning the base case financial projections in the Group's business plan are set out below:

- Adjusted revenue¹ growth in 2026 and beyond, including improved performance in the Contact Centre business.
- Adjusted operating margin¹ expansion over the business plan period reflecting the benefit of the already delivered cost savings and adjusted revenue¹ growth.
- The transition to positive free cash flow¹ excluding the impact of business exits in 2026.
- £250m RCF committed assumed to be renewed and/or extended for the duration of the viability period.

The most material assumptions, from a viability assessment perspective, relate to the delivery of adjusted revenue¹ growth and renewal and/or extension of the RCF. Capita has been successful in obtaining new and extended financing facilities over the last few years. As such, in concluding on viability the Board believes that it is reasonable to assume that the Group will be successful in refinancing the RCF in line with the assumptions underpinning the base case financial projections.

Principal risks

The Board and the Audit and Risk Committee monitor the principal risks facing the Group, including those that would threaten the execution of its strategy, financial performance, liquidity and compliance with debt covenants. The potential financial impacts of the principal risks crystallising have been taken into account when modelling sensitivities to assess the viability of the Group. The Group's risk review is set out on pages 81 to 85 of this Annual Report and outlines the Group's principal risks, including mitigating actions and future mitigations.

1. Refer to APMs and related KPIs on pages 239 to 245.

Viability scenarios

The three-year base case financial projections were used to assess debt covenant compliance and liquidity headroom under different scenarios. This analysis included assessing the financial impact of potential adverse financial impacts from the crystallisation of the principal risks and in line with those considered in the severe but plausible downside case for the going concern assessment (refer to section 1 of the consolidated financial statements).

The risks applied have not been probability weighted but rather consider the impact should each risk materialise by applying a 'more likely than not' test.

Mitigations

These wide-ranging risks are unlikely to crystallise simultaneously and there are mitigations under the direct control of the Group that could be implemented including, but not limited to, substantially reducing (or removing in full) bonus and incentive payments, reducing discretionary spend, and reductions or delays in capital investment, that can be actioned to address a combination of risk crystallisations that may occur under a stressed scenario. The Board has considered these mitigations in its viability assessment; however it acknowledges that a sustained use of the mitigations identified above could have an adverse impact on the Group being able to achieve its strategic priorities.

In addition, the Board has assumed the additional committed financing facility of £75m is renewed and/or extended. Capita has been successful in obtaining new and extended financing facilities over the last few years. As such, in concluding on viability the Board believes that it is reasonable to assume that the Group will be successful in refinancing both the RCF in line with the assumptions underpinning the base case financial projections, and the additional committed financing facility.

Conclusion

Reflecting the Board's expectations of improving financial performance, as set out above, and its confidence in the Group's ability to extend its RCF beyond its December 2027 maturity, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of the viability assessment.

The strategic report was approved by the Board and signed on behalf of the Board:

Claire Denton, Chief General Counsel and Company Secretary

9 March 2026

Capita plc

Registered in England and Wales
No.2081330

Corporate governance



Structure of the Corporate governance

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- 107** Responsible Business (RB) Committee report
- 110** Audit and Risk Committee (ARC) report
- 119** Directors' remuneration report

Chair's report



“As we look ahead, the Board will maintain its focus on delivering sustainable value, supporting management in the execution of our strategy.”

David Lowden, Chair

Dear Shareholder,

On behalf of the Board, I am pleased to introduce Capita's corporate governance report for the year ended 31 December 2025.

Corporate governance

In January 2024, the Financial Reporting Council (FRC) issued the UK Corporate Governance Code (the 2024 Code), introducing significant changes to strengthen internal controls. Under the 2024 Code, boards are required to monitor and review all material controls and, from 2027, make an annual declaration on their effectiveness for the relevant financial year (for Capita, this will be the year ending 31 December 2026). The 2024 Code applies to Capita from 1 January 2025, with provision 29 on risk management and internal controls effective from 1 January 2026.

The Code also places greater emphasis on culture, with provision 2 requiring boards not only to assess and monitor organisational culture but to explain how it is embedded throughout the company. Recognising culture as a strategic lever in delivering transformation, the Board places significant emphasis on assessing and monitoring how Capita's new culture is being embedded across the Group. In line with provision 2 of the 2024 Code, the Board and its committees receive regular reporting on cultural progress, colleague insights and the development of Capita's multi-year culture programme, which is further detailed in the monitoring culture section on page 91. Embedding culture remains a key area of oversight as the Group continues to evolve.

This report sets out how the Company has complied with the 2024 Code and provides insight into the work of the Board and its committees. In addition, the Audit and Risk Committee report outlines the actions taken to ensure compliance with provision 29.

Board decision making

The Board is committed to strong and effective governance promoting the long-term success and resilience of the Company while acting in the interests of shareholders and wider stakeholders. This commitment is reflected in the Board's regular oversight of the business and the key decisions it takes throughout the year.

The Board maintained regular oversight of the Company's financial position and performance, including monitoring delivery against key contracts such as the Civil Service Pension Scheme transition and the extension of the BBC contract. The Board also oversaw governance of emerging technologies receiving updates on AI governance and innovation through our AI, cloud and data governance council.

During the year, the Board took a number of important decisions to support the Company's strategic, operational and financial priorities. These included approving the issuance of the US private placement notes to diversify the Group's funding sources and extend its debt maturity profile and approving a transition agreement with Royal London, formally establishing Capita's exit from its closed book Life & Pensions business – a significant element of our manage for value strategy. Further detail is set out on page 31.

Chair's report *continued*

The Board additionally took decisions relating to the Company's capital structure, including recommending a 15:1 share consolidation which the Board considered would support the marketability of Capita's shares, and approving a Court sanctioned share premium reduction. The reduction created distributable reserves providing greater flexibility to consider future capital allocation at the appropriate time.

The Board continued to monitor the embedding of Capita's culture, recognising its importance to the successful delivery of the Group's strategy and transformation.

Our s172 statement, which details how the Board considers the views of its stakeholders and principal Board decisions during 2025, is on pages 59 to 63.

Diversity, inclusion, and stakeholder engagement

The Board and its committees have also spent considerable time focusing on actions being taken by management to improve the Group's diversity and inclusion. This remains an important area of focus and further details are provided in the RB Committee report on page 107.

Further information on our engagement with stakeholders can be found in the Engaging with our stakeholders section on pages 59 to 63.

Board composition and review

In 2025, there were no new appointments, and the only change to the Board's composition was the stepping down of Brian McArthur-Muscroft as an Independent Non-Executive Director (NED) in July due to the activity levels of his external CFO role, which meant he was unable to continue to dedicate sufficient time to Capita. The composition of the Board is fully compliant with the requirements of the UK Listing Rules and the 2024 Code.

During the year, the Board has focused on monitoring the implementation of the Group's strategy, providing constructive challenge and support to the Executive Team, and maintaining robust oversight.

The Board continued to make good progress on the actions arising from the 2024 internal Board evaluation. Enhanced colleague and stakeholder engagement, improvements to Board and committee papers, and strengthened client insight were all areas of particular focus during 2025. Site visits, improved reporting and greater visibility of major contracts through more detailed updates all helped to strengthen the Board's overall effectiveness in these areas.

Building on this progress, during 2025 the Board continued to strengthen Capita's governance framework and ensure that its structures and behaviours support the successful delivery of the Company's long term strategy. As part of this commitment, and in line with the requirements of the 2024 Code for externally facilitated reviews, the Board commissioned Ceradas, an independent governance consultancy, to undertake an independent performance review of the Board and its principal committees. The review was conducted in accordance with the 2024 Code and comprised documentation analysis, observation of the December 2025 Board and Committee meetings, and one-to-one interviews with all Directors.

Ceradas concluded that the Board and its committees are operating effectively, with a strong culture of openness, constructive challenge and disciplined oversight. The Board was recognised for its clear strategic focus, high quality debate and strong engagement with transformation priorities, as well as the robust support provided through the Audit and Risk Committee on risk and internal controls.

“Improving the Group's diversity and inclusion remains an important area of focus.”

David Lowden, Chair

The external Board review also identified opportunities to enhance effectiveness further, including dedicating more time to strategic deep dive discussions on hyperscaler partnerships, strengthening focus on workforce health, safety and wellbeing, ensuring the rolling agenda evolves to reflect changing priorities and opportunities, receiving periodic briefings on UK regulatory and governance developments to keep directors up to date with their duties and responsibilities, and expanding NED exposure to the governance of AI. These proposed enhancements to the Board's governance and ways of working reflect its commitment to continuous improvement as Capita's strategy evolves.

A more detailed summary of the externally facilitated Board review undertaken by Ceradas, together with the Board's agreed priorities and action plan for 2026, is set out in the Board review section of this report on pages 99 to 100. This provides further insight into the scope of the review, the conclusions reached, and the steps the Board is taking to continue strengthening its effectiveness.

Governance and looking ahead

The Board remains committed to maintaining the highest standards of corporate governance, in line with the 2024 Code. We continue to monitor regulatory developments and ensure that Capita's governance framework evolves to meet the needs of our business and stakeholders. As we look ahead, the Board will maintain its focus on delivering sustainable value, supporting management in the execution of our strategy, and fostering a culture of openness and integrity across the Group.

On behalf of the Board, I thank you for your continued support and look forward to engaging with you at our 2026 Annual General Meeting.

Yours sincerely,

David Lowden
Chair

9 March 2026

Monitoring culture

Purpose, culture and values

The Board recognises its ultimate responsibility for ensuring that an appropriate culture is in place across Capita to underpin how the business behaves towards all stakeholders. In line with provision 2 of the UK Corporate Governance Code 2024, the Board has assessed and monitored the company's culture and acknowledges that embedding Capita's culture, including the newly introduced values, is an ongoing process. It is satisfied that actions taken to date support alignment with the company's purpose and strategy. Our culture programme is not a standalone initiative but a strategic lever for delivering our transformation agenda. Progress on cultural embedding remains a priority, and the Board will continue to oversee developments to ensure that the desired culture is fully integrated across the organisation.

Resetting our culture

In September 2024, Capita's Group People Director of Performance & Development updated the RB Committee on the multi-year programme to rally, reset and embed Capita's culture, which was initiated earlier that year following Adolfo Hernandez's appointment. This programme has been central to our transformation agenda, beginning with uniting senior leaders through the leadership playbook, mandating leadership development, refreshing our values and creating a colleague playbook.

Throughout 2025, the Board and its Committees received regular updates on the initiatives detailed below and their impact on embedding our new culture. Further details of these and other initiatives taken during the year are provided on page 59 in the Responsible business section.

Embedding new values

A significant milestone in 2025 was the launch of Capita's new values: Customer first, always; Fearless innovation; Achieve together; and Everyone is valued – alongside the colleague playbook. Both were co-created with colleagues globally through workshops, listening sessions and surveys, reinforcing our commitment to an inclusive and collaborative culture. These values are now evident in everyday behaviours, from recognition moments using our Celebrate! platform and team awards to celebrate initiatives across the business.

Listening to our people

The 2025 People Survey provided important insights into colleague engagement and cultural progress. The results were considered by the Board, the RB Committee and the Remuneration Committee, and these bodies will continue to receive updates on the action plans arising from the survey to ensure accountability and sustained improvement.

Leadership development

Additional progress included further development of Capita's top 500 leader programme, which strengthened leadership engagement through fireside chats, mentoring and development opportunities.

Colleague engagement

The Board recognises that meaningful engagement with colleagues is fundamental to Capita's long-term success. In 2025, Dr Nneka Abulokwe OBE, the designated non-executive director for colleague engagement, visited offices in Germany and Bulgaria, meeting colleagues at all levels and offering constructive feedback to management and the Board. Nneka also visited Capita's new flagship office in South Africa.

Jack Clarke, accompanied by Pablo Andres, visited the BBC TV Licensing operation in Darwen and the Primary Care Support England operation in Blackburn, spending time with colleagues and local management teams. In addition, the Board undertook a site visit to the Fire Service College in Moreton-in-Marsh, where members engaged with colleagues and met the Commissioner of the London Fire Brigade. These visits provided important business insights, strengthened the Board's understanding of colleague and stakeholder perspectives, and highlighted how Capita's new culture is being embedded across the organisation.

Georgina Harvey, Chair of the Remuneration Committee, also participated in colleague engagement sessions focused on pay and progression. The Board continues to monitor the effectiveness of these mechanisms in capturing and addressing workforce concerns. Engagement extended beyond colleagues to include clients and shareholders, ensuring that Board decision-making is informed by a broad range of stakeholder views and reinforcing our commitment to transparency and accountability.

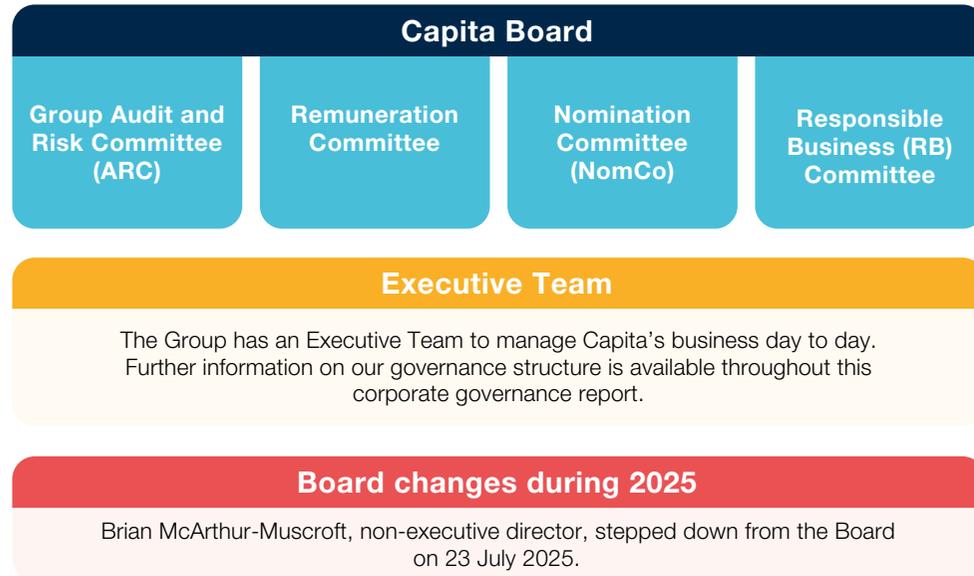
How the Board monitors culture

The Board monitors culture through a range of mechanisms, including regular updates, engagement activities and governance oversight:

- **Regular updates:** culture programme reports by the Chief People Officer and Group People Director of Performance & Development; strategy updates; CEO's report; divisional CEO presentations
- **Engagement mechanisms:** annual and pulse colleague surveys; site visits by the designated director with colleagues engagement, the Board and individual Board members; discussions with ENGs; and workforce engagement sessions on pay and progression attended by the Remuneration Committee Chair
- **Governance oversight:** Board Committees; Speak Up reports; Internal Audit reports reviewed by the ARC

Governance at a glance

The Board is collectively responsible for promoting Capita's long-term sustainable success, generating value for shareholders, and contributing to wider society. To assist in providing effective oversight and leadership, the Board has established the following committees:



There have been no changes to Board membership from 1 January 2026 to the date of this report.

Governance highlights

During 2025 our governance framework supported our strategic delivery in a number of ways, including:

In March 2025, following repayment of £53.6m of US private placement loan notes in January 2025, the Board approved the issuance of £94.2m equivalent of US private placement loan notes across three tranches maturing between 2028 and 2030 to extend the Group's funding maturity profile and underpin the Group's transformation strategy.

In April 2025, the Board recommended the 15:1 share consolidation to shareholders, which was approved at the 2025 AGM. The Board considers that the share consolidation which was effective on 29 April 2025 has improved the marketability of Capita's ordinary shares.

In April 2025, the Board recommended the cancellation of the Company's share premium account, which was approved by shareholders at the 2025 AGM and by the High Court on 13 June 2025. This has created distributable reserves enabling the Company to optimise its balance sheet and return funds to shareholders at the appropriate time.

On 1 July 2025, the Board approved a 12-month extension of the maturity date of its £250m revolving credit facility to 31 December 2027, including a £50m accordion option, which gives flexibility to increase the facility by up to £50m if needed.

In October 2025, the Board approved a £14m settlement with the Information Commissioner's Office relating to the March 2023 cyber incident. The payment was made in 2025.

In December 2025, the Board approved the transition agreement with Royal London, marking Capita's exit from its closed book Life & Pensions business—a key milestone in our manage for value strategy. As part of this agreement the Board welcomed Royal London as a major shareholder.

Conducting an external Board and Committee review.

Reviewing and approving Capita's Gender, Ethnicity and Disability Pay Gap Report 2025.

Monitoring and assessing the Company's culture and how it is being embedded within the Group.

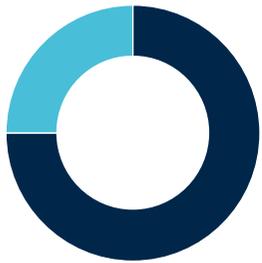
Reviewing and approving Capita's Modern Slavery Statement 2025.

Approval of Capita's low carbon transition plan.

Board composition at 31 December 2025

There were no changes in the composition of the Board from 1 January 2026 to 9 March 2026.

Gender representation in senior Board positions



Male: Chair/CEO/CFO 3
Female: SID 1

Gender diversity



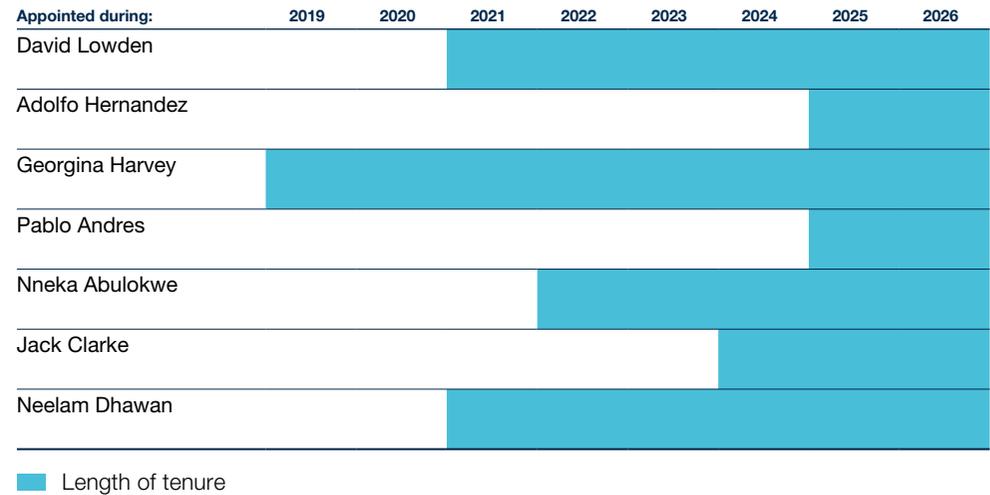
Male 57%
Female 43%

Ethnic diversity



White 5
Persons of colour 2

Board tenure



Board skills and experience

| Director | Government contracting | Regulated businesses | Business process outsourcing | Consulting | Account management | Technology and/or digital | AI/Gen AI | Transformation and strategy | Cyber security | Finance | International | Sustainability | P&L experience/responsibility | Corporate governance stakeholder in FTSE listed environment (excl. Capita) |
|------------------|------------------------|----------------------|------------------------------|------------|--------------------|---------------------------|-----------|-----------------------------|----------------|---------|---------------|----------------|-------------------------------|--|
| David Lowden | | | | | | | | • | | • | • | | • | • |
| Adolfo Hernandez | • | • | | • | • | • | • | • | • | | • | • | • | • |
| Georgina Harvey | | | • | | • | | | • | | | | • | • | • |
| Pablo Andres | • | • | • | | | | | • | | • | • | | • | • |
| Nneka Abulokwe | • | • | • | • | • | • | • | • | • | | • | • | • | • |
| Jack Clarke | | | • | | | • | | • | | • | • | | • | • |
| Neelam Dhawan | • | • | • | • | • | • | | • | • | | • | | • | • |

Board of directors

Chair



David Lowden

Chair

Appointed: January 2021 Independent Non-Executive Director; March 2021 Senior Independent Director; May 2022 Chair

Independent at appointment: Yes

Key skills and experience:

- David is a highly experienced non-executive director, senior independent director and chair of UK listed companies. He was formerly Chair of PageGroup plc and Huntsworth plc, Senior Independent Director at Berendsen, Chair of the Audit and Risk Committee at William Hill, Chair of the Audit Committee at Cable & Wireless Worldwide plc and Chief Executive of Taylor Nelson Sofres plc.

Other current appointments:

- Chair of Diploma plc; and Senior Independent Director of Morgan Sindall plc.

Key to committees

(A) Audit and Risk **(N)** Nomination **(R)** Remuneration **(RB)** Responsible Business **(●)** Committee chair

Executive Directors



Adolfo Hernandez

Chief Executive Officer

Appointed: January 2024

Key skills and experience:

- Adolfo has c.30 years' experience in the technology sector, achieving an excellent record in accelerating revenue growth driven by digital services. Prior to joining Capita, Adolfo was Vice President of Amazon Web Services Global Telecommunications which is focused on enabling digital transformation to the cloud for customers across the globe. Former positions include: CEO of SDL plc (now part of RWS Group); and CEO of Acision (now part of Mavenir) and various global leadership roles at Alcatel-Lucent, Sun Microsystems and IBM. In 2020, Adolfo was named Tech CEO of the Year at the UK Tech Awards.

Board responsibilities:

- Managing and developing Capita's business to achieve the Company's strategic objectives.

External appointments: None.



Pablo Andres

Chief Financial Officer

Appointed: Appointed as a Director on 15 July 2024, and as Chief Financial Officer on 9 August 2024.

Key skills and experience:

- Before joining Capita, Pablo was Group CFO of Ventient Energy, a pan-European renewable energy company. Prior to Ventient, Pablo was Group Financial Controller of G4S plc from 2013-2020 and CFO of London Stansted Airport from 2011 to 2013. He has also held senior finance roles at BAA airports and Ferrovial Group. He trained at Arthur Andersen/Deloitte in Spain between 1996 and 2005.

Board responsibilities:

- Overall control and responsibility for all financial aspects of the business's strategy.

External appointments:

- Non-Executive Director, Chair of the Audit and Risk Committee and Chair of the Treasury Committee of the GreenSquareAccord Group.

Independent Non-Executive Directors



Georgina Harvey

Senior Independent Director (SID)

Appointed: October 2019 (Non-Executive Director); July 2022 (SID)

Key skills and experience:

- Georgina has significant experience across highly competitive consumer-facing markets and of delivering successful transformational change. Prior to her non-executive roles, Georgina was Managing Director of Regionals and a member of the Executive Committee of Trinity Mirror plc from 2005 to 2012. Georgina has previously served as a Non-Executive Director on the Boards of Superdry plc, McColl's Retail Group plc, Big Yellow Group plc, and William Hill – all as Chair of the Remuneration Committee. Georgina was a Non-Executive Director and Chair of the Remuneration Committee of Britvic plc from January 2024 until 16 January 2025, when she resigned following the completion of the takeover of Britvic by Calsberg A/S.

Other current appointments:

- Senior Independent Director of M&C Saatchi Plc.

Independent Non-Executive Directors



Nneka Abulokwe OBE

Appointed: February 2022

Key skills and experience:

- Nneka has significant experience of delivering large-scale, high-profile technology programmes for governments and private institutions globally. She held senior and executive positions with Logica (now CGI), Atos and Sopra Steria during a corporate career spanning more than 25 years, before founding MicroMax Consulting, where she is currently Principal Advisor.
- Nneka was awarded Officer of the Order of the British Empire (OBE) in 2019 for services to business. She holds a Bachelor's and Master's in History and an Executive Doctoral/PhD degree in Business Administration, specialising in the outsourcing of tech services.

Other current appointments:

- Director of MicroMax Consulting; Member of the Board of Visitors of Ashmolean Museum, University of Oxford; Adviser to the Cranfield School of Management International Advisory Board; and DoGood Africa.

Key to committees

A Audit and Risk **N** Nomination **R** Remuneration **RB** Responsible Business **●** Committee chair



Jack Clarke

Appointed: October 2024

Key skills and experience:

- Jack has extensive experience of contracting businesses.
- Jack retired as a director and Chief Financial Officer of Essentra plc, a FTSE-250 global manufacturer and provider of essential components and solutions, on 31 December 2024. Prior to this he was the Group Finance and Executive Director of Marshalls plc.
- Jack served as the Strategy Director and then CFO of AMEC (E&I) between January 2010 and September 2014.
- Jack is a qualified accountant, having qualified with KPMG and has a diploma in treasury management.
- He has a Bachelor in Economics and Management Studies (Honours) and Master of Science (Civil Engineering) from Leeds University.

Other current appointments:

- Non-Executive Director and Audit Committee Chair of Zotefoams plc. Director of the Bishops Wheeler Academy Trust.



Neelam Dhawan

Appointed: March 2021

Key skills and experience:

- Neelam has c.40 years' leadership experience in the IT industry, where she held senior positions in Hewlett-Packard, Microsoft, Compaq and IBM with responsibility for a wide range of areas including strategy, corporate development, software engineering and offshoring.
- She advises multinationals on business and technology transformation and was formerly advisor to IBM, helping them navigate through a business and talent transformation in India. Until 2023 Neelam was a director of Skylo Technologies Inc. and a member of the Koninklijke Philips NV Supervisory Board. Neelam stepped down as a Non-Executive Director of Yatra Online Inc. and of ICICI Bank Limited in January 2025 and January 2026 respectively.

Other current appointments:

- Non-Executive Director of Hindustan Unilever Limited, Tech Mahindra Limited and Fractal Analytics Pvt Ltd.
- Chair of Capillary Technologies and Ather Energy Limited.

Directors who served during 2025:

Brian McArthur-Muscroft stepped down from his position as independent Non-Executive Director on 23 July 2025.

Corporate governance report

Compliance with the UK Corporate Governance Code 2024

Our commitment to corporate governance

Capita plc and its subsidiaries (the Group) are committed to maintaining high standards of corporate governance. The UK Corporate Governance Code 2024 (the 2024 Code) applies to accounting periods beginning on or after 1 January 2025, (except for provision 29 in relation to risk management and internal controls which applies to accounting periods beginning on or after 1 January 2026). Information on the Company's actions to ensure compliance with provision 29 is included in the report of the Audit and Risk Committee on pages 110 to 118. The 2024 Code is available from the Financial Reporting Council's website, www.frc.org.uk. The 2024 Code sets out the framework of governance for premium listed companies such as Capita plc.

Compliance statement

It is the Board's view that for the financial year ended 31 December 2025, the Company was compliant with all the principles and provisions set out in section 1 to 5 of the Code.

Together with the Board Committee reports on pages 104 to 137, this report sets out the Board's approach to governance and the work undertaken over the year.

Further information about how the Company has applied the principles of the Code is set out in this corporate governance report. Key highlights of the Company's compliance with the Code together with cross references to other sections of the Annual Report are detailed in the table opposite.

How we apply the principles of the Code

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|--|------------------|
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Governance structure and division of responsibilities

The Board

Role of the Board

The Board is responsible for promoting Capita's long-term sustainable success. This is achieved through effective governance and keeping the interests of stakeholders at the fore in decision making.

The Board establishes the Group's purpose and values and sets the Group's strategy, ensuring alignment with our culture, and overseeing its implementation by management. The Board is responsible for oversight of the Group's governance, financial reporting, internal controls, and risk management, including the Group's risk appetite.

A full schedule of matters reserved for the Board's decision is available in the Corporate Governance section of the Company's website at www.capita.com.

Board composition and election

Our Board currently comprises seven members: the Chair, the CEO, the CFO and four Independent Non-Executive Directors, including the Senior Independent Director, who are experienced individuals, drawn from a wide range of industries and backgrounds with the skills to promote the long-term sustainable success of the Group.

Board composition is a deliberate balance of newer and longer-standing members and reflects the ongoing review and refreshment of Board membership to ensure a balance of skills and experience appropriate for the broad nature of Capita's businesses. The experience and breadth of tenure of the non-executive directors means the Board is well positioned to advise, challenge, and support executive management to deliver against our strategic priorities as the Group continues its transformation journey.

All non-executive directors are appointed to the Board for an initial fixed three-year term, subject to annual re-election by shareholders at the Company's AGM. In accordance with the Code, all directors will retire and offer themselves for re-election at the 2026 AGM to be held on 18 May 2026.

Board independence

Non-executive directors are required to be independent in character and judgement.

All relationships that may interfere materially with this judgement are disclosed as required under the conflicts of interest policy, see page 250. The Board believes that each of the non-executive directors has retained independence of character and judgement and has not formed associations with management or others that may compromise their ability to exercise independent judgement or act in the best interest of the Group.

The Code does not consider a chair to be independent due to the unique position the role holds in corporate governance. David Lowden met the independence criteria outlined in the Code when he was appointed as the Group's chair in 2022. The Board is satisfied that no conflict of interest for any director requires disclosure, see page 249. In the event of a potential conflict of interest, the director will recuse themselves from the relevant discussion.

Directors' biographies, tenures, key skills and experience, and external appointments are set out on pages 94 to 95.

The Board delegates certain matters to its four principal committees:

Nomination Committee

Chair: David Lowden

Membership: 6

Chair, 4 Independent Non-Executive Directors + CEO

- Reviews composition of the Board.
- Recommends appointments of new directors.
- Ensures plans are in place for orderly succession to both the Board and senior management positions.
- Oversees development of diverse pipeline for succession.

The Nomination Committee report can be found on pages 104 to 106.

Audit and Risk Committee

Chair: Jack Clarke

Membership: 3

3 Independent Non-Executive Directors

- Reviews accounting policies and contents of financial reports.
- Monitors internal control environment.
- Considers adequacy, effectiveness, and scope of external and internal audit programme.
- Oversees relationship with external auditor.
- Monitors risk profile and obtains assurance that principal risks have been properly identified and appropriately managed.

The Audit and Risk Committee report can be found on pages 110 to 118.

Remuneration Committee

Chair: Georgina Harvey

Membership: 3

2 Independent Non-Executive Directors and Company Chair

- Sets remuneration policy and principles for Board and senior management remuneration.
- Approves incentive design and setting of targets.
- Approves executive directors and senior management remuneration.

The Directors' remuneration report can be found on pages 119 to 137.

Responsible Business (RB) Committee

Chair: Nneka Abulokwe

Membership: 4

3 Independent Non-Executive Directors and Company Chair

- Oversees the development of the Group's RB strategy, monitoring its performance in relation to RB matters.
- Considers the adequacy of the Group's RB policies and processes.
- Oversees and monitors the Group's progress against its net zero emissions strategy.
- Oversees and supports stakeholder engagement on RB matters.

The RB Committee report can be found on pages 107 to 109.

Committee terms of reference are available on the Company's website at www.capita.com/about-capita/corporate-governance.

Executive Team Chair: Adolfo Hernandez

The Executive Team is responsible for the execution of the Company's strategy and the day-to-day management of the business.

Disclosure Committee

The Disclosure Committee identifies and controls inside information or information which could become inside information and determines how and when that information is disclosed in accordance with applicable legal and regulatory requirements.

Supporting committees

The Executive Team operates a number of supporting committees that provide oversight on key business activities and risk. These include the executive ethics and risk committee and the Capita investment review committee.

Corporate governance report *continued*

Board leadership and roles

To ensure the Board performs effectively, there is a clear division of responsibilities between the leadership of the Board and the executive leadership:

Chair

(David Lowden)

Leadership of the Board and ensuring its effectiveness on all aspects of its roles. This includes:

- Ensuring there is effective communication between the Board, management, shareholders, and the Group's wider stakeholders, while promoting a culture of openness and constructive debate;
- Ensuring that the views of all stakeholders are taken into consideration in the Board's decisions;
- Promoting the highest standards of corporate governance;
- Setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- Ensuring that directors receive accurate, timely and clear information; and
- Overseeing the annual Board performance review and addressing any actions.

Senior Independent Director

(Georgina Harvey)

The responsibility of this role includes:

- Acting as a sounding board for the Chair on Board-related matters;
- Chairing meetings in the absence of the Chair;
- Acting as an intermediary for other directors when necessary;
- Leading the review of the Chair's performance;
- Being available to shareholders who wish to discuss matters which cannot be resolved otherwise; and
- Leading the search for a new Chair, when necessary.

Independent Non-Executive Directors

(Georgina Harvey, Nneka Abulokwe, Jack Clarke and Neelam Dhawan)

The responsibility of this role includes:

- Providing effective and constructive challenge to the Board;
- Scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- Reviewing Group financial information and ensuring there are effective systems of governance, risk management and internal controls in place;
- Determining appropriate levels of remuneration of executive directors; and
- Having a prime role in appointing executive directors, and in succession planning.

Nneka Abulokwe has been appointed as the designated non-executive director for colleague engagement.

Chief Executive Officer

(Adolfo Hernandez)

The role of CEO is separate from that of Chair to ensure that no one individual has unfettered powers of decision making. The CEO has responsibility for:

- The day-to-day running of all aspects of the Group's business;
- Developing and implementing the Group's strategy;
- Ensuring the effective implementation of Board decisions;
- Leading the Group's executive team; and
- Representing the Group to external stakeholders.

Chief Financial Officer

(Pablo Andres)

The responsibility of this role includes:

- Supporting the CEO in developing the Group's strategy and its implementation;
- Representing the Group to external stakeholders;
- Ensuring that the Group has the appropriate financing structure and internal controls over financial reporting; and
- Oversight of the following key functions: Finance, Investor Relations, Internal Audit and Risk Management, Tax, Treasury, Insurance and Commercial.

Chief General Counsel and Company Secretary

(Claire Denton)

The responsibility of this role includes:

- Available to all directors and is responsible for ensuring that all Board procedures are complied with. Has direct access and responsibility to the chairs of the standing committees and open access to all directors; and is secretary to the Board and all its committees.
- And/or the Deputy Company Secretary meets regularly with the Chair and committee chairs and briefs them on areas of governance and committee requirements.

Independent advice: All Board members have access to independent advice on any matters relating to their responsibilities as directors and as members of the various committees of the Board at the Group's expense.

Board composition

Except for Brian McArthur-Muscroft stepping down as a director on 23 July 2025, there were no changes to the Board's composition during the year.

Directors' interests

The interests of directors and their immediate families, who served during the year in the shares of the Company, together with details of executive directors' share options, are contained in the Directors' remuneration report set out on pages 119 to 137.

At no time during the year did any of the directors have a material interest in any significant contract with the Company or any of its subsidiaries.

Board meetings and attendance

During 2025, the Board held six scheduled meetings. The Board also held an in-depth strategy session and made a site visit to the Fire Service College at Moreton-in-Marsh to meet with management and colleagues. Additional ad hoc meetings were held as required. In 2025, these included meetings in relation to the issuance of the US private placement notes, the extension of the maturity date of the revolving credit facility and the agreement with Royal London regarding the remaining two closed book Life & Pensions contracts. Attendance of the directors at scheduled Board and committee meetings is shown in the following table. The maximum number of meetings a director could attend is in brackets.

The company chair and non-executive directors held a closed session without management present at the end of several scheduled 2025 Board meetings. The company chair speaks on a regular basis with the CEO, CFO and the non-executive directors.

| | Board | Audit and Risk Committee | Remuneration Committee | Nomination Committee | RB Committee |
|--------------------------------------|-------|--------------------------|------------------------|----------------------|--------------|
| David Lowden ¹ | 6/(6) | N/A | 5/(5) | 3/(3) | 3/(3) |
| Adolfo Hernandez ² | 6/(6) | N/A | N/A | 3/(3) | N/A |
| Pablo Andres | 6/(6) | N/A | N/A | N/A | N/A |
| Georgina Harvey | 6/(6) | N/A | 5/(5) | 3/(3) | 3/(3) |
| Brian McArthur-Muscroft ³ | 2/(3) | 1/(2) | 2/(3) | 1/(1) | N/A |
| Nneka Abulokwe | 6/(6) | 5/(5) | N/A | 3/(3) | 3/(3) |
| Jack Clarke ⁴ | 6/(6) | 5/(5) | 4/(5) | 3/(3) | N/A |
| Neelam Dhawan | 6/(6) | 5/(5) | N/A | 3/(3) | 3/(3) |

- David Lowden was appointed as a member of the Remuneration Committee on 6 March 2024. David was independent upon appointment as Company Chair and does not participate in any Remuneration Committee discussions that consider his remuneration.
- Adolfo Hernandez attended only part of the Board meeting on 8 October 2025 due to his participation in the UK Government's trade mission to India at the beginning of October, organised at short notice to advance bilateral trade and investment alongside senior ministers and other CEOs of leading UK businesses.
- Brian McArthur-Muscroft stepped down from the Board on 23 July 2025. Brian was unable to attend one Board, Audit and Risk Committee and Remuneration Committee meetings due to other business commitments. However, he was able to review all meeting papers and provided his comments to the Company and Committee Chairs who ensured that these were fully addressed during the meeting.
- Jack Clarke was unable to attend one Remuneration Committee meeting due to a business commitment. Jack was able to review the meeting papers in advance of the meeting and provide his comments to the Committee Chair who ensured that these were fully addressed during the meeting.

Director time commitments

In assessing the effectiveness of the Board and individual directors, the Board takes into account the time commitment required to fulfil their roles.

Neelam Dhawan holds a number of external appointments with companies listed in India. These positions are detailed in Neelam's biography on page 95. Several of these appointments relate to companies that have only recently transitioned to public company status following initial public offerings. During the year, Neelam attended 100% of Board and Committee meetings and remained fully engaged in discussions and decision-making. On this basis, the Board is satisfied that Neelam continues to devote sufficient time to the Company to discharge her responsibilities effectively. The Board will review this during 2026.

Board effectiveness

In 2025, the Board commissioned Ceradas, an independent corporate governance consultancy, to conduct an externally facilitated review of the effectiveness of the Board and its principal committees. Ceradas was appointed following a competitive tender process. Ceradas has no other relationship with Capita or any of its directors, confirming its full independence for the purposes of this review.

The review was undertaken at an important point in Capita's governance and strategic cycle, following the launch of the Better Capita transformation strategy and the significant changes in Board composition during 2024. The Board considered that an external review in 2025, whilst required under the 2024 Code, would also provide an objective assessment of its effectiveness as it supports the Company's transition from restructuring to long term transformation.

Approach and methodology

Ceradas' evaluation comprised a three part assessment:

- A documentation review, including Board and committee papers, minutes, annual reports, terms of reference and governance materials.
- Observation of the December 2025 Board and committee meetings to assess the quality of debate, behaviours and decision making in practice.
- Confidential one-to-one interviews with each Director, exploring strategy oversight, performance, risk, culture, stakeholder engagement and Board dynamics.

This comprehensive methodology provided a balanced and evidence based view of the Board's effectiveness.

Corporate governance report *continued*

Key findings

Ceradas concluded that the Board and its committees are operating effectively, supported by strong governance foundations and a constructive culture. Directors demonstrated high levels of commitment, professional challenge and engagement with Capita's transformation agenda.

The review highlighted:

- Clear strategic focus and alignment, with full endorsement of the Better Capita transformation;
- Robust oversight of risk and internal controls;
- High quality boardroom behaviours, characterised by openness, respect and constructive challenge;
- Effective board processes, including well structured agendas, transparent reporting and strong executive presentations; and
- Strong stakeholder and workforce oversight, particularly through the RB Committee.

The review recognised the Board's ability to maintain high quality oversight despite a demanding workload of legacy issues, strategic projects, and the growing importance of AI and hyperscaler partnerships to Capita's future operating model.

Opportunities for improvement

Consistent with good governance practice, and reflecting the Board's commitment to continuous improvement, Ceradas identified certain opportunities to further enhance effectiveness as the Company advances its transformation. These opportunities relate to strategic time allocation, Director development (particularly in AI and technology), and strengthening oversight of workforce health, safety and wellbeing.

| Theme | Action |
|---------------------------------------|---|
| Strategic Oversight | Further embed dedicated time for strategic deep-dive discussions, including focused consideration of the Group's hyperscaler relationships. |
| Board Programme | Keep the rolling agenda under regular review to ensure an appropriate balance of meeting time as legacy matters diminish and strategic priorities continue to evolve. |
| AI & Technology Governance | Deepen Non-Executive Director engagement with AI, cloud and data governance through structured interaction with the AI, Cloud and Data Governance Council. |
| Governance & Regulation | Provide periodic updates on governance, reporting and regulatory developments to support the ongoing effectiveness and professional development of Non-Executive Directors. |
| Health, Safety & Wellbeing | Maintain and strengthen Board-level oversight of workforce health, safety and wellbeing, complementing the RB Committee's remit. |

An update on the 2026 actions will be provided in the Company's 2026 Annual Report.

Conclusion

The Board welcomed Ceradas' findings and is committed to implementing the agreed actions during 2026. The external review confirms that Capita's governance framework remains strong and that the Board and its committees are well placed to support the successful delivery of the better Capita strategy.

Progress on actions from the 2024 internal Board evaluation

The 2024 internal evaluation of the Board and its committees was undertaken internally through a director questionnaire and one-to-one discussions with the Chair, supported by the Chief General Counsel and Company Secretary. Committee-specific feedback was shared with the relevant Committee Chairs.

The evaluation highlighted opportunities to strengthen colleague engagement, improve the clarity and focus of Board and committee papers, and enhance visibility of major client contracts. Progress made during 2025 against these areas is set out below.

| Finding from 2024 evaluation | Actions taken in 2025 |
|---|--|
| <p>Stakeholders – although noting that interaction with colleagues had increased, particularly for Nneka Abulokwe, designated director for colleague engagement, the Board was seeking more engagement with the business for the Chair and the independent Non-Executive Directors.</p> | <ul style="list-style-type: none"> • Fire Service College site visit (October 2025): The Board undertook a comprehensive visit to the Fire Service College, receiving a strategic overview from senior leadership, participating in virtual reality training used in firefighter development, and touring the incident ground to observe a live fire demonstration. Directors engaged with colleagues across the site, met the Commissioner of the London Fire Brigade, and attended an evening dinner with senior management. To gain deeper insight into the training environment, Board members stayed in the College’s residential facilities. • International engagement: Nneka Abulokwe visited operations in Germany and Bulgaria, attended meetings with colleagues and clients, and toured Capita’s flagship office in South Africa. During the year Nneka also met with chairs of the employee network groups. • Operational visits: Jack Clarke, accompanied by Pablo Andres, visited the BBC TV Licensing operation in Darwen and the Primary Care Support England operation in Blackburn, spending time with colleagues and local management teams. • Committee-led engagement: Georgina Harvey, Chair of the Remuneration Committee, participated in colleague engagement sessions focused on pay and progression which were held at the Company’s offices in Paddington, London and via Teams. These activities provided valuable business insights, strengthened the Board’s understanding of colleague and stakeholder perspectives, and demonstrated how Capita’s culture is being embedded across the organisation. A further programme of site visits is planned for 2026. |
| <p>Board support – the Board requested that additional information regarding client contracts be included in business updates, with further improvement on the length and focus of Board and committee papers and presentations requested, including increased focus in the Board meeting on key issues.</p> | <p>Following discussion with and guidance from the Company chair, business updates now include the requested detail on client contracts and material issues. Board and committee papers have been refocused on key decisions, risks and outcomes, with supporting analysis provided in appendices where needed. Agendas have been refined to prioritise the main strategic themes and dedicate discussion time to priority items; these changes are now embedded in meeting packs and the forward agenda planning.</p> |

Corporate governance report *continued*

Governance and strategy

The Board recognises the contribution that effective governance makes to the Company's long-term success and has strengthened its governance framework, including through the introduction of a dedicated AI governance structure, to support delivery of the Group's strategy. The connection between governance and delivery of strategy is reflected throughout this Annual Report.

In addition to their statutory duties, the directors must ensure that the Board focuses effectively on all its accountabilities. The Board determines the strategic objectives and policies of the Group to best support the delivery of long-term value, providing overall strategic direction within an appropriate framework of rewards, incentives, and controls. The Board is collectively responsible for the success of the Company and directors' roles are set out on page 98. Following presentations by executive and divisional management, and a disciplined process of review and challenge by the Board, clear decisions on policy or strategy are adopted, with executive management fully empowered to implement those decisions.

Section 172 of the Companies Act 2006 requires directors to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of shareholders as a whole. The Company's s172 statement together with principal decisions of the Board during 2025 is on pages 59 to 63.

Stakeholder engagement

As highlighted by the Code, the Board recognises the importance of identifying its key stakeholders and understanding their perspectives and values. Through regular dialogue and communication, the Board is mindful of all of Capita's stakeholders when planning or making decisions of strategic significance.

In February 2024, the Board appointed Nneka Abulokwe as designated non-executive director for colleague engagement. Information on Nneka's engagement with colleagues during 2025 is provided on pages 101 and 108. In addition, all directors are encouraged to visit Capita's businesses to meet with colleagues. Further details of the Board's engagement with colleagues is provided on pages 59 and 101.

There is an active engagement programme with the Company's investors. The executive directors maintain regular dialogue with institutional shareholders to discuss and seek feedback on the Group's business, performance, strategy, capital structure and allocation, and corporate governance, as well as to address any areas of concern. Engagement is conducted through a combination of roadshows, group and one-to-one meetings, and participation in investor conferences. These activities included presentations to institutional and retail shareholders and analysts following the release of the Group's half-year and full-year results, which are available on the Group's website (www.capita.com). The Chair, David Lowden, also met with a number of institutional shareholders during the year.

In 2025, investors focused on the Group's progress in delivering its transformation strategy, the impact of technology and AI initiatives, drivers of margin improvement, the pathway to achieving sustainable free cash flow generation, and the Group's approach to portfolio management. In addition, investors sought updates on the timing and execution of the exit from the final closed book Life & Pensions contracts and the operational turnaround of the Contact Centre business.

The investor relations team has day-to-day responsibility for managing investor communications and always acts in close consultation with the Board. The Director of Investor Relations, the Head of Investor Relations and representatives from the Company's brokers are invited to attend Board meetings during the year to provide investor feedback. On 21 August 2025, we announced the appointment of RBC Capital Markets, replacing Deutsche Numis, as Joint Corporate Broker alongside the Company's existing Corporate Broker, Barclays Bank PLC. All members of the Board, including the non-executive directors, receive a report on any significant discussions with shareholders and anonymous feedback that follows the annual and half-yearly presentations to investment analysts and institutional investors. Analysts reports concerning Capita are circulated to the directors and the Board is kept informed of changes in the share register.

At the 2025 AGM, all resolutions were passed, with every resolution receiving more than 97% of votes cast in favour. The Board is grateful to shareholders for their continued support through Capita's transformation journey.

Further information on how the Board has engaged with its key stakeholder groups can be found on pages 59 to 62.

Annual general meeting

Shareholders are encouraged to attend the AGM. The 2026 AGM of the Company will be held at The Storey Club, 4 Kingdom Street, Paddington, London W2 6BD on 18 May 2026. Details of the meeting format and the resolutions to be proposed are set out in the Notice of Meeting, which will be sent to shareholders who have elected to receive a copy together with this report and includes notes explaining the business to be transacted. The Notice of Meeting will also be available on the Company's website at www.capita.com.

The directors consider that each of the resolutions to be proposed to shareholders is in the best interests of the Company and the shareholders as a whole and recommend that shareholders vote in favour of all the resolutions.

The Chair, Senior Independent Director and Committee chairs are expected to attend the 2026 AGM and will be available to answer any questions from shareholders.

Shareholder communications

In addition to the AGM, shareholders can access up-to-date information through the Group's website at www.capita.com. Information on how shareholders can view and manage their shareholdings, contact the Company's registrar and access shareholder services is set out in the Shareholder information section on page 239.

Business relationships

Details regarding relationships with suppliers, clients and others, together with further cross references, are provided in the engaging with our stakeholders section on pages 59 to 62.

Remuneration Committee

Details of the Remuneration Committee and its activities are given in the Directors' remuneration report on pages 119 to 137.

Risk management and internal control

The Board monitors the Company's risk management and internal control systems and carries out an annual review of their effectiveness. The monitoring and review include all material controls, including financial, operational and compliance controls. This process is regularly reviewed by the Board. The Group's key internal control procedures are fully documented within the strategic report on pages 79 to 87.

Furthermore, through the operation of the risk governance process, the directors confirm, for the purposes of provision 28 of the Code, that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. A description of those principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated, is set out on pages 79 to 85.

The ARC report contains information on actions taken by the Group during 2025 to ensure its compliance with provision 29 of the 2024 Code which applies to Capita for the financial year commencing 1 January 2026. This provision will require boards to monitor and review all material controls and to make a declaration on their effectiveness in the annual report.

Nomination Committee report



“Our ongoing commitment to Board effectiveness is demonstrated by the continuous development of skills and expertise, ensuring the Board remains well equipped to meet the evolving needs of the Company and its stakeholders.”

David Lowden, Chair, Nomination Committee

Principal role and responsibilities

As set out in the Committee's terms of reference (available at www.capita.com), the Nomination Committee is responsible for:

- Identifying and nominating appropriate candidates for appointment to the Board, with due regard to the UK Corporate Governance Code, and ensuring the right balance of skills, knowledge, experience, and diversity;
- Keeping the structure and size of the Board, its committees, and the Group's leadership requirements under review, ensuring orderly succession and appointments;
- Considering the independence, time commitment and performance of Non-Executive Directors; and
- Overseeing the development of a diverse pipeline for succession to the Executive Team.

Nomination Committee time allocation



Areas of focus in 2025

- Undertook a comprehensive review of senior management talent and Executive Team succession planning.
- Assessed the contributions and effectiveness of Non-Executive Directors seeking re-election at the 2025 AGM.
- Evaluated the skills and experience of directors, including expertise in AI.
- Considered potential conflicts of interest and time commitments for all Board members, confirming that each director continues to have sufficient capacity to fulfil their responsibilities.

Dear Shareholder,

On behalf of the Nomination Committee, I am pleased to present this report, which outlines our activities and achievements in ensuring effective governance and leadership succession throughout 2025.

Board and Executive appointments in 2025

Following the transition to a new Chief Executive Officer and Chief Financial Officer, and the appointment of a new independent Non-Executive Director during 2024, no Board appointments were made in 2025. As detailed in my introductory statement, the only change to the Board's composition was the stepping down of Brian McArthur-Muscroft as an independent Non-Executive Director in July 2025, owing to the demands of his external CFO role, which meant he was unable to continue to dedicate sufficient time to Capita. On behalf of the Board, I would like to thank Brian for his commitment, counsel, and valuable contribution during his tenure.

Throughout the year, the Committee – together with the Chief People Officer – has undertaken a comprehensive review of the Board's collective skills and experience. This analysis is part of our ongoing succession planning and governance oversight, ensuring that the Board remains well-equipped to support Capita's strategic objectives. In assessing the Board's composition, particular attention has been given to ensuring a broad mix of skills and experience relevant to Capita's strategic priorities, including technology-enabled transformation, commercial leadership, and strong governance. The Committee continues to monitor the Board's composition and to identify any potential gaps in expertise or experience that may arise, with a view to strengthening the Board as required.

Succession planning

In line with the Committee's remit, we are responsible for ensuring that robust succession plans are in place for both the Board and senior management positions. This involves maintaining a continuous and proactive approach to planning and assessment, as well as overseeing the development of a diverse pipeline for Board succession. Our work takes into account the challenges and opportunities facing the Company, and the skills and expertise required on the Board in the future.

The Committee's 2025 succession planning review confirmed that strong processes are in place for the Executive Team, including the Executive Directors, and for senior leadership roles across the Group, with significant management and strategic responsibility.

Since the last formal review, succession plans have been developed for key senior roles, with the potential of colleagues in senior leadership positions assessed as part of a structured process. The Committee noted that appropriate interim cover arrangements are maintained for Executive Team roles, ensuring continuity of leadership where required.

Capita continues to invest in leadership development through executive coaching, 360-degree feedback, mentoring, and targeted transition programmes. High-potential development initiatives and the Transformation Leader Accelerator programme provide colleagues at senior levels with stretch and exposure by involving them in major transformation projects.

The review highlighted a positive trend in gender diversity among nominated successors, though ethnic diversity remains an area for further focus. The Committee also noted the importance of cross-divisional and functional succession planning, with ongoing efforts to broaden the pipeline and accelerate the development of diverse talent for future leadership roles.

Key next steps include maintaining high-quality development plans for all nominated successors and high-potential colleagues, enhancing internal mobility, and working with external partners to strengthen the pipeline of ethnically diverse talent. The Committee, supported by the RB Committee, will continue to monitor progress and ensure succession planning remains aligned with Capita's strategic priorities and diversity, equity, and inclusion objectives.

Diversity

The Committee continues to champion diversity in all its forms, recognising that a blend of perspectives, expertise, and backgrounds within the Board and senior management is fundamental to delivering long-term value. While merit remains central to all appointments, there is an ongoing commitment to broadening diversity across gender, ethnicity, and professional experience.

The Board includes three experienced female directors, representing 43% of Board membership, compared with the UK Listing rules diversity benchmark of 40% of women on boards. Georgina Harvey is the Company's Senior Independent Director and chair of the Remuneration Committee, and is the longest serving director on the Board, having served for six years.

Our Board has two Directors of an ethnic minority background, meeting the target set by the Parker Review. To further advance representation, the Company has set a leadership diversity target for achievement by the end of 2027. This is supported by initiatives such as the RISE (reduce inequality strive for equality) leadership programme, which is designed to empower ethnic minority and female colleagues, and a reciprocal mentoring scheme that connects junior employees from diverse backgrounds with senior leaders.

Enhancing ethnic diversity, with particular emphasis on increasing the number of Black colleagues in senior roles, remains a key focus. The People Team collaborates closely with ENGs and has put in place targeted action plans, which are subject to regular review by both the Nomination and RB Committees.

During 2025, Capita's high-potential development programme engaged 52 colleagues in senior leadership roles. Of this group, 52% were female and 48% male, reflecting a continued emphasis on gender balance.

Nomination Committee report *continued*

Board skills and training

During the year, I, together with my fellow non-executive directors, participated in a dedicated AI workshop delivered by Deloitte. This session was designed to deepen our board-level understanding of AI and its potential impact on Capita. Over the course of three hours, we explored macro trends in AI, the strategic opportunities and risks it presents, and the ways in which business models are being disrupted across sectors. Through a blend of presentations and case studies, we examined how AI can drive value—both by unlocking new revenue streams and by improving operational efficiency – while also considering the challenges associated with automation and productivity.

The Committee encourages all non-executive directors to participate in ongoing AI learning and development, recognising that continuous education is essential for effective oversight in a rapidly changing environment. In addition to formal training, the Board benefits from regular presentations by the Chief AI and Product Officer, which not only provide updates on Capita's AI-enabled client solutions but also offer deeper insight into emerging technologies and their implications for the business.

The Board's oversight of AI is further supported by Capita's comprehensive AI governance structure. This framework ensures robust risk management, ethical standards, and regulatory compliance, enabling the Board to challenge assumptions, frame strategic questions, and provide effective oversight of AI-related opportunities and risks.

In addition to AI-focused development, the Board received training on the significant changes to the UK Listing Rules introduced in 2024/25, with particular emphasis on the implications for significant transactions and ongoing obligations for listed companies from external legal counsel together with refresher training on the UK Market Abuse Regulation, ensuring that all directors remain up to date with the latest requirements for the prevention, detection, and reporting of market abuse. The Board was regularly briefed on the Economic Crime and Corporate Transparency Act 2023, which introduced new corporate offences on 1 September 2025 relating to fraud and requires companies to have robust fraud prevention procedures in place. Capita has actively reviewed and strengthened its internal controls and processes to ensure compliance with these new requirements.

It is also a requirement for each Board member to undertake mandatory training on the Company's Code of Conduct and on cyber security matters, reflecting the Board's commitment to the highest standards of ethical behaviour and to safeguarding the Group's digital assets.

Conclusion

The Committee remains focused on ensuring that Capita has the right leadership, skills, and diversity to deliver its strategy and create long-term value for shareholders and stakeholders. The Committee will continue to review and enhance succession planning, diversity, and Board effectiveness in line with best practice and regulatory requirements.

David Lowden

Chair, Nomination Committee

9 March 2026

Nomination Committee members

| Member | Member since | Date of retirement from Committee |
|-------------------------|-----------------|-----------------------------------|
| David Lowden (Chair) | 1 January 2021 | |
| Adolfo Hernandez | 17 January 2024 | |
| Georgina Harvey | 1 October 2019 | |
| Nneka Abulokwe | 1 February 2022 | |
| Neelam Dhawan | 1 March 2021 | |
| Brian McArthur-Muscroft | 1 June 2022 | 23 July 2025 |
| Jack Clarke | 9 October 2024 | |

Board and executive management diversity data disclosures

As required by FCA UK Listing Rule 6.6.6R(9), below is the Company's compliance statement regarding Board diversity targets as at 31 December 2025, being the selected reference date used for the purposes of FCA UK Listing Rule 6.6.6R(9)(a).

| Target | Position as at 31 December 2025 |
|---|--|
| At least 40% of the individuals on the board are women | 43% of the Board are women |
| At least one of the senior Board positions is held by a woman | The Senior Independent Director position is held by a woman |
| At least one individual on the Board of Directors is from an ethnic minority background | The Board has two Directors from an ethnic minority background |

Information on actions taken by the Group to address diversity, inclusion and wellbeing across the workforce is in the responsible business section on pages 45 to 53.

Further details of the Company's compliance with LR6.6.6(9) at 31 December 2025 are provided on page 49.

Responsible Business Committee report



“Culture remained a central focus of the Committee’s work throughout the year, reflecting its critical importance to Capita’s long term success.”

Dr Nneka Abulokwe OBE, Chair, Responsible Business Committee

Responsibilities and activities

Key responsibilities

- Oversee the development of the Group’s responsible business strategy and monitor its performance in respect of responsible business-related matters on behalf of the Board; and
- Oversee and monitor the Group’s progress against its net zero strategy.

Principal activity in 2025

Strategy

- Monitored delivery of the responsible business strategy across all four pillars.
- Received updates on the implementation of new values, the culture programme and the Celebrate! recognition platform.
- Considered outcomes of the Group’s first double materiality assessment.

Colleague related matters

- Approved the 2025 Gender, Ethnicity and Disability Pay Gap Report.
- Received updates on culture, leadership development and C500 management programme, including review of colleague survey outcomes.

Health, safety, environment & wellbeing (HSEW)

- Reviewed UK and international HSEW performance.

Net zero & environmental strategy

- Approved the Group’s first low carbon transition plan.
- Reviewed progress against near-term science based emissions targets.

Other stakeholders

- Reviewed and approved the 2025 Modern Slavery Statement.
- Reviewed the Group’s procurement procedure
- Received annual stakeholder updates from the Cabinet Office and Investor Relations.

Governance

- Ratified Capita’s AI, Cloud and Data Governance Council and framework.

The Committee met three times during 2025.

Responsible Business Committee report *continued*

Dear Shareholders,

I am pleased to present this report, my second as Chair of the RB Committee. Throughout 2025, the Committee worked closely with colleagues across Capita to oversee the continued development of our RB agenda. It has been a year shaped by cultural progress, deepened transparency and a renewed focus on how we support our people, communities, customers and the environment. Our work has been grounded in collaboration, constructive challenge and a shared commitment to operating responsibly and sustainably.

Role of the Committee

The Committee oversees Capita's responsible business priorities across our people, communities, planet and business pillars. Our focus throughout the year was to understand progress, ask questions where needed, and ensure that our decisions and oversight supported a responsible, purpose-led and sustainable approach across the Group.

Our people: culture, inclusion and the colleague experience

Culture

Culture remained a central focus of the Committee's work throughout the year, reflecting its critical importance to Capita's long term success and the Committee's responsibility under the UK Corporate Governance Code to monitor how the Company's values and behaviours are embedded. During the year, we received detailed updates on our culture programme from the Chief People Officer and the Group Director of Performance & Development. These enabled the Committee to review progress, challenge management, and ensure that cultural initiatives are aligned with Capita's strategic transformation. We monitored the rollout of Capita's refreshed values and the embedding of Capita's values through the leadership playbook, the Celebrate! recognition platform and the continued development and engagement of the C500 leadership cohort through our leadership programme. We are pleased with the progress that has been made.

In reviewing the outcomes of the 2025 colleague survey, which was conducted in Q3 2025, the Committee discussed areas of stronger sentiment as well as those where colleagues were less engaged. We supported management's focus on developing targeted local action plans and on ensuring that these plans were informed by meaningful insights. Taken together, these updates reinforced the Committee's view that a strong, purpose led culture remains critical to Capita's ability to support colleagues through ongoing change and to deliver sustainable outcomes for all stakeholders.

We also reviewed management's ongoing focus on leadership capability, communication consistency and colleague support as digitisation and AI continue to transform roles and service delivery. Our discussions centred on understanding how these changes are experienced by colleagues and ensuring that leadership expectations remain clear and consistently reinforced.

Diversity, inclusion and representation

The Committee maintained close oversight of the Company's diversity and inclusion activity. In 2025 we approved the Gender, Ethnicity and Disability Pay Gap Report, and I am pleased that Capita continues to lead with transparency by voluntarily disclosing both ethnicity and, for the first time this year, disability pay gap data – neither of which are statutory reporting requirements. Capita reported no disability pay gap, supported by a disability declaration rate of 28%, and continued to publish ethnicity pay gap data, supported by a declaration rate of 82%. The Committee welcomed this additional voluntary disclosure as a positive demonstration of Capita's commitment to openness and understanding of workforce experience.

We reviewed representation data across senior levels, discussed progress against the Group's targets, and considered the actions being taken to accelerate progress. Updates on the partnership work with the gender network and Black employee network were particularly encouraging, and the Committee noted the continued development, confidence and growing influence of all ENG's across the organisation.

Colleague engagement

As the designated Non-Executive Director for colleague engagement, I continued to meet regularly with colleagues across all Capita geographies. These conversations remain one of the most valuable aspects of my role. Throughout the year, colleagues continued to share their experiences with openness and candour, offering insight into what is working well and where further support or clarity would be helpful.

During 2025, I held structured sessions with our ENG's, met regularly with the Chief People Officer, and connected with his People leadership team. I also visited colleagues in Germany and Bulgaria, where I had the opportunity to hear directly about local priorities, cultural strengths and operational challenges, and visited our offices in South Africa. These discussions provided an important perspective on colleague experience in our international businesses, and informed the Committee's subsequent discussions, where members considered these themes and agreed areas for senior leadership follow-up.

The Committee values colleague voice as a critical component of responsible business governance. After each engagement, I report insights to the CEO, the Committee and the Board, ensuring that themes raised – whether relating to communication, development opportunities, operational pressures or inclusion – are fully considered. This feedback cycle strengthens the connection between colleague experience and the Committee's oversight throughout the year. Actions arising from my feedback included the establishment of quarterly meetings between the Chief General Counsel and Company Secretary, the Director of Business Integrity and Financial Crime, and the chairs of the ENG's, ensuring continued development of our Speak Up policy.

We have also continued to see the ongoing growth, maturity and increasing influence of our ENG's, which play an important role in shaping Capita's culture and supporting colleagues across the organisation. Their insight, energy and constructive challenge have been instrumental in deepening understanding of colleague experience at all levels of the business.

Our planet: net zero and the low carbon transition plan

Environmental responsibility continued to be a significant focus for the Committee. A key milestone this year was our review and approval of Capita's first low carbon transition plan, presented by Capita's Group Environmental Manager, which outlines the path to achieving net zero by 2045. In reviewing the plan, the Committee discussed the feasibility, sequencing and affordability of proposed actions, and sought assurance that it aligned with the UK Transition Plan Taskforce recommendations. The Committee was pleased to approve the plan as presented.

We also considered the environmental implications of AI and cloud-based services and discussed the importance of transparency in our engagement with hyperscaler partners. Further detail on our environmental approach can be found in the RB section of this Report, to which this statement refers.

Our business: responsible operations, governance and reporting

RB strategy

The Committee reviewed progress against the RB strategy 2024–26, presented by the Group Senior Head of Responsible Business throughout the year, discussing performance against key metrics, accreditation progress, developments in stakeholder expectations and the evolving regulatory landscape. We worked collaboratively with management to understand progress and ensure that activity remained focused and evidence-based. Details of Capita's RB strategy, progress and accreditations are provided on pages 37 to 78 of this Report.

Double materiality assessment

In line with best practice, and to prepare for any changes in the regulatory environment, the Company completed its first double materiality assessment during the year, and certain members of the Committee – including myself – together with members of the Executive Team and senior management took part in the interview process. This participation enhanced our understanding of the ESG risks and opportunities most material to Capita and provided confidence in the robustness of the assessment process and supporting governance.

Supply chain governance and modern slavery

In December, the Committee received a presentation from the Group Procurement Director and the Procurement Director on supply chain governance, including modern slavery. We considered progress on the rollout of the supplier relationship management platform and ongoing enhancements to supplier oversight and due diligence.

Governance

The Committee undertook a formal review of Capita's AI, cloud and data governance framework, considering detailed proposals from management on the structure, scope and operating model for strengthened oversight of emerging technologies. We discussed the importance of ensuring that the framework supports both robust, regulatory and ethical assurance while providing the operational agility required to deliver technology enabled transformation at pace. Recognising the increasing strategic importance of AI to Capita's business model and client propositions, the Committee ratified the governance framework, confirming that it provided appropriate oversight, ethical safeguards, and alignment with Capita's values and responsible business priorities.

Looking ahead

In 2026, the Committee will continue to review the embedding of Capita's refreshed culture and values. We will maintain oversight of the low carbon transition plan and the next phase of the Group's net zero strategy, ensuring that progress remains both credible and affordable. In parallel, we will continue to monitor developments in sustainability and workforce regulation, including the UK Government's proposed reforms to worker rights legislation and other emerging reporting requirements. We will also continue our colleague engagement programme across the Group, ensuring that colleague voice remains a central part of the Committee's work.

Through this continued focus, the Committee will support the Board in ensuring responsible, sustainable outcomes for our colleagues, customers, communities and the environment.

Dr Nneka Abulokwe OBE

Chair, Responsible Business Committee

9 March 2026

Audit and Risk Committee report



“Strengthening the internal control environment remained a core focus, with the Committee overseeing the next phase of the Internal Control Framework programme to embed a more consistent, evidence-based approach to material controls across the Group.”

Jack Clarke, Chair, Audit and Risk Committee

Overview

The Audit and Risk Committee’s (the ARC’s) terms of reference set out in full the role, responsibilities and authority of the Committee and can be found on the Company’s website at www.capita.com/about-us/corporate-governance. The terms of reference are reviewed annually and updated as required.

Role and responsibilities

The ARC is responsible for carrying out the audit functions as required by DTR 7.1.3R and assists the Board in fulfilling its oversight responsibilities in respect of the Company and the Group. The ARC’s key responsibilities are:

Financial reporting

To review the reporting of financial and other information to the Company’s shareholders and to monitor the integrity of financial statements, including the application of key judgements in determining reported outcomes, to ensure they are fair, balanced and understandable.

Risk management, internal control and compliance

To review and assess the adequacy of systems of internal control and risk management and monitor the risk profile of the business.

Internal audit

To approve the annual internal audit plan, review the effectiveness of the internal audit function and review all significant recommendations, and ensure they are addressed in a timely manner.

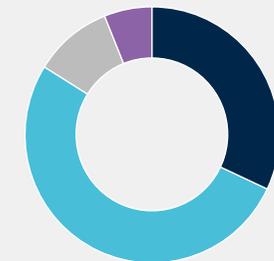
External audit

To review the effectiveness and objectivity of the external audit process, assess the independence of the external auditor and ensure appropriate policies and procedures are in place to protect such independence.

Effectiveness

To report to the Board on how it has discharged its responsibilities.

Audit and Risk Committee time allocation



■ Risk management, internal control & compliance 32%
 ■ Financial reporting (incl. external audit) 52%
 ■ Private meetings with auditors 10%
 ■ Governance 6%

The time allocation chart is provided for guidance only and other matters were also considered by the Committee.

Dear Shareholders

2025 was my first full year as Chair of the Audit and Risk Committee, having been appointed on 9 October 2024. I am pleased to report on the ARC's work during 2025 and how we discharged our responsibilities on behalf of the Board. The ARC met five times during the year and continued to support the Board in overseeing the integrity of the Group's financial reporting, the effectiveness of internal controls and risk management systems, and the performance and independence of external and internal audit.

Risk and control framework

During the year, the Committee undertook a detailed review of the Group's principal risks to ensure they remained appropriately defined, monitored and aligned with Capita's strategy, including its focus on delivering modern, AI-enabled customer solutions. As part of this work, the Committee considered the impact of accelerating technological change, particularly the rapid adoption of artificial intelligence (AI) across the Group and within client service delivery. Reflecting its growing strategic importance, and consistent with advice from the executive risk & ethics committee, the Committee approved the reframing of principal risk 3 – Innovation into a dedicated artificial intelligence principal risk. This new risk captures both the strategic opportunities associated with AI deployment and the operational, ethical, legal and data-governance considerations that must be effectively managed as AI becomes increasingly embedded in Capita's products, platforms and internal processes. The Committee noted that AI is a critical enabler of improved margin, modernised service delivery and differentiated AI-enabled customer solutions, and therefore requires clear governance, defined accountabilities and ongoing monitoring.

In parallel, the Committee reviewed the Group's overall risk appetite to ensure it remained aligned to the Group's strategy, including its focus on strengthening cyber resilience, data governance and AI governance. An 'averse' risk appetite was retained for cyber security and data governance, with maturity measured using the NIST cyber security framework and DAMA data governance model scores. These benchmarks will support transparent, evidence-based assessments of control effectiveness as automation and AI use cases expand. The ARC also recognised that increased adoption of AI brings new interdependencies with hyperscaler technology providers and with Capita's broader supply chain. These interdependencies will be further assessed through ongoing oversight of the cyber transformation programme, red-team testing, supply chain assurance activities and the internal control work being delivered under the internal control framework project.

The ARC was satisfied that the governance foundations for effective AI oversight had been established during the year. This will remain a significant area of focus in 2026 as Capita continues to scale its use of advanced technologies to support the delivery of innovative, AI-enabled customer solutions. Following its review, the ARC recommended the updated principal risks and the Group's risk appetite to the Board, which approved both during 2025.

Internal control framework (ICF)

Strengthening the internal control environment continued to be a core area of focus for the ARC throughout 2025. During the year, the ARC oversaw delivery of the next phase of the ICF programme, which is aimed at strengthening the Group's underlying control environment and building a more consistent, Group wide approach to documenting, assessing and assuring material controls. Key activities included completing the mapping of key business processes and controls, progressing design and operational effectiveness testing of material controls. The ARC received regular updates on the progress of the programme.

This programme represents an important foundation for the Group's preparations for the enhanced reporting on the effectiveness of material controls required under provision 29 of the UK Corporate Governance Code 2024 for accounting periods beginning on or after 1 January 2026. Under this provision, the Board will be required to make an explicit declaration on the effectiveness of the Group's material controls at the balance sheet date, including a description of any material controls which have not operated effectively and the action taken or proposed to improve them, as appropriate. The ARC acknowledges the significant progress made to date by the programme and recognises that further work is required to fully embed a robust and consistently evidenced control environment as the Group prepares for the enhanced reporting requirements introduced by provision 29.

As in prior years, a key control questionnaire process was completed, through which the Executive Team and their direct reports attest to the operation of a set of specific controls and activities and their effectiveness in each of their respective areas. This enables management to develop actions and focus on control areas. The outcome of this process including details of specific identified actions was presented to the committee. Following completion of this process, the CEO and CFO confirmed to the committee that an adequate system of internal control operated across the Group during 2025.

Further detail on the risk management and internal control environment is set out later in this report on pages 117 and 118.

Controls improvement

The ARC continued to oversee the Group's programme of work to strengthen finance processes, reporting and controls. Throughout 2025, management focused on embedding new reporting and planning systems, improving the consistency of financial information, and streamlining key finance activities. Progress during the year included wider adoption of the enhanced reporting and planning tools, greater standardisation of month-end processes, and the transition of several initiatives into established business-as-usual operation.

The ARC also received regular updates on the enhancement of the Group's financial control environment. Work completed during the year included strengthening system access governance, updating key process and control documentation, and further embedding the Group's approach to financial controls. Group Internal Audit provided ongoing assurance through design and operational effectiveness testing, and a new financial control team was established in India to support continuous monitoring and improvement. These activities have contributed to a more consistent and resilient control framework across the Group.

Audit and Risk Committee report *continued*

In addition, the legal entity rationalisation programme continued to progress well during the year with the number of legal entities in the Group reducing further. On 1 January 2026, the Group had 85 legal entities, including 15 legal entities in liquidation, compared with 369 in July 2018. The rationalisation programme is ongoing.

The Group's controls activity continued to be supported by a Speak Up policy which facilitates whistleblowing across the Group with a function dedicated to identifying, preventing and investigating where inter alia fraud and other concerns have been raised. Further detail is provided on page 118 of this report.

Committee membership

From 1 January 2025, the ARC comprised me as Chair, together with Brian McArthur-Muscroft, Neelam Dhawan, and Nneka Abulokwe. The ARC operated throughout the year as a fully independent non-executive committee, in line with the requirements of the UK Corporate Governance Code.

Brian stepped down as a director of the Board and as a member of the ARC on 23 July 2025. I would like to thank Brian for his contribution to the ARC, both during his tenure as committee chair and subsequently as a member. His extensive financial expertise and constructive challenge added significant value to the ARC's work. At the time he stepped down from the ARC, Brian was CFO of IQ-EQ, having previously been CFO of several listed UK companies, experience that materially supported the ARC's oversight role.

The ARC is required to include at least one member with recent and relevant financial experience, and this requirement continued to be met following Brian's departure through my own experience as a chartered accountant. I have held senior financial leadership roles most recently as CFO of Essentra plc. I qualified with KPMG and I have extensive experience of complex contracting environments, financial reporting and internal control oversight.

Neelam and Nneka each bring strong board-level and governance experience, supported by backgrounds in strategy, technology, transformation and risk oversight across large, multi-national organisations. Both bring the experience and financial understanding needed to support the ARC's work effectively.

To support the ARC's work, the Chair, CEO, CFO, Chief General Counsel and Company Secretary, Group Director Financial Control, Group Chief Accountant, and the Director of Internal Audit & Risk were invited to attend meetings, alongside senior management and representatives from KPMG, the external auditor, for relevant agenda items. The Director of Business Integrity and Financial Crime provided updates at each meeting. Private sessions were held with the external auditor in the absence of management.

The ARC's performance was reviewed as part of the externally facilitated Board review, which concluded that the ARC continued to operate effectively, highlighting the Chair's constructive leadership, the ARC's rigorous oversight of financial reporting and its positive working relationship with the external auditor. The Chief General Counsel and Company Secretary, or their nominee, acts as Secretary to the ARC and ensures that members receive timely and accurate information to support effective oversight.

How the Committee operates

The ARC has an annual forward agenda to cover the key events in the financial reporting cycle, specific risk matters identified by the ARC and standing items that the ARC is required to consider in accordance with its terms of reference. I meet with the CFO, members of the Group Finance team, the Director of Internal Audit and Risk and the external auditor prior to the principal meetings. The purpose of these meetings is to identify key issues impacting the business that may require consideration by the ARC. Reports are received from Group functions, including risk and internal audit, as appropriate. The Group's Chief Technology Officer and/or the Chief Information Security Officer regularly attend ARC meetings to provide an update on the Group's cyber and IT resilience. Additional reports are provided as may be required. I report to the Board the key matters of discussion and make any significant recommendations as necessary.

How the Committee discharged its roles and responsibilities in 2025

Financial reporting

Accounting judgements and significant accounting matters

As part of the process of monitoring the integrity of the financial information presented in the half-year results and the Annual Report and Accounts, the ARC reviewed the key accounting policies and judgements adopted by management to ensure that they were appropriate. The significant areas of judgement identified by the ARC, in conjunction with management and the external auditor, together with a number of areas that the ARC deemed significant in the context of the financial statements, are set out on pages 113 to 115.

Fair, balanced and understandable

At the Board's request, the ARC considered whether the half-year results and the Annual Report and Accounts were fair, balanced and understandable, and whether the information provided was sufficient for a reader of the statements to understand the Group's position and performance, business model and strategy.

The ARC reviewed both the narrative and financial sections of the reports to ensure they were consistent and gave a balanced view of the performance of the business in the year and that appropriate weight was given to both positive and negative aspects. The ARC also considered the use of alternative performance measures (APMs) and whether the APMs are appropriate, including any changes to their definition in the period. The ARC also considered whether the full year announcement was presented clearly.

The ARC considered whether the Annual Report and Accounts enables readers to understand the Company's financial position and prospects, as well as assess its going concern status and longer-term viability.

Communications with the Financial Reporting Council

In June 2025, the Company received a letter from the Financial Reporting Council (FRC) following its review of the Company's 2024 Annual Report and Accounts. The FRC did not raise any questions or queries that required the Company to respond, and no changes to the numbers reported were required, however they noted a number of matters where they believed users of the accounts would benefit from improvements to the Company's reporting. The matters have been given full consideration and disclosures revised in the Company's 2025 Annual Report and Accounts where material or relevant to do so.

The FRC's review was based on the Annual Report and Accounts and did not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into. It was, however, conducted by FRC staff with an understanding of the relevant legal and accounting framework. The review carried out by the FRC provides no assurance that the Annual Report and Accounts were correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

Significant issues in relation to the financial statements considered by the Audit and Risk Committee

Going concern and viability assessment

Matter considered

Consideration of the going concern assumption and viability of the Group and Parent Company is the responsibility of the Board. The ARC conducted an assessment as part of its support role, given the inherent judgements required to assist the Board in evaluating the resilience of the Group.

Action

The ARC considered the projections within the business plan, agreed by the Board in March 2026, and the key assumptions underpinning the future cash flow and profit forecasts. The ARC received reports from executive management concerning the going concern and viability assessments, including the key risks identified. These included details on the key assumptions, in particular the ability of the Group to grow revenues, the forecasting process, the committed facilities available, and the mitigations within direct control of the Group. The ARC also considered the current financing structure of the Group and forthcoming debt repayments, and therefore the ability of the Group to refinance. The ARC also considered the risks identified and appraised the severity and plausibility of these in setting the downside scenario (see section 1 to the consolidated financial statements for details).

The ARC reviewed the disclosures presented in section 1 of the consolidated financial statements together with the viability statement on page 86 and 87 to ensure there was sufficient detail provided to explain the basis of preparation and the Board's conclusion.

Outcome

The ARC is satisfied that the analysis presented by executive management and KPMG provides enough detail to allow a robust assessment of relevant risks and mitigations to be undertaken. This supported full discussion of the severe but plausible downsides and allowed the ARC to recommend to the Board that the going concern assumption be applied and the viability statement be approved.

The ARC is satisfied that section 1 to the consolidated financial statements and the viability statement on page 86 and 87 include proportionate disclosures to inform users of the assessments undertaken by the Board.

Revenue and profit recognition

Matter considered

There is significant risk on long-term contracts related to revenue recognised from variations or scope changes, where significant judgement is required to be exercised by management. There is a risk that revenue may be recognised even though it is not probable that consideration will be collected, which could be due to uncertainties over contractual terms and ongoing negotiations with clients.

Judgement is also required when customers request scope changes to determine if there is a contract modification or a contract termination followed by a new contract. Contract terminations can lead to the immediate recognition of any deferred income being held for recognition in future periods.

Action

The ARC received regular updates on major contracts during the year and specifically reviewed the material judgements as part of the half-year and year-end close process. The ARC has also considered the recognition of variable revenue where significant on any particular major contract, of onerous contract provisions, where appropriate, and the lifetime profitability of contracts.

To aid the reader, the Company has included a detailed explanation of the Group's accounting for long-term contracts (see note 2.1 to the consolidated financial statements).

Outcome

The revenue recognition policy includes disclosure of the significant judgements and estimates in relation to its application and the ARC is satisfied that these have been properly disclosed. The ARC is satisfied that the disclosures given within the accounts are sufficient to gain a proper understanding of the methodology of accounting for revenue across the Group, including the recognition of deferred income at the balance sheet date. The ARC reviewed the disclosure and concluded that these provide information that is helpful to allow a fuller understanding of the application of IFRS 15 to the Group's contracts.

Audit and Risk Committee report *continued*

Contract fulfilment assets

Matter considered

Costs incurred to deliver a customer contract may be capitalised as contract fulfilment assets (CFAs) in accordance with IFRS 15. Judgements are involved in assessing whether the costs incurred on a contract or an anticipated contract meet the capitalisation criteria as set out under the standard.

In addition, the amortisation of these assets involves estimation of the expected life of the contract, and when a contract is in the early years post-inception and undergoing major transformation activities, the CFAs are at heightened risk of impairment. Judgements are involved in assessing whether the costs incurred on a contract or an anticipated contract meet the capitalisation criteria as set out under the standard.

Action

The ARC has considered and challenged the significant judgements and estimates involved in determining the carrying value of CFAs. As part of the review of all major contracts, the ARC has also considered the recoverability of CFAs.

Outcome

The ARC is satisfied that appropriate judgements and estimates have been made in determining the carrying value of CFAs in these statements is appropriate. The ARC is satisfied that the accounting policy note provides sufficient clarity as to the policy adopted and that the disclosures provide information to allow a reader to understand the risks associated with different stages of a typical long-term Capita contract.

Impairment of goodwill and Parent Company's investment in subsidiaries, and recoverability of receivables from subsidiary undertakings in the Parent Company

Matter considered

The Group carries significant asset balances in respect of goodwill related to its acquisition activity. In addition, the Parent Company carries a material balance of investment in, and receivables from, subsidiaries in its financial statements. The impairment and recoverability assessments require the application of judgement concerning future prospects and forecasts. There is heightened judgement in the determination of future cash flows for the Contact Centre cash generating unit (CGU), mostly as a consequence of the lower volumes seen in the Telecommunications vertical and the loss of contracts.

Action

The ARC has challenged the appropriateness of assumptions used to calculate and determine the existence of impairment. The ARC gave particular consideration to the revenue growth assumptions within the Contact Centre cash flow forecasts.

The ARC has also reviewed the robustness of the assessment of recoverability of receivables from subsidiary undertakings in the parent company and challenged the appropriateness of assumptions used to calculate and determine any provisions required.

Outcome

The ARC is satisfied that the impairment of goodwill recognised at 31 December 2025 in respect of the Contact Centre CGU is as expected given performance of the business.

The ARC is also satisfied that the assumptions, methodology and disclosure in note 3.4 to the consolidated financial statements are sufficient to give the reader an understanding of the action taken and the sensitivities within the goodwill balance to a risk of impairment.

Of particular importance to the ARC was the inclusion of sufficient disclosures to set out the events and circumstances that have led to the impairment charge recorded in the year.

The ARC considered that any impairment of investment in subsidiaries, or any provision against amounts receivable from subsidiaries, at the Parent Company level were appropriate and properly accounted for.

The ARC acknowledged the gap between the net assets of the Parent Company and its market capitalisation. The ARC gave consideration as to why this might be the case and whether goodwill or assets on the Parent Company balance sheet may be impaired. The factors considered included: the differing basis of valuations (including that third parties value the services sector on income statement multiples versus long-term view using a discounted cash flow for the basis of impairment testing under accounting standards), sum-of-the parts view and the multiples achieved on recent disposals, general market assumptions of the sector which can ignore the liquidity profile and specific risks of an entity, and other specific items which impact the market's view of the Group at the moment. Taking these points into consideration the ARC is comfortable that there is no impairment in respect of goodwill or the net assets of the Parent Company to be recognised at 31 December 2025, despite the continuing low market capitalisation of the Company.

Pensions

Matter considered

The measurement of the defined benefit liabilities in respect of defined benefit pension schemes operated within the Group requires assumptions to be taken on inflation, mortality, corporate bond yields, expectations of returns on assets and several other key inputs. There is a risk that any one of these could lead to misstatement of the Group's liabilities in respect of pension obligations and the pension charge or movement recognised in the income statement or statement of comprehensive income.

Action

The ARC reviewed the disclosure as presented in the accounts. The ARC also challenged the key assumptions and reviewed the sensitivity to changes in some of the key assumptions on a standalone basis as well as in the context of defined benefit schemes across other external benchmarks.

Outcome

The ARC is satisfied that the estimation of the Group's pension liabilities and the narrative that accompanies them gives the required level of information for a reader of the accounts to determine the impact on the Group of its pension obligations.

Deferred tax assets**Matter considered**

The Group carries significant deferred tax assets. The recoverability assessment requires the application of judgement concerning future prospects and forecasts.

Action

The ARC reviewed the disclosure as presented in the accounts. The ARC also considered the recognition model adopted, challenged the key assumptions and reviewed the sensitivity to changes in some of the key assumptions on a standalone basis.

Outcome

The ARC is satisfied with the amount of deferred tax recognised in these financial statements.

The ARC is also satisfied that the assumptions, methodology and disclosure in note 2.6 to the consolidated financial statements are sufficient to give the reader an understanding of the approach taken and the sensitivities within the assumptions that could reasonably give rise to a material derecognition of deferred tax.

Provisions in respect of claims and litigation**Matter considered**

Due to the inherent uncertainty and complexity involved in determining the financial impact of legal proceedings, significant estimation is required. This includes making an assessment of the likelihood of unfavourable outcomes and estimate the potential financial impact, which involves making judgements based on legal and subject matter experts' advice, past experience, relevant facts, and the nature of the claims. It is therefore important to understand the estimation being made.

Action

The ARC has reviewed the disclosure in the financial statements and challenged management to justify the level of provisioning.

Outcome

The ARC is satisfied with the fact patterns underlying the provisions, with both the treatment and levels of provision being properly justified.

Other issues considered in relation to the financial statements**Materiality**

Materiality is important in determining the risk attached to any judgement. The ARC considers the audit materiality set by the external auditor to ensure that the ARC is informed of individual items above a certain threshold that are most likely to have an impact on the financial statements. The ARC reviews the external auditor's report and the individual items that breach the materiality thresholds and assesses their relative impact on the reported statements. These are: income statement, statement of comprehensive income; balance sheet; statement of changes in equity and cash flow; as well as the notes to the accounts.

The ARC requests further clarification from the external auditor, the CFO and Group Director of Financial Control as to the nature of these items and also their relative importance in the financial statements.

After having made such enquiries, the ARC is satisfied that materiality has been applied correctly in the accounts.

Disclosure of information to the auditor

The directors who held office at the date of the approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's external auditor is unaware; and each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information required for the audit and to establish that the Company's external auditor is aware of that information.

External auditor

The ARC provides a forum for reporting by the Group's external auditor (KPMG) and it advises the Board on the appointment, independence and objectivity of the external auditor and on fees earned for both audit and permitted non-audit work. The ARC discusses the nature, scope and timing of the audit with the auditor and, in making a recommendation to the Board on external auditor reappointment, performs an annual, independent assessment of the external auditor's suitability, performance and independence.

The external auditor attends meetings of the ARC and provides updates on statutory reporting, non-audit services and fees, and ongoing audit items.

The external auditor has the opportunity to raise concerns in private session with the ARC and separately with the chair. Specifically, the ARC asks the external auditor if discussion of business performance in the strategic report is consistent with the external auditor's overall impression of Capita. Any material discrepancies are discussed (refer to the independent auditor's report on pages 139 to 160).

Audit and Risk Committee report *continued*

Auditor independence

The ARC has a responsibility to put in place safeguards to external auditor objectivity and independence and the key measures are:

- The CFO monitors the independence of the external auditor as part of the Group's assessment of external auditor effectiveness and reports to the ARC accordingly.
- The CFO must approve all non-audit engagements above £5,000 (below this level the Group Director of Financial Control must approve) – further details are set out in the section below on non-audit services. The ARC reviews non-audit fees twice a year and considers the implications for external auditor objectivity and independence.
- The external auditor must confirm its independence to the ARC every six months.

Ensuring conflicts of interest are avoided is a fundamental criterion in the selection of any external auditor. Such conflicts may arise across public and private sector clients, and in key supplier relationships. They are a key factor in the award process for an external audit assignment.

Non-audit services and fees

The Company's policy on auditor independence describes the non-audit services that may be procured from the auditor. Permitted non-audit services include those required by laws and regulations, or where it is more practical for the external auditor to perform the service (eg review of interim results, reporting accountant role related to certain public company transactions, and audit and other assurance services related to public reporting on other information issued by Capita, such as reports on information in the front of the annual reports not covered by the auditor's report on the financial statements).

Under the policy, which is reviewed annually, executive management has discretion to engage the auditor for non-audit services but the nature of such assignments and associated fees must be reported regularly to the ARC. All assignments require approval from the CFO where the fee exceeds £5,000 (below this level the Group Director of Financial Control must approve). Where the fee exceeds £150,000, the ARC Chair is also required to approve the assignment, and above £350,000 the ARC's approval is required. Where executive management has any concern that a proposed assignment might threaten the auditor's independence, this is discussed with the ARC chair.

Total non-audit fees during the year were £2.2m and related to the review of interim results, ISAE 3402 assurance reporting on controls operating by a subsidiary, ISAE 3000 assurance reporting over non-financial metrics reported within the Annual Report and Accounts, and services to support the Group in fulfilling obligations required by the UK Listing Rules. The ARC was satisfied that the services provided were in accordance with the Company's policy on auditor independence. Further details are provided in note 2.3.2 to the consolidated financial statements.

External auditor performance

The ARC discussed regularly the performance of KPMG during the year, which included a review of the effectiveness and quality of the audit process, audit planning and a formal post-audit evaluation.

The formal evaluation comprises separate assessments by both management and the ARC of the auditor's role, activity and performance including:

- Calibre and risk profile of the audit firm;
- Audit governance, independence and objectivity;
- Audit scope and strategy;
- Audit team and relations with management and business; and
- Audit communications and resolution of audit issues.

The ARC concluded that KPMG demonstrated professional integrity and objectivity, was effective, and that there was adequate scepticism and challenge on the key judgements adopted by management, in particular those relating to the going concern assumption. The ARC was also satisfied that KPMG remained independent of the Group.

Financial Reporting Council: audit quality inspections

Each year, the Audit Quality Review team (AQR) of the FRC issues a report that sets out the principal findings arising from the audit quality inspections conducted in the previous calendar year across a sample of audits for all major audit firms. The AQR's objective is to monitor and promote improvements in the quality of auditing. The report highlights improvements required to promote audit quality, and areas of good practice. The FRC publishes separate reports on the individual firms, including KPMG.

The ARC received a presentation from the KPMG lead audit partner on the findings from the FRC Audit Quality Inspection Report for KPMG.

External auditor reappointment

Following a robust and rigorous audit tender process in 2018, the ARC and Board recommended the reappointment of KPMG LLP as the Group's auditor and this was approved by shareholders at the 2019 AGM. KPMG was first appointed in 2010, initially as KPMG Audit plc.

The lead audit partner is rotated on a five-yearly basis. The current lead audit partner rotated onto the audit following the completion of the 2021 audit in March 2022. There are no contractual obligations which restrict the ARC's choice of auditor.

Under the requirements of the Statutory Audit Services Order and the EU Audit Directive and Audit Regulation, the provision of audit services should be retendered every 10 years. The complex nature of the Group requires that a knowledge base is built up year on year by the incumbent to ensure that the external audit is conducted with a proper understanding of the Group's operations and the nature of the risks that it faces. This is an important factor in ensuring audit quality. The Group has complied with the provisions of the Statutory Audit Services Order.

A resolution to reappoint KPMG as the external auditor of the Company will be put forward at the forthcoming annual general meeting. If approved, KPMG will hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company, and its remuneration will be determined by the ARC.

Review of risk management and internal control

Responsibility for reviewing the effectiveness of the Group's risk management and internal control systems is delegated to the ARC by the Board.

Effectiveness and efficiency of risk management

During 2025, the ARC maintained close oversight of the principal risk landscape, emerging risk themes, and the effectiveness of the internal control environment.

As referenced above, the ARC considered the Group's principal risks and reviewed the Group's risk appetite. The Group's risk appetite statement is set over a three-year horizon to align with the Group's business planning and viability reporting processes. However, it is reviewed annually to ensure it remains fit-for-purpose and aligned with our strategic objectives. The principal risk assessment also considered any emerging risks that would threaten Capita's business model, future performance, solvency, or liquidity. The assessment process included regular engagement with the Executive Team members accountable for the management of risk falling under their remit.

The ARC received reports on the following themes during the year:

- Finance transformation;
- Internal controls framework;
- Cyber and information security;
- IT resilience;
- Data governance;
- Code of conduct matters, including fraud and other matters raised under the Group's Speak Up policy; and
- Legal, regulatory and litigation matters.

In addition, the ARC receives regular updates from the Group's executive risk and ethics committee (EREC). EREC supports the ARC and is responsible for identifying, assessing, overseeing and challenging principal risks across all Capita's unregulated businesses. EREC is comprised of the Executive Team and the Director Internal Audit and Risk.

The ARC recognises the importance of the Group's financial services businesses and the need for specific oversight, to manage and mitigate regulatory risks associated within those businesses. This oversight is provided by the financial regulated entities oversight committee (the FREOC). The FREOC is chaired by an independent non-executive director, supported by specialist risk and compliance professionals, who provides regular updates to the ARC

The ARC continued its increased scrutiny of the Group's cyber security given the cyber incident in late March 2023, receiving regular presentations from the Chief Technology Officer (CTO) and the Chief Information Security Officer (CISO) on the Group's cyber transformation programme and challenging management on their assessments. The ARC was pleased to note the improvement in the NIST cyber maturity score, following assessment from an independent third party. This remains a principal focus for the ARC and the CTO and CISO will continue to attend committee meetings on a regular basis to present to the ARC. Capita has adopted the Data Management Association (DAMA) model which is a comprehensive framework for data governance standards

and practices. The DAMA framework is being used within Capita to continuously improve our data management competence, processes, technology, and skills. The ARC receives regular updates on progress in this area.

In December, Claire Denton, Chief General Counsel provided an annual update to the ARC on regulatory, employment and litigation matters. Claire is also the Company Secretary and attends all ARC meetings and is available to answer questions from the Committee on any of these matters.

Effectiveness and efficiency of financial controls

Detail on the status of internal financial controls is in the risk management and internal control section of this report and can be found on pages 79 to 85. As detailed on page 111 further improvements to the Group risk and control framework, including financial controls were delivered during the year.

The ARC concluded that the Group risk and control framework, including financial controls could be relied upon to be materially effective, noting that further improvements to the Group risk and control framework are planned for 2026 to ensure that financial controls are appropriately efficient for a Group of the scale and complexity of Capita.

Further information on the Group's risk management and internal control process is set out on pages 79 to 85.

Internal audit

The Group Internal Audit function has an administrative reporting line to the CFO and an independent reporting line to the Chair of the ARC. The function operates a co-sourcing model which provides additional expertise and breadth to the work of the in-house audit team. It is led by the Director of Internal Audit and Risk, who also has responsibility for the Group's non regulated business risk function.

Internal Audit's 2025 programme highlighted several Group wide themes relating to control maturity and operational consistency. Reviews continued to identify the need for more standardised and better documented processes, the importance of strengthening first line ownership of controls, with clearer accountabilities and improved timeliness of action closure evident as the year progressed. Cyber resilience remained prominent with progress noted. Overall, the programme indicated a stable control environment, and a more consistent approach to remediation and escalation.

The 2026 internal audit programme, approved by the ARC in December 2025, is structured around the Group's key risk priorities and the continued development of the Internal Control Framework. Reflecting the Board's averse risk appetite in critical areas, the plan provides focused assurance over cybersecurity, data governance and data privacy, recognising both heightened regulatory expectations and the Group's increasing reliance on digital infrastructure and hyperscaler partnerships. Contract governance will remain a major component of the programme, with a significant proportion of planned audits dedicated to revenue integrity, billing accuracy, transformation governance and commercial controls, consistent with the operational and financial significance of contract execution across the Group.

Audit and Risk Committee report *continued*

The programme also embeds the next phase of ICF implementation, with internal audit undertaking ICF-aligned control testing as the framework moves into operational effectiveness in early 2026. This approach is intended to provide the ARC the evidence required to support future provision 29 disclosures, including controls linked to the refreshed principal risks.

During 2025, the Group's internal audit function was independently assessed through an External Quality Assessment. The review concluded that internal audit is well established, operates with appropriate independence and objectivity. The assessment recognised the function's strong mandate, risk-based planning approach and constructive engagement with management, while also identifying a number of enhancement opportunities. The ARC noted that these findings provide a clear roadmap to support the continued effectiveness and impact of internal audit.

Throughout the year, the Group internal audit function provides written reports to the ARC on work completed and in progress, supplemented by oral updates. These reports set out control and process weaknesses identified during audit activity, together with recommendations for action.

In all cases, management responded with appropriate actions to mitigate the associated risks. The ARC reviews management's response to the matters raised and ensures that any action is commensurate with the level of risk identified. The ARC receives regular status updates on identified actions and provides robust challenge.

Through its regular interaction with the Director of Internal Audit and Risk, and its consideration of reports from the function, the ARC is able to assess and satisfy itself that the Group's provision of internal audit is effective.

Anti-bribery and corruption

Capita has a Group-wide anti-bribery and corruption policy, which complies with the Bribery Act 2010. Procedures are reviewed periodically to ensure continued effective compliance in Group businesses around the world.

Economic Crime and Corporate Transparency Act

The Committee also focused on the Economic Crime and Corporate Transparency Act (ECCTA) which came into effect in the UK on 1 September 2025. The ARC received regular updates on actions taken by the Company to ensure compliance with ECCTA which requires businesses to implement fraud prevention controls to defend against corporate liability. The key controls include top-level commitment, risk assessment, proportionate risk-based prevention procedures, due diligence, communication, including training, and monitoring and review. The project to implement the ECCTA has supported our ICF project and strengthened Capita's bribery controls.

Code of Conduct and Speak Up

The Code of Conduct sets the standard of how Capita operates and forms a central part of the Group's governance and our culture. Our Code of Conduct training is mandatory for all Group employees including Capita plc directors and compliance continues to be monitored throughout the year. The Speak Up policy provides a confidential framework for concerns to be raised in a responsible and effective manner.

Capita uses a third party Speak Up platform to facilitate individuals raising concerns. Where concerns are raised, they are escalated to the Business Integrity team within Capita for further assessment and investigation. This ensures that concerns are addressed in a manner independent of a colleague's business area.

The Group Director of Business Integrity and Financial Crime is invited to attend each meeting of the ARC and provides updates on reported Speak Up matters, investigation outcomes, thematic trends and the status of actions taken. Outcomes during the year ranged from disciplinary action and training interventions to process improvements and strengthened controls. Recommendations arising from cases were shared with relevant management teams to support continuous improvement and to enhance the broader control environment.

In addition, the Director of Business Integrity and Financial Crime has direct access to the Chair of the Committee and informs the Chair promptly of any serious Speak Up matters requiring urgent or heightened oversight.

During 2025, the number of Speak Up cases increased compared with 2024, reflecting both heightened awareness and strengthened reporting culture across the Group. Reporting levels varied across geographies, with higher levels of engagement in South Africa and India and lower levels in Germany and Switzerland. Targeted engagement continued during the year, including focused communication campaigns, town hall events and the deployment of global training materials and videos to ensure all colleagues understand how and when to raise concerns. The Group Director of Business Integrity and Financial Crime and the Chief General Counsel and Company Secretary continued to meet periodically with the chairs of employee network groups to gather insights on colleague experience and discuss opportunities to further raise awareness and confidence in the Speak Up process.

The ARC remains focused on ensuring that Capita maintains a culture where colleagues feel safe, supported and empowered to speak up, and will continue to monitor reporting levels, investigation outcomes and the progress of associated improvement actions during 2026.

Looking ahead

During 2026, the ARC will continue to focus on the delivery of the Internal Control Framework, further strengthening cyber resilience and IT controls, and maintaining high-quality financial reporting in a period of ongoing transformation. Consistent with the Group's risk management approach, the ARC will place oversight on the evolving use of artificial intelligence and emerging technologies, and their impact on the control environment. This will include continued focus on the effectiveness of governance, risk management and internal controls as automation and AI-enabled solutions become more embedded across the Group. We remain committed to ensuring a robust, transparent and proportionate control environment that supports the Group's long-term performance and resilience.

Jack Clarke, Chair

Audit and Risk Committee

9 March 2026

Directors' remuneration report



“With the CEO and CFO now established in their roles, the committee will review the remuneration policy during 2026 ahead of the policy vote in 2027. No changes are proposed for 2026.”

Georgina Harvey, Chair, Remuneration Committee

Remuneration Committee membership and attendance

- The committee comprises two independent non-executive directors and the Company Chair (considered independent on appointment). The number of formal meetings held and the attendance by each member is shown in the table on page 99.
- The committee also held informal discussions as required. The Chief General Counsel and Company Secretary acts as

secretary to the committee and is available to assist the members of the committee as required, ensuring that timely and accurate information is distributed accordingly.

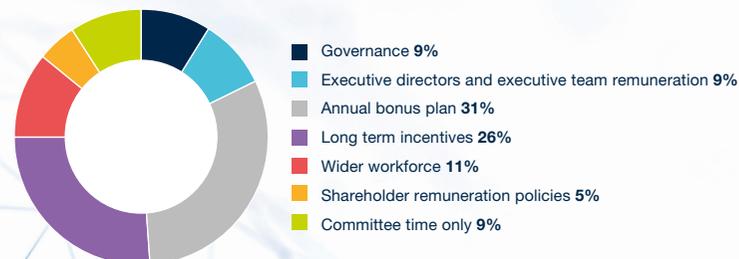
- The committee's terms of reference set out the role, responsibilities and authority of the committee and can be found on the Company's website at www.capita.com/about-us/corporate-governance. These are normally reviewed, and updated where appropriate, on an annual basis.

This report is split into three sections:

- The annual statement summarises how the committee discharged its roles and responsibilities in respect of 2025 and the proposed implementation of the directors' remuneration policy (the policy) for 2026.
- A summary of the policy which was approved by shareholders at the 2024 AGM. No changes are proposed for 2026.
- The annual report on remuneration sets out how the remuneration policy was implemented in respect of 2025.

The directors' remuneration report (excluding the policy) will be subject to an advisory shareholder vote at the 2026 AGM.

Remuneration Committee approximated time allocation



Directors' remuneration report *continued*

Annual statement

Dear shareholder,

I am pleased to present the directors' remuneration report for the year ended 31 December 2025.

In 2025, Capita continued to execute against its medium-term priorities, strengthening delivery consistency and showing growing momentum against its better strategy. The Group advanced its simplification agenda driving significant cost efficiencies and scaled the deployment of AI-enabled solutions, supporting stronger customer outcomes, where we saw a three point increase in cNPS to +31 points. In 2025, the Group launched its AI Catalyst Lab and Catalyst Stack, with over 400 ideas submitted to the Lab since it was launched and 40 pilot products launched. 2025 saw a 34% increase in adjusted operating profit and the actions taken this year should further improve the Group's financial performance going forward.

How the committee operates

The committee operates an annual agenda covering the key planning and decision events in the annual remuneration cycle. Each meeting is supported by an agenda setting discussion held in advance with the committee Chair, Chief People Officer and Group Reward Director, to identify issues affecting remuneration that may require consideration by the committee. Regular reports, including updates on corporate governance and regulatory developments, are received from the committee's advisor. At each committee meeting the members may receive other reports and presentations covering wider workforce arrangements which include the annual pay review, wider workforce strategy, incentive scheme arrangements, gender pay and ethnicity reporting, engagement on how executive remuneration aligns with wider company pay policy, salary proposals for members of the senior team and approval of remuneration packages for new members of the executive team.

Committee activities

The key workstreams of the committee during the year included:

- Agreeing the terms of the 2025 Restricted Share Awards (RSAs);
- Assessing the performance underpin in respect of the RSAs held by former executive directors Jon Lewis and Tim Weller which were granted in 2022 with a 2025 vesting date;
- Agreeing the annual bonus outturn for the year ended 31 December 2024;
- Agreeing the design and targets for the 2025 annual bonus;
- Determining the remuneration arrangements for the executive team;
- Consideration of executive pay arrangements and alignment with those for the wider workforce;
- Ongoing workforce engagement in respect of executive remuneration; and
- Receiving progress updates in respect of the implementation of wider workforce strategy on pay and progression (career path framework).

Remuneration for 2025

A summary of the approach to remuneration in 2025 is as follows:

Fixed remuneration

- There was no change in the base salary for the CEO or CFO in 2025. As such, the CEO and CFO remained on the base salaries that they were appointed on (being £700,000 and £450,000 respectively).
- No changes were made to benefit provision and executive directors continued to receive a workforce-aligned pension allowance (5% of salary) in line with other employees.

Annual bonus for 2025

- Annual bonus continued to be capped at 200% of salary for the CEO and 150% of salary for the CFO.
- Reflecting the continued importance of improving profitability and delivering sustainable cash generation, the 2025 annual bonus was again based on profit before tax (PBT), free cash flow and revenue, weighted 40%, 50% and 10% respectively (totalling 80% of maximum bonus). Strategic/individual objectives (totalling 20% of maximum bonus) were based on customer, colleague, AI growth and leadership.
- Following a review of performance against the annual bonus targets, annual bonuses of 60.4% of the maximum and 56.4% of the maximum were awarded to the CEO and the CFO respectively in respect of the year ended 31 December 2025. While revenue performance was below threshold, free cash flow performance was between threshold and target and PBT performance was between target and stretch. Strategic/individual objectives were met in full for the CEO and to a significant extent for the CFO.
- Further details in respect of the annual bonus performance assessment are set out on pages 131 to 132.

Restricted Share Awards

- RSAs were granted under the Capita Executive Plan in June 2025 at 125% of salary for the CEO and 100% of salary for the CFO. Further details of the 2025 RSAs are set out in the annual report on remuneration.
- The March 2023 RSAs granted to former executive directors Jon Lewis and Tim Weller, which were due to vest in March 2026, lapsed in full post year end following the application of the total shareholder return (TSR) underpin.

Total remuneration

- The committee is satisfied that total remuneration paid to the executive directors in respect of 2025 was appropriate in the context of the shareholder and broader stakeholder experience.

Use of discretion

The committee retains the right to exercise discretion to override formulaic outcomes and ensure that the level of bonus and/or share award payable is appropriate. It may also use its judgement to adjust outcomes to ensure that any payments made reflect overall Company performance and stakeholder experiences more generally. Where discretion is exercised, the rationale for this discretion will be fully disclosed to shareholders in the relevant annual report. A summary of the discretion exercised by the committee over the last five years, is set out below:

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|--|--|--|------------------------------------|------------------------------------|
| Annual bonus | No committee discretion exercised. | Annual bonus awards for the CEO and CFO for the year ended 31 December 2022 were reduced from 69% to 60% of the maximum, see page 115 of the 2022 annual report. | No committee discretion exercised (albeit it should be noted that the committee accepted management's proposal not to pay an annual bonus for 2023). | No committee discretion exercised. | No committee discretion exercised. |
| Share awards | 2021 RSA levels were reduced from the normal policy grant level by around 17%. | The 2022 RSA level for the CEO was reduced from the normal award level of 150% of salary to 100% of salary, see page 116 of the 2022 annual report. | No committee discretion exercised. | No committee discretion exercised. | No committee discretion exercised. |

Board changes in 2025

Brian McArthur-Muscroft stepped down as a non-executive director on 23 July 2025.

Share consolidation in 2025

Details of the share consolidation which took place in 2025 are set out in the CFO review on pages 30 to 36. Shareholdings and share awards have been restated where relevant throughout this Directors' remuneration report.

Remuneration for 2026

The committee's intended approach to the implementation of the policy for 2026 is set out below.

Fixed remuneration

- No changes will be made to the CEO and CFO's ongoing salaries which will remain at 2025 levels (£700,000 and £450,000 respectively). The annual salary review budget for the UK workforce for 2026 was set at 3% although the below board senior management team (c.450 individuals) will instead receive an RSA in lieu of salary increases for 2026 which will vest over three years subject to continued service. To align the CEO and CFO to the approach adopted below board, albeit noting the policy prevents Capita from replicating the approach exactly, the CEO and CFO will receive a one-off salary award equating to 3% of their current salaries during 2026 with the expectation that they will use the net of tax amount to buy and hold Capita shares. The additional award will not be counted as salary for the purposes of pension, annual bonus or RSAs and as such, this is less generous than an equivalent salary increase. The CEO and CFO have agreed to hold the shares that they acquire for a minimum of three years and thereafter for such extended period (if any) as required in respect of the relevant executive director shareholding guideline.

- No significant changes will be made to benefit provision and executive directors will continue to receive a workforce-aligned pension allowance (5% of salary) in line with other employees.

Annual bonus for 2026

- Maximum annual bonus potential will continue to operate at 200% (CEO) and 150% (CFO) of salary.
- The performance metrics will continue to be based on 80% financial metrics and 20% strategic/individual objectives.

Restricted Share Awards

- The 2026 RSAs to be granted to executive directors in 2026 will:
 - be set at a maximum of 125% of salary for the CEO and 100% of salary for the CFO;
 - vest after three years from the grant date, subject to continued employment, satisfactory individual performance and a positive assessment of performance against the underpins (including three-year TSR to be positive). A three-year post vesting holding period will continue to operate.

The actual number of shares under award, which will be determined just prior to the date of grant, and details of the underpins that will apply to the awards will be set out in the RNS announcement issued immediately following grant.

Directors' remuneration report *continued*

Shareholder views

The Company is committed to maintaining good communications with shareholders. It considers the AGM to be an opportunity to communicate with shareholders, giving them the opportunity to raise any issues or concerns they may have. In addition, the committee seeks to engage directly with major shareholders and the main representative bodies, should any material change be proposed to the policy.

Employee engagement and workforce strategy

Through 2025, our CEO Adolfo Hernandez continued to place significant emphasis on engaging with our colleagues globally. Through regular site visits, which included colleague/CEO forums, discussions with our employee network groups and increased use of Viva Engage, all colleagues got an improved opportunity to feedback to the CEO and executive team directly. 2025 saw the implementation of a new internal communications strategy with focus on CEO/executive team engagement with our leadership population (c.500 leaders) but also all colleague messages through newsletters, emails and Viva Engage that focused on our transformation achievements. The bi-annual global townhalls (held virtually) continue to be run with positive feedback. Also included were the announcement of our 2024 financial results and mid-year trading update – all of which our colleagues were invited to join. Employees are able to submit any questions about the company, including in relation to the directors' remuneration policy and report, pay and benefits, both online and during live employee briefings.

During 2025, the committee encouraged further development of the process of engaging with the workforce on how executive remuneration aligns with wider company pay policy. As in previous years, a session was held remotely with the chairs and co-chairs of the Capita employee network groups. These sessions are always well attended and generate an engaging conversation. It was decided that this year, the session with a cross-section of employees within the Capita Group would be held face-to-face with a view to encouraging greater engagement and more opportunity for questions and answers. This change worked well, and the committee will consider how more face-to-face sessions might be held at different sites in the future. An additional session was also held with the SLT which was attended by over 100 people. All sessions were chaired by Georgina Harvey and covered: the work of the committee; executive pay in the UK and at Capita; how executive remuneration is linked to performance; wider workforce pay policy and how this is linked to Capita executive pay policy including how each element of the remuneration package cascades down the business; transparency on pay within Capita and future pay strategy. Questions and feedback are encouraged in each session. The feedback this year primarily related to the level of transparency on pay provided in these sessions which was well received by participants.

As noted in last years' report, in February 2024 Nneka Abulokwe was appointed as the designated non-executive director to engage with our colleagues. Details of the work she has undertaken in this role during 2025 are set out in the RB report on pages 107 to 109.

The committee continues to take a keen interest in Capita's wider workforce strategy on pay and development. In 2025, the committee received updates on the evolution of the global reward framework, including the full implementation of the career path framework across all global colleagues. This milestone marks the culmination of a multi-year transformation, embedding market-informed pay ranges and transparent principles to support fairness and consistency. The committee welcomed the improvement of controls to mitigate unconscious bias in pay decisions and noted the significant progress made in improving pay outcomes for lower earners, whose pay has increased by over 40% since 2021. The committee also reviewed enhancements to manager enablement, including improved training and tools for evidence-based salary reviews. Further detail is included in the Responsible business section of the Annual Report on page 50. The committee will continue to monitor the reward strategy as part of its annual agenda, with a focus on fairness, transparency, and recognition.

The committee considers that our remuneration policy approved by shareholders at the 2024 AGM continues to remain appropriate. Work will begin in 2026 to review the policy ahead of the renewal at the 2027 AGM as part of the normal three-year cycle.

I hope you find this report to be clear and helpful in understanding our remuneration practices and that you will be supportive of the advisory vote to approve the annual report on remuneration.

Finally, I would like to thank our shareholders for their ongoing support.

Georgina Harvey, Chair
Remuneration Committee

9 March 2026

Director's remuneration policy

This part of the remuneration report sets out a summary of our remuneration policy which was approved by shareholders at the 2024 AGM. The full policy approved by shareholders at the 2024 AGM is presented in the Annual Report and Accounts 2023. No changes to the policy are proposed for 2026. The information provided in this section of the remuneration report is not subject to audit.

Responsibilities and activities of the Remuneration Committee

The committee is responsible for determining and agreeing with the Board the remuneration policy for the executive directors, executive team members, and the Chief General Counsel and Company Secretary role, including setting the overarching principles, parameters and governance framework and determining each remuneration package. In addition, the committee reviews remuneration for the wider workforce and related policies and the alignment of incentives and rewards with culture. The committee also sets the Chair's fee.

In setting the remuneration policy for the executive directors, executive team members and the Chief General Counsel and Company Secretary role, the committee ensures that the arrangements are in the best interest of both the Group and its shareholders, by taking into account the following general principles:

- To ensure total remuneration packages are simple and fair in design so that they are valued by participants;
- To ensure that total remuneration strongly reflects performance;

Remuneration policy table

The following table sets out the key aspects of the policy.

Base salary

| Purpose and link to strategy | Operation | Maximum opportunity | Performance framework |
|---|--|---|--|
| To attract and retain talent by ensuring base salaries are sufficiently competitive | <p>Normally reviewed annually. The committee may award salary increases at other times of the year if it considers it to be appropriate. The review takes into account:</p> <ul style="list-style-type: none"> • Salaries in similar companies and comparably-sized companies • Remuneration policy • Economic climate • Market conditions • Group performance • The role and responsibility of the individual director • Employee remuneration across the broader workforce. | <p>There is no prescribed maximum monetary annual increase to base salaries. Any annual increase in salaries is at the discretion of the committee, taking into account the factors stated in this table and the following principles:</p> <ul style="list-style-type: none"> • Salaries would typically be increased at a rate consistent with the average salary increase (in percentage of salary terms) for the broader workforce. • Larger increases may be considered appropriate in certain circumstances (including, but not limited to, a change in an individual's responsibilities or in the scale of their role or in the size and complexity of the Group). • Larger increases may also be considered appropriate if a director has been initially appointed to the Board at a lower than typical salary. | Individual and business performance are considerations in setting base salaries. |

- To balance performance-related pay between: the achievement of financial performance objectives and delivering sustainable performance; creating a clear connection between performance and reward; and providing a focus on sustained improvements in profitability and returns; and
- To provide a material proportion of remuneration in shares, allowing senior management to build a significant shareholding in the business and, therefore, aligning management with shareholders' interests and the Group's performance, without encouraging excessive risk taking.

Consideration of shareholder views

The Company is committed to maintaining good communications with shareholders. It considers the AGM to be an opportunity to communicate with shareholders, giving them the opportunity to raise any issues or concerns they may have. In addition, the committee seeks to engage directly with major shareholders and the main representative bodies, should any material changes be proposed to the policy.

Consideration of our people

When determining executive director remuneration policy and practices, the committee reviews workforce remuneration and related policies and the alignment of incentives and rewards with culture to ensure that workforce pay and conditions are taken into account when setting the pay of executive directors and senior management.

Directors' remuneration report *continued*

Benefits

| Purpose and link to strategy | Operation | Maximum opportunity | Performance framework |
|--|--|--|--------------------------|
| Designed to be consistent with benefits available to employees in the Group. | Benefits may include car allowance, private medical insurance, travel and property hire. Executive directors can also participate in all-employee share plans. The committee has discretion to add additional benefits which are not currently provided, such as relocation expenses. | Benefit provision varies between different executive directors. While there is no maximum level set by the committee, benefits provision will be set at a level the committee considers appropriate and be based on individual circumstances. Participation in the Company's HMRC-approved all-employee share plan will be limited by the maximum level prescribed by HMRC. | Not performance-related. |

Pension

| Purpose and link to strategy | Operation | Maximum opportunity | Performance framework |
|---|---|---------------------|--------------------------|
| Consistent with benefits available to employees in the Group. | Pension contributions are paid into the Group's defined contribution scheme and/or as a cash allowance. | 5% of salary. | Not performance-related. |

Annual bonus

| Purpose and link to strategy | Operation | Maximum opportunity | Performance framework |
|--|--|---------------------|--|
| Performance measures are selected to focus executives on delivery of the Group's business plan for the financial year. | The bonus measures and targets are reviewed annually to ensure that bonus opportunity and performance measures are appropriately stretching and continue to support the business plan. Performance against targets is reviewed following completion of the final accounts for the period under review. 50% of any bonus earned (net of tax) is normally delivered in shares deferred for three years, with the remainder delivered in cash or deferred shares at the executive director's discretion. An additional payment may be made at the time of vesting in respect of dividends that would have accrued on deferred shares during the deferral period. Malus and clawback provisions apply to all annual bonus and deferred bonus share awards for a period of up to three years after the determination of the annual bonus. | 200% of salary. | Performance is normally measured over a one-year period relative to challenging targets for selected measures of Group financial, strategic and/or individual performance. The majority of the bonus will be determined by measure(s) of Group financial performance. A sliding scale is set for each Group financial measure: 50% of the bonus will be paid at target performance, increasing to 100% for maximum performance. Any bonus payout is ultimately at the discretion of the committee, and the amount of any bonus that would be determined based on performance may be reduced if the committee believes this better reflects the underlying performance of Capita over the relevant period. |

Restricted share awards

| Purpose and link to strategy | Operation | Maximum opportunity | Performance framework |
|---|--|---------------------|---|
| <p>Designed to reward and retain executives over the longer term, while aligning their interests with those of shareholders.</p> <p>To link reward to longer-term performance.</p> <p>To encourage share ownership.</p> | <p>Awards normally vest after three years from grant and, once vested, shares may not normally be sold until at least six years from the grant date (other than to pay relevant taxes).</p> <p>Dividends or dividend equivalents may accrue over the vesting period and any holding period but only to the extent awards vest.</p> <p>Malus and clawback provisions apply to awards for a period up to the fifth anniversary of grant.</p> | 125% of salary. | <p>Vesting will be subject to: (i) continued employment; (ii) satisfactory personal performance during the relevant vesting periods; and (iii) a positive assessment of performance against one or more underpins.</p> <p>In addition, the committee may reduce the extent to which an award vests if it believes this better reflects the underlying performance of Capita over the relevant period.</p> |

Shareholding guidelines

| Purpose and link to strategy | Operation | Shareholding requirement | Performance framework |
|---|--|--|--------------------------|
| <p>To align interests of management and shareholders and promote a long-term approach to performance and risk management.</p> | <p>Shareholding guidelines require executive directors to reach a specified shareholding. Executive directors are required to retain 100% of any shares from deferred bonus awards, RSAs (or LTIPs as granted under the previous policy) on vesting (net of tax) until the guideline level is achieved.</p> <p>Post-cessation guidelines apply to share awards granted following the 2020 AGM. In determining the relevant number of shares to be retained post cessation, shares acquired from own purchases, any buyout awards and share awards granted prior to the 2020 AGM will not be counted.</p> | <p>In employment: 300% of salary (CEO); 200% of salary (CFO).</p> <p>Post cessation: 100% of the relevant guideline between cessation and the second anniversary of cessation (or the actual shareholding if the guideline has not been met at cessation).</p> | Not performance related. |

Directors' remuneration report *continued*

Non-executive director (NED) fees

| Purpose and link to strategy | Operation | Maximum opportunity | Performance framework |
|--|---|--|--------------------------|
| Market competitive fees are set to attract and retain non-executive directors with the required skills, experience and knowledge so that the Board can effectively carry out its responsibilities. | <p>Reviewed periodically by the Board. Fee levels set by reference to market rates, taking into account the individual's experience, responsibilities, time commitment and pay decisions for the broader workforce. NED fees comprise payment of an annual basic fee and additional fees for further Board responsibilities such as:</p> <ul style="list-style-type: none"> • Senior independent director • Audit and Risk Committee chair • Remuneration Committee chair <p>The Chair of the Board receives an all-inclusive fee.</p> <p>Additional fees/allowances may also be paid for intercontinental travel for business purposes where appropriate. No NED participates in the Group's incentive arrangements or pension plan or receives any other benefits other than where travel to the Company's registered office is recognised as a taxable benefit in which case a NED may receive grossed-up costs of travel as a benefit.</p> | As per the executive directors, there is no prescribed maximum monetary annual increase. Fees are limited to an aggregate annual sum of £1m increased only to take account of the effect of inflation as measured by the retail price index or such index as the directors consider appropriate or such other amount as the Company may by ordinary resolution decide. | Not performance-related. |

The annual bonus performance measures are Group financial, strategic or individual measures which are selected annually to be consistent with key priorities for the Group.

Targets are normally set on sliding scales that take account of internal strategic planning and external market expectations for the Company.

Only modest rewards are available for achieving threshold performance with maximum rewards requiring substantial outperformance of challenging strategic plans approved at the start of each year.

The committee operates share-based arrangements for the executive directors in accordance with their respective scheme rules, the Listing Rules and HMRC rules where relevant. The committee, consistent with market practice and the scheme rules, retains discretion over a number of areas relating to the operation and administration of the plans. These include (but are not limited to) the following:

- Who participates
- The form in which the award is granted and settled (eg shares, nil cost options, cash)
- The timing of the grant of award and/or payment

- The size of an award (up to individual and plan limits) and/or a payment
- Discretion relating to the measurement of any performance target/underpin and pro-rating of awards in the event of a 'good leaver' scenario or a change of control or restructuring of the Company
- Determination of whether or not a person is characterised as a good leaver (in addition to any specified categories) for incentive plan purposes
- Adjustments required in certain circumstances (eg share capital variation, rights issues, demerger, corporate restructuring, special dividends)
- The ability to vary or substitute any performance condition(s)/underpins if circumstances occur which cause it to determine that the original condition(s) have ceased to be appropriate, provided that any such variation or waiver is (in its opinion) fair, reasonable and not materially less difficult to satisfy than the original condition. In the event that the committee were to make an adjustment of this sort, a full explanation would be provided in the next remuneration report.

In all cases, the committee retains absolute discretion to override formulaic outcomes in the bonus, RSA and any other remuneration arrangements (eg to ensure that any payouts reflect underlying Company performance and the broader stakeholder experience).

The committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed: (i) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved directors' remuneration policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a director of the Company and, in the opinion of the committee, the payment was not in consideration for the individual becoming a director of the Company. For these purposes payments includes the committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted. The committee retains discretion to make minor amendments to the policy set out in this policy report (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Malus and clawback

Malus and clawback provisions apply to all incentive awards granted to executive directors. These provisions permit the committee to reduce or recover bonus awards (including deferred shares) for up to three years after the determination of the annual bonus and to reduce or recover RSA awards (and LTIP awards granted under the previous policy) up to the fifth anniversary of grant. The potential circumstances in which malus or clawback provisions can be applied include:

- material misstatement of a Group company's financial results
- a participant deliberately misleads relevant parties regarding financial performance
- serious misconduct or conduct which causes significant financial loss
- overpayments due to material abnormal write-offs of an exceptional basis
- an error was made, or inaccurate or misleading information was used to determine the value of an award
- reputational damage
- material failure of risk management
- corporate failure or the occurrence of an insolvency event.

Application of our remuneration policy

When determining executive director remuneration policy and practices, the committee reviews workforce remuneration and related policies, and the alignment of incentives and rewards with culture.

Share awards are granted to senior management in order to encourage a high level of employee share ownership, albeit remuneration is more heavily weighted towards long-term variable pay for executive directors than other employees. This is to ensure that there is a clear link between the value created for shareholders and the remuneration received by the executive directors. The committee did not consult with employees formally in respect of the design of the policy, although the employee non-executive director who attended the committee by invitation during 2023 was involved in the committee's discussions.

Directors' recruitment and promotions

The committee takes into account the need to attract, retain and motivate the best person for each position, while at the same time ensuring a close alignment between the interests of shareholders and management.

If a new executive director were to be appointed on a permanent basis, the committee would seek to align their remuneration package with other executive directors in line with the policy table. However, flexibility would be retained to make buyout awards or payments in respect of remuneration arrangements and contractual terms forfeited on leaving a previous employer. In such circumstances, the committee would look to replicate the arrangements being forfeited as closely as possible and, in doing so, would take account of relevant factors including the nature of the remuneration and contractual terms, performance conditions and the time over which they would have vested or been paid.

If appropriate, a new appointee's incentives in their year of joining may be subject to different targets than for other executive directors. The committee may also agree that the Company will meet certain relocation and incidental expenses, as it considers appropriate.

The maximum level of variable remuneration which may be granted (excluding awards to compensate for remuneration arrangements and contractual terms forfeited on leaving the previous employer) to new executive directors in the year of recruitment shall be limited to 325% of salary (the maximum limit permitted within the policy table).

The initial notice period for a service contract may be up to 24 months, which is longer than that stated in the policy of a 12-month notice period, provided it reduces to 12 months within a short space of time.

For an internal appointment or an appointment following the Company's acquisition of or merger with another company, any incentive amount awarded in respect of a prior role may be allowed to vest on its original terms, or adjusted as relevant to take into account the appointment. Any other ongoing remuneration obligations or terms and conditions existing prior to appointment may continue.

The committee retains discretion to make appropriate remuneration decisions outside the standard policy to meet the individual circumstances of recruitment when:

- An interim appointment is made to fill an executive director role on a short-term basis.
- Exceptional circumstances require that the Chair or a non executive director takes on an executive function on a short term basis.

In the event of the appointment of a new non-executive director, remuneration arrangements will normally be in line with the structure set out in the policy table for non-executive directors. However, the committee (or the Board as appropriate) may include any element listed in the policy table or any other element which the committee considers is appropriate given the particular circumstances excluding any variable elements, with due regard to the best interests of shareholders.

Directors' remuneration report *continued*

Directors' service agreements and payments for loss of office

The committee regularly reviews the contractual terms of the service agreement to ensure these reflect best practice.

The service contracts for executive directors are for an indefinite period and provide for a 12-month notice period. They do not include provisions for predetermined compensation on termination that exceed 12-months' salary, pension and benefits. There are no arrangements in place between the Company and its directors that provide for compensation for loss of office following a takeover bid. All directors are appointed subject to annual re-election at the annual general meeting.

In circumstances of termination on notice, the committee will determine an equitable compensation package, having regard to the particular circumstances of the case. The committee reserves the right to make payments in connection with a director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of a compromise or settlement of any claim arising in connection with the cessation of a director's office or employment. Any such payments may include, but are not limited to, paying any fees for outplacement assistance and/or the director's legal and/or professional advice fees in connection with his cessation of office or employment. The committee has discretion to require notice to be worked or to make payment in lieu of notice or to place the director on garden leave for some or all of the notice period. Any payment in lieu of notice will be reduced for any period of time worked post notice being given or received.

The annual bonus may be payable for a good leaver (as defined in the plan rules) in respect of the period of the bonus plan year worked by the director; there is no provision for an amount in lieu of bonus to be payable for any part of the notice period not worked. Bonus payments would normally be paid at the normal payment date.

On cessation, an executive director's share plan entitlements will be determined in accordance with the rules of the relevant plan.

Unvested deferred share awards will normally lapse on the earlier of notice being given/received and cessation. However, the committee has discretion to allow awards to instead continue to vest in full on the normal vesting date (or earlier at the discretion of the committee) for a good leaver (as defined in the relevant plan rules).

In respect of RSAs/LTIPs, unvested awards will normally lapse on the earlier of notice being given/received and cessation. However, the committee has discretion to allow awards to instead continue to vest on the normal vesting date (or earlier at the discretion of the committee) to the extent any performance conditions/underpins attached to the relevant award are satisfied at vesting. In such cases awards will, other than in exceptional circumstances, be scaled back on a time pro-rated basis and post-vesting holding periods would normally apply.

In the event of a change of control, all unvested LTIP awards/RSAs would (unless rolled over) vest, to the extent that any performance conditions/underpins attached to the relevant awards have been achieved. Awards would normally be subject to time pro-rating (unless the committee determines otherwise).

Unvested deferred share awards would vest in the event of a change of control (unless rolled over). Shares held within the share ownership plan will be removed from the plan or exchanged for replacement shares in accordance with the scheme rules and HMRC guidelines.

Non-executive directors' terms of engagement

Non-executive directors are appointed by letter of appointment for an initial period of three years. Each appointment is terminable by three months' notice on either side. At the end of the initial period, the appointment may be renewed by mutual consent, subject to annual re-election at the AGM.

Inspection of service agreements/letters of appointment

The service agreements and non-executive directors' letters of appointment are available for inspection during normal business hours at the Company's registered office, and available for inspection at the AGM.

Annual report on remuneration

This part of the remuneration report has been prepared in accordance with The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and paragraphs 6.6.6R and 9.3.3 of the Listing Rules. The annual report on remuneration will be put to an advisory shareholder vote at the 2026 AGM. The information on pages 129 to 137 has been audited as indicated.

FIT Remuneration Consultants LLP (FIT) was appointed by the committee during 2020 to provide independent advice on executive remuneration matters. During the year, the committee received independent and objective advice from FIT primarily on market practice, governance updates, the operation of the remuneration policy, shareholder/proxy feedback and remuneration-related disclosure within the accounts. FIT's fees were £42,251 (excluding VAT) during 2025 for its services (charged on a time plus expenses basis). The fees were considered appropriate for the work undertaken. No other services were provided to the Group by FIT.

FIT is a founding member of the Remuneration Consultants Group and, as such, operates voluntarily under the code of conduct in relation to executive remuneration consulting in the UK. The committee considers FIT's advice on remuneration to be independent and objective, and there is no connection with the Company or individual directors.

The committee also consulted with the CEO, CFO, the Chief People Officer and the Group Reward Director to provide further information to the committee on the performance and proposed remuneration for the executive directors and other senior management, but not in relation to their own remuneration.

The work of the committee is detailed in the annual statement.

Shareholder voting at the AGM

At the 2025 AGM, shareholder voting in respect of the resolution to approve the remuneration report for the year ended 31 December 2024 is presented below together with the vote on the 2024 remuneration policy at the 2024 AGM.

| | Votes cast for | Votes cast against | Abstentions ¹ |
|--|----------------|--------------------|--------------------------|
| Directors' remuneration report, excluding the directors' remuneration policy, for the year ended 31 December 2024 (2025 AGM) | 936,899,904 | 6,044,626 | 2,761,359 |
| | 99.36% | 0.64% | |
| Directors' remuneration policy (2024 AGM) | 1,016,454,099 | 8,251,055 | 1,550,595 |
| | 99.19% | 0.81% | |

1. A vote abstained is not a vote in law and is not counted in the calculation of the proportion of votes 'for' and 'against' a resolution.

Policy implementation for 2026

Details of the committee's intended approach to the implementation of the policy for 2026 is set out in the annual statement.

Fees for the Chair, senior independent director and non-executive directors

A summary of the fees for 2026 (and those for the prior year) are set out in the table below. The Chair's fee and the base fee for the non-executive directors were increased by 3% from 1 January 2026 (the first base fee increase for NEDs since 2016). The fee for chairing a committee was increased from £10,500 to £12,500 with effect from the same date to reflect the additional time commitments of the roles.

| | Annual fee from 1 January 2026 | Annual fee from 1 January 2025 |
|---|--------------------------------|--------------------------------|
| David Lowden, Chair | £298,700 | £290,000 |
| Georgina Harvey, Senior Independent Director and Remuneration Committee Chair | £89,435 | £85,500 |
| Jack Clarke, Audit and Risk Committee Chair | £78,935 | £75,000 |
| Nneka Abulokwe, Responsible Business Committee Chair and designated non-executive director for colleague engagement | £83,935 | £80,000 |
| Neelam Dhawan | £66,435 | £64,500 |

Directors' remuneration report *continued*

Directors' remuneration earned in 2025 – single-figure table (audited)

The table below summarises directors' remuneration received in 2025 (with prior year comparators).

| | | Base salary and fees £ | Benefits' £ | Pension £ | Annual bonus £ | RSA £ | Buy-Out Awards £ | Total remuneration £ | Total fixed remuneration £ | Total variable remuneration £ |
|---------------------------------------|------|---------------------------|-------------|-----------|----------------|-------|------------------|----------------------|----------------------------|-------------------------------|
| David Lowden | 2025 | 290,000 | 1,862 | – | – | – | – | 291,862 | 291,862 | – |
| | 2024 | 290,000 | 1,046 | – | – | – | – | 291,046 | 291,046 | – |
| Adolfo Hernandez ^{2,4} | 2025 | 700,000 | 32,076 | 35,000 | 845,600 | – | – | 1,612,676 | 767,076 | 845,600 |
| | 2024 | 669,565 | 20,033 | 33,478 | 392,000 | – | 1,611,836 | 2,726,912 | 723,076 | 2,003,836 |
| Pablo Andres ^{3,4} | 2025 | 450,000 | 3,180 | 22,500 | 380,681 | – | – | 856,361 | 475,680 | 380,681 |
| | 2024 | 208,696 | 929 | 7,500 | 91,800 | – | – | 308,925 | 217,125 | 91,800 |
| Georgina Harvey | 2025 | 85,500 | 0 | – | – | – | – | 85,500 | 85,500 | – |
| | 2024 | 85,500 | 132 | – | – | – | – | 85,632 | 85,632 | – |
| Jack Clarke ⁵ | 2025 | 75,000 | 3,166 | – | – | – | – | 78,166 | 78,166 | – |
| | 2024 | 17,120 | 0 | – | – | – | – | 17,120 | 17,120 | – |
| Nneka Abulokwe ⁶ | 2025 | 80,000 | 1,253 | – | – | – | – | 81,253 | 81,253 | – |
| | 2024 | 73,375 | 483 | – | – | – | – | 73,858 | 73,858 | – |
| Neelam Dhawan ⁷ | 2025 | 64,500 | 12,224 | – | – | – | – | 76,724 | 76,724 | – |
| | 2024 | 64,500 | 16,000 | – | – | – | – | 80,500 | 80,500 | – |
| Former Directors | | | | | | | | | | |
| Jon Lewis ^{8,10} | 2025 | – | – | – | – | – | – | – | – | – |
| | 2024 | 33,244 | 878 | 1,622 | – | 0 | – | 35,784 | 35,784 | 0 |
| Tim Weller ^{9,10} | 2025 | – | – | – | – | – | – | – | – | – |
| | 2024 | 330,028 | 12,146 | 16,501 | 169,386 | 0 | – | 528,061 | 358,675 | 169,386 |
| Brian McArthur-Muscroft ¹¹ | 2025 | 35,989 | 245 | – | – | – | – | 36,234 | 36,234 | – |
| | 2024 | 75,000 | 104 | – | – | – | – | 75,104 | 75,104 | – |
| Claire Miles ¹² | 2025 | – | – | – | – | – | – | – | – | – |
| | 2024 | 1,251 | – | – | – | – | – | 1,251 | 1,251 | – |

1. Company car allowance, private health insurance, work travel and the value of matching share awards under the UK all-employee share scheme.

2. Adolfo Hernandez was appointed CEO on 17 January 2024. Base salary, benefits, pension and bonus for 2024 are shown from the date of appointment. Details of the Buy-Out Awards are set out on page 121 of last years' report.

3. Pablo Andres was appointed as a director and CFO designate on 15 July 2024. Base salary, benefits, pension and bonus for 2024 are shown from the date of appointment. He succeeded Tim Weller as CFO on 9 August 2024. Pablo does not receive a car allowance in line with Capita's policy for new hires.

4. The value of the RSAs granted to the executive directors, the vesting of which are subject to both continued service and performance underpins, will be disclosed in the year ending just prior to the normal vesting date.

5. Jack Clarke was appointed as a non-executive director and Chair of the Audit and Risk Committee (replacing Brian McArthur-Muscroft) on 9 October 2024. Fees for 2024 are shown from 9 October 2024 and reflect his appointment as a chair of a committee from his appointment date.

6. Nneka Abulokwe was appointed Chair of the RB Committee and designated non-executive director for workforce engagement in early 2024. Fees for 2024 reflect her appointment as a chair of a committee from 27 February 2024.

7. Neelam Dhawan is based outside the UK and receives an allowance for physical attendance at a Board meeting. This is shown in the benefits column.

8. Jon Lewis stepped down as a director and CEO on 17 January 2024.

9. Tim Weller stepped down as a director and CFO on 9 August 2024.

10. Details of the performance assessment and vesting of the 2023 RSA awards held by Jon Lewis and Tim Weller are set out on page 132.

11. Brian McArthur-Muscroft stepped down as a non-executive director on 23 July 2025.

12. Claire Miles stepped down from the Board on 31 December 2023 and was paid up to 6 January 2024 in line with the terms of the notice period in her service contract.

Annual bonus for 2025 (audited)

The annual bonus for 2025 was based on a combination of profit before tax (PBT), free cash flow and revenue targets, weighted 40%, 50% and 10% respectively (totalling 80% of maximum bonus) and strategic/individual objectives focused on customer, colleague, AI growth and leadership (20% of maximum bonus).

For each financial performance measure, 25% of bonus was payable for achieving the threshold target, 50% was payable for achieving target performance, with 100% of the bonus payable for achieving the stretch target. Based on performance against the targets set, 40.4% of the maximum 80% available for the financial measures was earned as follows:

Financial targets (80% of the bonus)¹

| | Weighting (% of maximum bonus) | Threshold target (25% vests) | Target (50% vests) | Stretch (100% vests) | Actual performance | Achievement against financial performance weighting |
|---|--------------------------------------|------------------------------------|-----------------------|-------------------------|-----------------------|--|
| Adjusted PBT ² | 32% (40% of potential) | £53.8m | £67.2m | £80.6m | £74.3m | 76.49% |
| Free cash flow excluding business exits ³ | 40% (50% of potential) | £(60.6)m | £(25.8)m | £9m | £(40)m | 39.8% |
| Adjusted Revenue | 8% (10% of potential) | £2,225.7m | £2,299.6m | £2,414.6m | £2,197.3m | 0% |
| | 80% | | | | | 40.4% |
| Financial measures | of maximum total award | | | | | of maximum total award |

- The targets and performance above have been adjusted to exclude closed book Life & Pensions, which has met the criteria to be classified as a business exit at 31 December 2025 and therefore excluded from adjusted performance.
- The adjusted PBT outcome above excludes costs that have complied with the criteria to be treated as exceptional costs.
- The free cash flow outcome excludes the £14m fine announced by the Information Commissioner's Office (ICO) in October 2025. This is consistent with the approach adopted for Adjusted PBT where the fine has been treated as an exceptional item. This approach, which neutralises the impact of the fine in respect of the 2025 annual bonus, was considered fair and reasonable by the committee given: (i) both the CEO and CFO joined Capita in 2024, i.e. significantly after the March 2023 data breach; and (ii) the fine, which was settled much sooner than envisaged and at a significantly lower amount than the ICO's provisional intended fine, was not included in the annual bonus financial targets that were set at the start of 2025.

Strategic/individual objectives (20% of the bonus)

For 2025, three 'what' objectives – aligned to the themes of customer, colleague and AI growth – and one leadership 'how' objective were set. These objectives were rated on a scale of 1 = improvement required, 2 = meets expectations and 3 = exceeds expectations with the committee then assessing overall performance. The strategic/individual objectives represented 20% of the total bonus opportunity for each director.

CEO

| Objective | Action | |
|--|---|--|
| Customer | Complete the annual customer visit plan and engage with clients/customers. Facilitate quarterly review of customer account plans. | Exceeds Expectations. Customer – the cNPS improved in 2025 by 3 points from the 2024 score. This is driven by a refocus on customer centricity that the CEO has clearly owned and driven. The CEO's personal ownership of key accounts has driven an "exceeds expectations" rating. |
| Colleague | Complete the annual site visit plan and engage with colleagues on site. Lead the cascade of the strategic objectives and Capita strategy. | Exceeds Expectations. The eNPS improved by 11 points year on year and although the engagement index went back by 1% this is not a reflection of the engagement work the CEO has done. |
| AI growth | Increase the actual number of contracts that have an AI based initiative implemented in 2025. | Exceeds Expectations. Revenue growth and/or changing services has been driven through digital and AI solutions, especially in the public sector. Capita has progressed well in 2025 under the CEO's leadership to become the leading AI-powered BPO. |
| Leadership | Lead the SLT engagement activity in 2025. | Exceeds Expectations. The CEO has proved to be a highly visible leader with frequent engagement on Viva Engage, site visits, leadership calls and global calls. |
| Overall performance assessment | | Exceeds Expectations. |
| % of strategic/individual element payable | | 100% out of 100% |

Directors' remuneration report *continued*

CFO

| Objective | Action | Committee assessment |
|--|---|---|
| Customer | Finance cost reduction. Shared services operating model. | Exceeds Expectations. Finance cost reduction target delivered within the financial year. Successfully established the Group Finance Shared Services Centre, enabling standardisation, control and automation. |
| Colleague | Complete the annual site visit plan and engage with colleagues on site. Lead the cascade of the strategic objectives and Capita strategy. | Exceeds Expectations. Strong leadership visibility through site visits, including a first CFO visit to India. Colleague engagement appropriately managed through open and honest communications. |
| AI Growth | Deploy at least 5 use cases of GenAI in finance. | Meets Expectations. Two live AI-enabled Finance solutions were delivered during 2025. That said, significant groundwork has also been completed on data, workflows and process documentation. |
| Leadership | Lead the SLT engagement activity in 2025. | Exceeds Expectations. The CFO has been a trusted executive partner during a year of significant change. He has demonstrated values-led, transparent leadership through cost reduction and organisational transition. |
| Overall performance assessment | | Meets/Exceeds Expectations |
| % of strategic/individual element payable | | 80% out of 100% |

Summary of total 2025 bonus awards

| | Adolfo Hernandez | | Pablo Andres | |
|----------------------|------------------|-------------|--------------|-------------|
| | % of maximum | % of salary | % of maximum | % of salary |
| Total financial | 40.4% | 80.8% | 40.4% | 60.6% |
| Strategic/individual | 20% | 40% | 16% | 24% |
| Total (%) | 60.4% | 120.8% | 56.4% | 84.6% |
| Total bonus (£) | 845,600 | | 380,681 | |

Following a review of performance by the committee post year end, annual bonuses of 120.8% of salary for the CEO and 84.6% of salary for the CFO were awarded. Consistent with the shareholder approved remuneration policy, 50% of the bonus awards will be deferred into Capita plc shares for three years.

Restricted Share Awards due to vest in 2026 (audited)

RSAs were granted under the Capita Executive Plan in March 2023 as follows:

| Name of director | Number of shares awarded ¹ |
|------------------|---------------------------------------|
| Jon Lewis | 84,984 |
| Tim Weller | 42,010 |

1. The number of shares awarded in each case has been reduced to reflect time pro-rating due to retirement and is a restated figure following the share consolidation.

Vesting of the 2023 RSAs in March 2026 was subject to: (i) continued employment; (ii) satisfactory personal performance during the relevant vesting periods; and (iii) a positive assessment of performance against the following underpins:

- underpin 1: Capita's TSR over the three years ended 31 December 2025 must be positive for any RSAs granted to executive directors to vest; and
- underpin 2: the committee must be satisfied with the underlying performance of Capita and that there have been no environmental, social or governance issues resulting in material reputational damage. If this is not deemed to be met, the committee will consider a reduction to the final vesting level of the RSAs (including to nil).

As TSR over the three year performance period was assessed by the committee to be negative, the 2023 RSAs lapsed in full post year end.

RSAs granted in 2025 (audited)

RSAs were granted under the Capita Executive Plan in June 2025 as follows:

| Name of director | Number of shares awarded ¹ | Face value of RSA | Percentage of salary |
|------------------|---------------------------------------|-------------------|----------------------|
| Adolfo Hernandez | 304,878 | £875,000 | 125% |
| Pablo Andres | 156,794 | £450,000 | 100% |

1. The number of shares awarded was calculated using the 5-day average share price prior to the grant date.

RSAs will normally vest after three years from grant subject to: (i) continued employment; (ii) satisfactory personal performance during the relevant vesting periods; and (iii) a positive assessment of performance against the following two underpins:

- underpin 1: Capita's share price (adjusted for the value of dividends as appropriate) to be 280p or above as at 31 December 2027. If this is not deemed to be met, the committee may reduce vesting. In addition, if Capita's TSR over the three years ending 31 December 2027 is negative, awards will be reduced to nil; and
- underpin 2: the committee must be satisfied with the underlying performance of Capita and that there have been no environmental, social or governance issues resulting in material reputational damage. If this is not deemed to be met, the committee will consider a reduction to the final vesting level of the RSAs (including to nil).

Once vested, shares received may not normally be sold until at least six years from the grant date (other than to pay relevant taxes).

Directors' interests and shareholding guidelines (audited)

The CEO and CFO are expected to build and hold 300% and 200% of salary in shares in the Company respectively. The guidelines include shares held beneficially and also shares, on a net of tax basis in respect of: deferred annual bonus (DAB) awards deferred over the three-year period; Buy-Out Awards and RSAs which are not subject to performance conditions/performance underpins; and share awards which have vested but not yet been exercised. Share awards subject to performance conditions/underpins are excluded. All share numbers shown in the table below are restated following the share consolidation at a ratio of 15 to 1 which took effect on 29 April 2025.

| | Beneficially held interests at 31 December 2025 | Beneficially held interests at 31 December 2024 | Interests in share incentive schemes, awarded without performance conditions at 31 December 2025 | Interests in share incentive schemes, awarded without performance conditions at 31 December 2024 | Interests in share incentive schemes, awarded subject to performance conditions/underpins at 31 December 2025 | Interests in share incentive schemes, awarded subject to performance conditions at 31 December 2024 | Interests in share option schemes where performance/vesting conditions have been met but not exercised at 31 December 2025 | Interests in share option schemes where performance/vesting conditions have been met but not exercised at 31 December 2024 | Percentage of salary held at 31 December 2025 ¹ |
|--------------------------------------|---|---|--|--|---|---|--|--|--|
| David Lowden | 50,000 | 33,333 | – | – | – | – | – | – | |
| Adolfo Hernandez | 503,650 | 210,647 | 437,201 | 635,793 | 733,799 | 428,921 | – | 426% | |
| Pablo Andres | 220,000 | 123,333 | 22,109 | – | 239,575 | 82,781 | – | 208.8% | |
| Georgina Harvey | 400 | 400 | – | – | – | – | – | – | |
| Jack Clarke | 5,165 | 0 | – | – | – | – | – | – | |
| Nneka Abulokwe | 9,748 | 4,955 | – | – | – | – | – | – | |
| Neelam Dhawan | 0 | 0 | – | – | – | – | – | – | |
| Brian McArthur-Muscroft ² | 0 | 0 | – | – | – | – | – | – | |

1. Calculated using the closing share price on 31 December 2025 (405.50p).

2. Beneficially held interests are shown at the date of resignation from the Board on 23 July 2025.

Although Capita does not have a formal policy on hedging shares, executive and non-executive directors attest annually they have not pledged any shares held in the Company.

Directors' remuneration report *continued*

Unvested Share awards (audited)

| Year of grant: | DAB ¹ | | RSA ² | | Buy-Out Award ³ |
|------------------|------------------|--------|------------------|---------|----------------------------|
| | 2024 | 2025 | 2024 | 2025 | 2025 |
| Adolfo Hernandez | – | 94,412 | 428,921 | 304,878 | 342,789 |
| Pablo Andres | – | 22,109 | 82,871 | 156,794 | – |

- Deferred Annual Bonus awards relate to the deferred element of an individual's annual bonus. Awards normally vest over 3 years subject to continued service.
- There are no performance targets attached to the RSAs. However, vesting is subject to: (i) continued employment; (ii) satisfactory personal performance during the relevant vesting periods; and (iii) a positive assessment of performance against the following two underpins: (i) Capita's TSR over the three financial years ending prior to the relevant vesting date must be positive for any RSAs granted to executive directors to vest; (iii) for the 2025 RSAs only, Capita's share price (adjusted for the value of dividends as appropriate) to be 280p or above as at 31 December 2027; and (iv) the committee must be satisfied with the underlying performance of Capita and that there have been no environmental, social or governance issues resulting in material reputational damage. If this is not deemed to be met, the committee will consider a reduction to the final vesting level of the RSAs (including to nil).
- Buy-Out Awards, (which were presented in last year's single-figure table at the face value as at the grant date given that the vesting of each tranche is contingent on continued service only) vested/vest in tranches based on continued service as follows:

| Tranche | Shares under award | Normal vesting date |
|---------|--------------------|---|
| 1 | 167,314 | Vested August 2024 |
| 2 | 166,498 | Vested March 2025 |
| 3 | 126,506 | Vested August 2025 |
| 4 | 125,689 | Unvested – vests on the dealing day immediately following the announcement of results for FY 2025 |
| 5 | 217,100 | Unvested – vests on the dealing day immediately following the announcement of results for HY 2026 |

Further details of the award and normal vesting dates are set out on page 121 of last year's report.

Satisfaction of options

When satisfying awards made under its share plans, the Company uses newly issued, treasury or market purchased shares as appropriate. The Buy-Out Award may only be satisfied by market purchased shares.

Dilution

All awards are made under plans that incorporate the overall dilution limit of 10% in 10 years. The estimated dilution from existing awards, including executive and all-employee share awards, was approximately 6.06% of the Company's share capital at 31 December 2025.

Executive directors' service agreements

| Executive directors | Date of joining the Company | Notice period |
|---------------------|-----------------------------|---------------|
| Adolfo Hernandez | 17 January 2024 | 12 months |
| Pablo Andres | 15 July 2024 | 12 months |

Executive directors' service agreements

| Non-executive directors | Date of joining the Company | Expiry date of current appointment |
|-------------------------|-----------------------------|------------------------------------|
| David Lowden | 1 January 2021 | 9 May 2028 |
| Georgina Harvey | 1 October 2019 | 1 July 2028 |
| Jack Clarke | 9 October 2024 | 8 October 2027 |
| Nneka Abulokwe | 1 February 2022 | 31 January 2028 |
| Neelam Dhawan | 1 March 2021 | 28 February 2027 |
| Brian McArthur-Muscroft | 1 June 2022 | 23 July 2025 |

Board changes

Brian McArthur-Muscroft stepped down as a non-executive director on 23 July 2025.

Payments to former directors (audited)

No payments were made to former directors in respect of loss of office.

Tim Weller continued to receive salary, pension and benefits up to the end of his notice period in May 2025 (as set out on page 123 of last year's report).

DAB awards granted to Jon Lewis and Tim Weller in 2022 vested in 2025 (over 57,897 and 21,818 shares respectively on a post share consolidation basis).

2023 RSAs granted to the former directors lapsed in full post the 31 December 2025 year end given that TSR over the three year performance period was assessed by the committee to be negative.

External appointments for executive directors

Pablo Andres is a non-executive director, chair of the audit and risk committee and chair of the treasury committee at GreenSquareAccord Group. The committee considers that such roles can benefit Capita through broadening knowledge and experience.

Percentage change in remuneration levels

The table below shows the change in base compensation, benefits and annual bonus for the Board directors in the 2021 to 2025 financial years (excluding directors who left Capita before 2024, details for which are set out in previous remuneration reports), compared with the average for all employees of the Company (Capita plc):

| | 2025 | | | 2024 | | | 2023 | | | 2022 | | | 2021 | | |
|--|----------------------|--------------------------------|--------------|------------------|--------------------------------|--------------|------------------|--------------------------------|--------------|------------------|--------------------------------|--------------|------------------|--------------------------------|--------------|
| | Base salary and fees | Taxable benefits ¹³ | Annual bonus | Base salary/fees | Taxable benefits ¹³ | Annual bonus | Base salary/fees | Taxable benefits ¹³ | Annual bonus | Base salary/fees | Taxable benefits ¹³ | Annual bonus | Base salary/fees | Taxable benefits ¹³ | Annual bonus |
| Executive directors¹ | | | | | | | | | | | | | | | |
| Adolfo Hernandez ² | 0% | 52.7% | 106% | - | - | - | - | - | - | - | - | - | - | - | - |
| Pablo Andres ³ | 0% | 59.4% | 91% | - | - | - | - | - | - | - | - | - | - | - | - |
| Jon Lewis ⁴ | - | - | - | 0% | -2.94% | - | 0% | 8.3% | -100% | 3.2% | -45% | 150% | 14.3% | 5.1% | 100% |
| Tim Weller ⁵ | - | - | - | 0% | 13.1% | 100% | 0% | -3.8% | -100% | 0% | 23% | 132% | - | - | - |
| Non-executive directors¹ | | | | | | | | | | | | | | | |
| David Lowden ⁶ | 0% | 78% | - | 0% | -44.2% | - | 0% | 123.6% | - | 286.7% | 100% | - | - | - | - |
| Georgina Harvey ⁷ | 0% | -100% | - | 0% | -76.7% | - | 0% | 100% | - | 14% | - | - | 14.3% | - | - |
| Jack Clarke ⁸ | 0% | 100% | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Nneka Abulokwe ⁹ | 0% | 159.4% | - | 13.8% | -14.8% | - | 0% | 194% | - | - | - | - | - | - | - |
| Neelam Dhawan ¹⁰ | 0% | -23.6% | - | 0% | 87.8% | - | 0% | -66.7% | - | 0% | 540% | - | - | - | - |
| Brian McArthur-Muscroft ¹¹ | -14% | 321.2% | - | 0% | -81.7% | - | 0% | 100% | - | - | - | - | - | - | - |
| Employee population ¹² | 2.74% | 17.51% | 106% | 8.5% | -3.5% | 100% | 5.6% | 0.1% | -100% | 5% | 7.4% | 38.1% | 2.8% | 4.4% | 123.2% |

1. The percentage change shown for the directors is based on the single figure information disclosed on page 130.

2. Adolfo Hernandez was appointed to the Board on 17 January 2024. Comparative figures for 2024 are therefore unavailable. Salary for 2024 has been annualised to show that there was no change between 2024 and 2025. Annual bonus and benefits for 2024 have been annualised to show the approximate percentage change.

3. Pablo Andres was appointed to the Board on 15 July 2024. Comparative figures for 2024 are therefore unavailable. Salary for 2024 has been annualised to show that there was no change between 2024 and 2025. Annual bonus and benefits for 2024 have been annualised to show the approximate percentage change.

4. Jon Lewis stepped down from the Board on 17 January 2024. Comparative figures for 2025 are therefore not applicable. For comparative purposes, his 2024 base salary and benefits were annualised to show an approximate percentage change between 2023 and 2024. He was not eligible for an annual bonus in 2024. As no bonus was awarded in respect of the year ended 31 December 2023 the decrease is shown as -100%. Jon Lewis did not receive a bonus in 2020 as the bonus plan was cancelled in response to Covid-19. The increase in 2021 is therefore shown as 100%.

5. Tim Weller stepped down from the Board on 9 August 2024. Comparative figures for 2025 are therefore not applicable. For comparative purposes, his base salary and benefits were annualised to show an approximate percentage change between 2023 and 2024. As no bonus was awarded in respect of the year ended 31 December 2023 the decrease between 2022 and 2023 is shown as -100% and the increase between 2023 and 2024 is therefore shown as 100%. Tim Weller was appointed to the Board on 12 May 2021. Comparative figures for 2021 are therefore unavailable. His salary, benefits and annual bonus for 2021 were annualised to show an approximate percentage change between 2021 and 2022.

6. David Lowden was appointed Chair in May 2022. His fee for 2022 was annualised to show the percentage change between 2021 and 2022 following his change in role with a significantly increased time commitment and associated fee. David was appointed to the Board during 2021, comparative figures for 2021 are therefore unavailable.

7. Georgina Harvey was appointed Senior Independent Director in July 2022. Her fee for 2022 was annualised to show the percentage change between 2021 and 2022 following her change in role.

8. Jack Clarke was appointed to the Board during 2024. Comparative figures for 2023 are therefore unavailable. Fees for 2024 have been annualised to show that there was no increase in his fees between 2024 and 2025.

9. Nneka Abulokwe was appointed to the Board during 2022. Comparative figures for 2021 are therefore unavailable. Fees for 2022 were annualised to show that there was no increase in her annual fee in 2023. The increase for 2024 relates to Nneka's appointment as chair of the RB committee. Fees for 2024 have been annualised to show that there was no increase in her fees between 2024 and 2025.

10. Neelam Dhawan was appointed to the Board during 2021. Comparative figures for 2021 are therefore unavailable. Her fee for 2021 was annualised to show that there was no change between 2021 and 2022. Neelam's benefits figure primarily relates to additional fees payable for physical attendance at board meetings as Neelam is based outside the UK therefore the variation in benefits from year to year is mainly due to the number of meetings attended in person.

11. Brian McArthur-Muscroft was appointed to the Board during 2022. Comparative figures for 2021 are therefore unavailable. Fees for 2022 were annualised to show that there was no increase in his annual fee in 2023. Brian stepped down from the board during 2025. Fees for 2025 have been annualised to show that there was no increase in his fees between 2024 and 2025. Benefits for 2025 have been annualised to show the approximate percentage increase between 2024 and 2025.

12. The employee population information shown is for UK employees employed in the Capita plc entity. Changes in annual bonus are calculated by reference to the MBP population. The change between 2024 and 2025 is calculated as the increase in the average percentage payout for a participant in the MBP. As no bonus was paid in respect of the year ended 31 December 2023 the decrease between 2022 and 2023 is shown as -100% and the increase between 2023 and 2024 is therefore shown as 100%.

13. A change of 100% or -100% in Taxable benefits illustrates that there were no benefits incurred by the relevant director in the corresponding comparator year.

Directors' remuneration report *continued*

CEO pay ratio

The table below compares the single total figure of remuneration for the CEO with that of the Group's employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of its UK employee population.

| Year | Method 25 th percentile pay ratio | 50 th percentile pay ratio | 75 th percentile pay ratio |
|----------------------------|--|--|--|
| 2025 Option B | 64:1 | 46:1 | 33:1 |
| 2024 ¹ Option B | 49:1 | 40:1 | 27:1 |
| 2023 Option B | 33:1 | 23:1 | 17:1 |
| 2022 ² Option B | 78:1 | 57:1 | 37:1 |
| 2021 ² Option B | 49:1 | 38:1 | 24:1 |
| 2020 ² Option B | 61:1 | 44:1 | 29:1 |
| 2019 Option B | 41:1 | 25:1 | 14:1 |

- The single figure for the CEO excludes the value of the Buy-Out Awards due to the one-off nature in 2024.
- In accordance with the relevant disclosure regulations, the 2020, 2021 and 2022 CEO single figures and associated pay ratios have been updated to reflect LTIP values based on the share prices at the relevant vesting dates.

The 2025 remuneration figures for the employee at each quartile were determined with reference to the financial year ending 31 December 2025. Due to the complexity of Capita's corporate and workforce structure, Option B was used to calculate these figures. The committee believes that this approach provides a fair representation of the CEO to employee pay ratios and is appropriate in comparison to alternative methods, balancing the need for statistical accuracy with internal operational constraints.

A full-time and full-year equivalent total pay and benefits figure for 2025 was calculated for each quartile point employee using the single figure methodology. This was also sense checked against a sample of employees with hourly pay rates either side of the identified individuals to ensure that the appropriate representative employee was selected. No adjustments were made to the total pay and benefits figures (other than the approximate up-rating of pay elements where appropriate to achieve full-time and full-year equivalent values) and no components of pay have been omitted.

The table below sets out the 2025 full-time equivalent salary and total pay and benefits for the three identified quartile point employees:

| 2025 | 25 th percentile (P25) | Median (P50) | 75 th percentile (P75) |
|------------------------|--------------------------------------|--------------|--------------------------------------|
| Salary | £25,140 | £35,086 | £47,819 |
| Total pay and benefits | £25,140 | £35,086 | £49,261 |

The committee recognises that the 2025 ratios are higher than last year. The CEO's single figure of remuneration for 2025 is higher than the figure for 2024 (excluding Buy-Out Awards) (c.45% increase). This is primarily due to a higher annual bonus awarded in respect of 2025.

The pay ratios have fluctuated since reporting commenced in 2019, primarily as a result of variability in incentive outcomes for the CEO.

Capita is committed to offering its employees a competitive remuneration package. Base salaries for employees, including our executive directors, are determined with reference to a range of factors including market practice, experience and performance in role. Due to the nature of his role, the CEO's remuneration package has higher weighting on performance-related pay (including the annual bonus and RSAs) compared to the majority of the workforce. This means the pay ratios are likely to fluctuate depending on the outcomes of incentive plans in each year. The committee also recognises that, due to the nature of the Company's business and the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, the ratios reported above may not be comparable to those reported by other companies. For these reasons, the committee considers that the median CEO pay ratio is representative of the UK employee base.

Gender pay gap reporting

The Company's 2025 gender pay gap data is available on the Company website.

Relative importance of the spend on pay

The table below shows the spend on employee costs in the 2025 and 2024 financial years, compared with dividends:

| | 2025 £m | 2024 £m | % change |
|-----------------------------|------------|------------|-------------|
| Employee costs ¹ | 1,292.3 | 1,399.6 | -7.67 |
| Dividends | – | – | – |

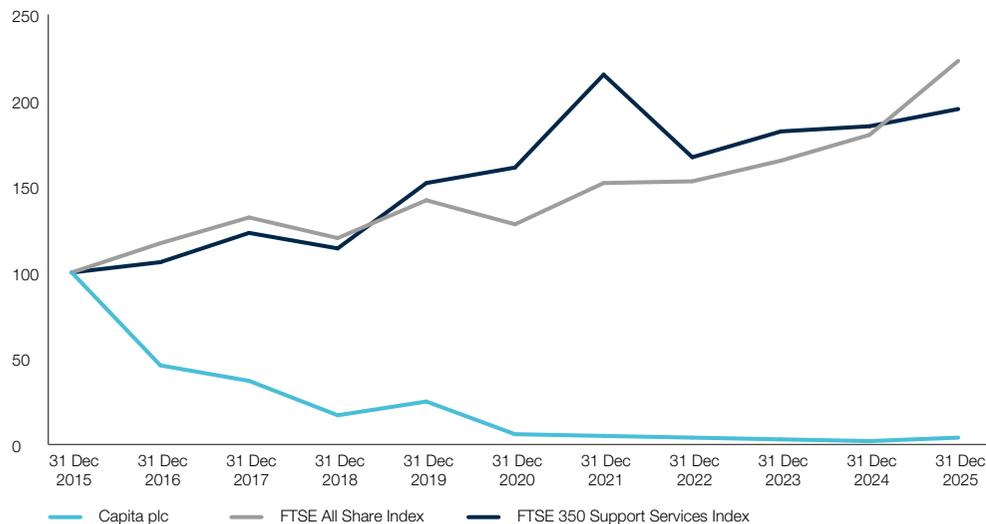
- The reduction in employee benefit expense reflects the reduction in the average number of employees during the year.

Performance graph and CEO pay

The following chart compares the value of an investment of £100 in the Company's shares with an investment of the same amount in the FTSE All-Share Index and the FTSE 350 Support Services Index over the past 10 years, assuming that all dividend income is reinvested. The FTSE 350 Support Services has been chosen as the appropriate comparator as Capita has been a constituent of this index for the majority of the 10 year period.

Total shareholder return rebased at 100

Source: Datastream (a LSEG product)



The total remuneration figures for the CEO for 2025 and the previous nine years are shown in the table below based on the single-figure methodology.

The annual bonus payout and LTIP/RSA vesting percentage (in respect of the estimated/actual value at vesting in respect of the year ending just prior to the vest date) are also shown for this year.

| Year | CEO – single figure of total remuneration | Annual bonus (vs max opportunity) | Long-term incentive (vs max opportunity) |
|------|---|-----------------------------------|--|
| 2025 | £1,612,676 | 60.4% | 0% |
| 2024 | £2,762,696 | 29.98% | 0% |
| 2023 | £804,875 | 0% | 0% |
| 2022 | £1,799,964 | 60% | 15% |
| 2021 | £1,185,415 | 24.8% | 12.5% |
| 2020 | £1,196,582 | 0% | 60% |
| 2019 | £789,678 | 0% | 0% |
| 2018 | £2,014,209 | 85% | 0% |
| 2017 | £741,376 | 0% | 0% |
| 2016 | £682,958 | 0% | 0% |

Note: The annual bonus potential for 2025 reflects Adolfo Hernandez's annual bonus award while the long-term incentive reflects the fact that the 2023 RSA (retained by Jon Lewis on a pro-rated basis) will lapse post year end as a result of the TSR underpin not being met. Details of single figures annual bonus and long-term incentive vesting levels for earlier years can be found in the relevant Directors' remuneration report.

Approval of the Directors' remuneration report

The Directors' remuneration report was approved by the Board on 9 March 2026.

Georgina Harvey, Chair
Remuneration Committee

9 March 2026

Financial statements

Financial statements



Structure of the financial statements

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated balance sheet
 Consolidated statement of changes in equity
 Consolidated cash flow statement

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NFSIS

Directors' report and other disclosures

KPMG LLP's Independent Auditor's Report

To the members of Capita plc

1. Our opinion is unmodified

In our opinion:

- the financial statements of Capita plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025, and of the Group's loss 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 UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of Capita plc ("the Company") for the year ended 31 December 2025 (FY25) included in the Annual Report and Accounts, which comprise:

Group

The consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and related notes, including the accounting policies in section 1 to 6 of the Group financial statements.

Parent Company (Capita plc)

The company balance sheet, company statement of changes in equity and the related notes, including the accounting policies in section 7 to the Parent Company financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit and Risk Committee ("ARC").

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

KPMG LLP's Independent Auditor's Report *continued*

2. Overview of our audit

Factors driving our view of risks

Going concern remains a Key Audit Matter (KAM). The Group generated a significant cash outflow in FY25, and budgeted performance in FY26 is dependent on assumptions regarding revenue growth. The key risk factor for the Group is the ability to generate cash backed profit. Consistent with FY24, the risk is focused on the judgement taken in reaching the conclusion of no material uncertainty, and the adequacy of the accompanying disclosures.

There continues to be a significant difference between the Group's market capitalisation (based upon the share price at the reporting date, and adjusted for the fair value of net debt and surplus assets), and the sum-of-the-parts recoverable amount of the cash generating units (CGUs) of the Group. The significant risk associated with goodwill impairment is specific to the Contact Centre group of CGUs, which is sensitive to changes in the underlying assumptions, such as planned revenue growth.

The Group entered into a hand back agreement with its customer on the Royal London contracts in the year, and as a consequence the balance for onerous contract provisions (OCPs) relating to the closed book Life & Pensions contracts have increased. Whilst the extent of estimation uncertainty relating to the length of the contract has narrowed, there is a new element of uncertainty around the timing of the migration and therefore we consider the risk level to be similar to FY24. We continue to perform procedures over other OCPs and the recoverability of contract fulfilment assets (CFAs); however, we have not assessed these to be within the scope of the Key Audit Matter for FY25, as the forecast performance for the associated contracts indicate that the risk of impairment of the CFAs, or of the need to recognise an OCP, is not heightened.

For the Parent Company, recoverability of investments in, and amounts due from, its subsidiaries remains a Key Audit Matter, owing to the materiality of these balances and the estimation uncertainty of the underlying cash flow forecasts used to determine recoverable amount and expected credit losses.

| Key Audit Matters | Vs FY24 | Item |
|---|---------|------|
| Going concern | ↔ | 4.1 |
| Goodwill impairment for the Contact Centre cash generating unit | ↔ | 4.2 |
| Onerous contract provisions associated with closed book Life & Pensions business | ↔ | 4.3 |
| Recoverability of the Parent Company's investments in, and amounts due from, its subsidiaries | ↔ | 4.4 |

ARC interaction During the year, the ARC met five times. KPMG are invited to attend all ARC meetings and are provided with an opportunity to meet with the ARC in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the ARC in section 4, including matters that required particular judgement for each.

The matters included in the ARC Chair's report on page 110 are materially consistent with our observations of those meetings.

Our independence

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during FY25 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the year ended 31 December 2010. The period of total uninterrupted engagement is for the 16 financial years ended 31 December 2025.

The Group engagement partner is required to rotate every 5 years. As these are the fourth set of the Group's financial statements signed by Ian Griffiths, he will be required to rotate off after the FY26 audit.

The average tenure of component engagement partners is 2 years, with the shortest being 1 and the longest being 4.

| | |
|---|----------------|
| Total audit fee | £5.3m |
| Audit related fees (including interim review) | £0.3m |
| Other services | £1.8m |
| Non-audit fee as a % of total audit and audit related fee % | 42% |
| Date first appointed | 18 August 2010 |
| Uninterrupted audit tenure | 16 years |
| Next financial period which requires a tender | 2030 |
| Tenure of Group engagement partner | 4 years |
| Average tenure of component engagement partners | 2 years |

Materiality (Item 6 below)

The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group financial statements as a whole at £6.0m (FY24: £6.0m) and for the Parent Company financial statements as a whole at £5.5m (FY24: £5.5m).

Consistent with FY24, we determined that Group revenue of £2,312.3m remains the benchmark for the Group, of which our materiality represents 0.26% (FY24: 0.25%). This reflects the continuing volatility in profit before tax from continuing operations, with revenue providing a more stable measure year on year. Revenue is also a significant focus for management and external stakeholders.

Materiality for the Parent Company financial statements was determined by reference to the Parent Company's total assets and represents 0.18% of the total assets (FY24: 0.18%).

We agreed to report to the ARC any corrected or uncorrected identified misstatements exceeding £0.3m (FY24: £0.3m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Group total revenue £2,312.3m (FY24: £2,421.6m)



| |
|--|
| £6.0m Whole financial statements materiality (FY24: £6.0m) |
| £3.9m Group Performance Materiality (FY24: £3.9m) |
| Range of materiality at components (£0.3m - £5.5m) (FY24: £0.4m - £5.5m) |
| £0.3m Misstatement reported to the ARC (FY24: £0.3m) |

KPMG LLP's Independent Auditor's Report *continued*

Group scope (Item 7 below)

We have performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements, what audit procedures to perform at these components and the extent of involvement required from our component auditors around the world.

In total, we identified 74 (FY24: 123) components, having considered our evaluation of Key Audit Matters, the existence of common risk profile across entities, the Group's operational structure and our ability to perform audit procedures centrally. We performed audit procedures on 12 components (FY24: 15).

In addition, for the remaining components for which we performed no audit procedures, we performed analysis at an aggregated Group level to re-examine our assessment that there was not a risk of material misstatement.

We consider the scope of our audit, as communicated to the ARC, to be an appropriate basis for our audit opinion.

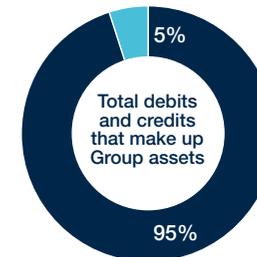
As noted by the ARC on page 110, the Group's internal system of controls is undergoing a programme of improvement. The developing nature of the control environment outlined by the ARC is consistent with our own audit findings in previous and the current year.

Therefore, given these findings, we planned to not rely on either manual or automated controls and performed a predominately substantive audit for relevant processes. We used data and analytics to support our audit of areas such as revenue and purchases. Given that we do not rely on IT controls, a direct testing approach was used over the completeness and reliability of data used in these routines.

Our audit procedures covered 93% of Group revenue:



We performed audit procedures in relation to components and consolidation adjustments that overall accounted for the following percentages:



3. Going concern, viability and principal risks and uncertainties

The impact of climate change on our audit

We have considered the potential impacts of climate change on the financial statements as part of planning our audit. This included the business sectors the Group operates in, the assets and liabilities the Group holds on its balance sheet, and the ways in which the Group maintains and develops its client relations and supplier engagement and manages its people.

As part of our audit, we have made enquiries of management to understand the extent of the potential impact of climate change risk on the Group's financial statements. We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit. Taking into account the nature of the Group's operations, our assessment is that the climate related risks to the Group's business, strategy and future results did not have a significant impact on our Key Audit Matters.

We have also read the Board's Task Force on Climate-related Financial Disclosure (TCFD) statement in the front half of the Annual Report and Accounts and considered consistency with the financial statements and our audit knowledge.

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern from the date of approval of the financial statements to 30 June 2027 ("the going concern period").

Going concern

An explanation of how we evaluated management's assessment of going concern is set out in the related Key Audit Matter in section 4.1 of this report.

Our conclusions

Our conclusions based on those procedures described in section 4.1 of this report are:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in section 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period; and
- The related statement under the UK Listing Rules set out on page 249 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Summary of our conclusions

We found the directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable.

KPMG LLP's Independent Auditor's Report *continued*

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Corporate governance report on page 81 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the risk management and internal control disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement set out on page 86 under the UK Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Key audit matters

What we mean

Key Audit Matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1 Going concern (group and parent company)

Financial Statement Elements

Going concern disclosures with no material uncertainties – Section 1 to the group financial statements.



Our assessment of risk vs FY24

Our assessment is that the risk is similar to FY24. The risk continues to be focused on the judgement taken in reaching the conclusion of no material uncertainty, and adequacy of the accompanying disclosures.

Our results

FY25: We found the Group's judgement that there was no material uncertainty to be disclosed, to be balanced (FY24: balanced). We found the going concern disclosure in section 1 without any material uncertainty to be proportionate. (FY24: proportionate).

Description of the Key Audit Matter

Subjective judgement

Performance in the going concern assessment period is underpinned by forecast revenue growth. Consistent with FY24, the risk is focused on the judgement taken in reaching the conclusion of no material uncertainty.

Our response to the risk

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the Directors' assumptions over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible, adverse effects that could arise from these risks individually and collectively.

Our procedures to address the risk included:

Our sector experience: We assessed the projections and assumptions by reference to our knowledge of the business and general market conditions, including the UK political environment, and taking account of the potential risk for management bias. We critically assessed whether the risks and uncertainties associated with the Group's customers, suppliers and workforce have been sufficiently factored in the forecast cash flows.

We considered the risk factors as set out by the Board in the Principal Risks section of the Annual Report and Accounts, and where relevant, assessed whether these were sufficiently taken into consideration in the projections prepared to support the base case and the downside risks applied.

KPMG LLP's Independent Auditor's Report *continued*

4.1 Going concern (group and parent company) continued

Description of the Key Audit Matter

Disclosure quality

The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Parent Company.

That judgement is based on an evaluation of the inherent risks to the Group's and Parent Company's business model and how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations from the date of approval of these financial statements through to 30 June 2027 (the 'going concern period').

The risks most likely to adversely affect the Group's and Parent Company's available financial resources over this period include, but are not limited to, the following:

- An inability to achieve the revenue growth targets in the Group's business plan.
- Adverse operational impacts on existing contracts.

There are also less predictable but realistic second order impacts, such as business disruption or adverse changes in UK government policy. The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that might have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.

Our response to the risk

Test of detail: We critically assessed the cash flow forecasts by considering the appropriateness of key assumptions used in preparing those projections, with a specific focus on revenue growth. We evaluated these via enquiries with each of the divisional Finance Directors, the Chief Executive Officer, and Chief Financial Officer, and inspected the Board's plans and associated papers. We benchmarked the key assumptions behind the cashflow forecasts against third party evidence, including forecasts of inflation, interest rate, and wage growth.

Historical comparisons: We assessed the ability of the Group to accurately forecast by comparing historical results to past forecasts for key assumptions, such as revenue growth and cost reduction. We assessed the most recent years' performance against budget, including sales growth and cost reductions, and challenged the assumptions over the going concern period based on historical performances.

Funding assessment: We inspected the loan notes and revolving credit facility (RCF) agreements to understand the terms, including covenant requirements and any restrictions of use of funds. We re-performed the key financial covenants calculations for the going concern period of assessment. We considered the adjustments made by the Group in the adjusted EBITDA for the covenant calculations, considering their appropriateness compared to the loan agreements, including the temporary amendments issued, and historical accepted practice with the current lenders. In addition, we also inspected and considered the impact of the terms of the additional financing facility of £75m that was agreed in February 2026.

Evaluating Directors' intent: We evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks in the severe but plausible scenario materialise, which included reductions in bonus and incentive payments, discretionary spend, and capex investment, taking into account the extent to which the Directors can control the timing and outcome of these. This included consideration of the nature and quantum of historical cost savings delivered and the feasibility of implementing these over the going concern period.

Stress scenario: We critically challenged the downside sensitivities to ensure that these represented severe but plausible scenarios based on our knowledge of the business and the associated risk exposure. We also developed a more stressed scenario than the severe but plausible scenario prepared by the Directors based upon our knowledge of the business and the identified risks.

Assessing transparency: We assessed whether the matters included in the going concern disclosure give a full and accurate description of the Directors' assessment, including the judgements made, identified risks and mitigating actions.

4.1 Going concern (group and parent company) continued

Communications with Capita plc's ARC

Our discussions with and reporting to the ARC included:

- Our evaluation of whether the going concern period of assessment is appropriate.
- Our assessment of the risk and potential mitigations included in the Group's downside scenario, including the Directors' intent and the extent to which mitigating actions are within their control, should risks materialise.
- Our assessment of the Group's historical forecasting accuracy and current performance.

Areas of particular auditor judgement

We identified the following as the area of particular auditor judgement:

- The level of severity in the downside assumptions and the quantum of the proposed mitigations. This included whether the proposed mitigations are executable based on intent of the Directors, and could be implemented in the timeframe required.

Our findings

We found the Group's judgement that there was no material uncertainty to be disclosed, to be balanced (FY24: Balanced).

We found the going concern disclosure in section 1 without any material uncertainty to be proportionate (FY24: Proportionate).

Further information in the Annual Report and Accounts: See the ARC report on page 113 for details on how the ARC considered going concern as an area of significant attention and page 166 for the accounting policy on going concern.

4.2 Goodwill impairment for the contact centre cash generating unit

Financial Statement Elements

| | FY25 | FY24 |
|---|--------|--------|
| Impairment charge in Contact Centre CGU | £73.7m | £75.1m |
| Carrying amount of goodwill in the Contact Centre CGU | £0.0m | £72.3m |



Our assessment of risk vs FY24

Our assessment is that the risk is similar to FY24.

Our results

FY25: mildly cautious

FY24 mildly cautious

Description of the Key Audit Matter

Forecast-based impairment assessment

We consider the carrying value of goodwill and goodwill impairment allocated to the Contact Centre group of cash-generating units ('Contact Centre CGU') to be a significant audit risk of error. We also identified a fraud risk related to the estimation of the recoverable amount of the Contact Centre CGU goodwill because of the inherent uncertainty involved in forecasting and discounting future cash flows, which creates a potential for management bias.

Our response to the risk

We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures to address the risk included:

Tests of detail: We tested the principles and integrity of the Group's discounted cash flow model. We compared the cash flows used in the impairment model to the output of the Group's budgeting process. We evaluated whether the additional risk adjustments made to the forecast cash flows were reasonable, taking into account the understanding we obtained about the Contact Centre business through our audit.

KPMG LLP's Independent Auditor's Report *continued*

4.2 Goodwill impairment for the contact centre cash generating unit continued

Description of the Key Audit Matter

Consistent with FY24, we have identified that the Contact Centre CGU (pre-impairment goodwill carrying value, after the impact of foreign exchange rates, of £73.7m) is most sensitive to changes in the underlying assumptions, such as planned revenue growth. In the current year the Group recognised an impairment charge to the Contact Centre CGU goodwill of £73.7m, reflecting the uncertainty in relation to the Contact Centre CGU's ability to achieve revenue and profit targets, given its recent performance. There also continues to be a significant difference between the Group's market capitalisation (based upon the share price at the reporting date, and adjusted for the fair value of net debt and surplus assets), and the sum-of-the-parts recoverable amount of the CGUs of the Group, determined using the value-in-use (VIU) method. The recoverable amount of the CGU, and consequently the impairment charge, is therefore subject to a high degree of estimation uncertainty with a range of possible outcomes in excess of our materiality for the financial statements as whole.

Our response to the risk

Historical comparison: We assessed the historical accuracy of the forecasts used in the Contact Centre impairment model by considering actual performance against prior year budgets. This included assessing the forecast revenue growth with reference to the most recent results for 2024 and 2025.

Our entity experience: We critically assessed the Group's assumptions of forecast revenues, taking account of the relative strength of the order book and sales pipeline and compared this to the overall revenues for the forecast period.

Scenario analysis: We developed our own expectations for the recoverable amount based on our view of the underlying assumptions based on our knowledge of the entity and experience of the industry in which it operates, including consideration of historical data.

Comparing valuations: As an overall stand-back test we compared the sum of the discounted cash flows to the Group's enterprise value (based upon the market capitalisation at the reporting date and adjusted for the fair value of net debt) and assessed the rationale for the differences. We also compared the implied share price derived from the recoverable amount at the year end to the Company's share price and assessed the reasonableness of the factors identified by the Board to explain the differences. In addition, we considered the valuation implied for the Contact Centre CGU based upon the multiples of comparable companies.

Assessing transparency: We evaluated the adequacy of the disclosures related to the estimation uncertainty, and assumptions in determining the recoverable amount of the Contact Centre CGU.

4.2 Goodwill impairment for the Contact Centre cash generating unit continued

Description of the Key Audit Matter

Our response to the risk

Disclosure quality

The financial statements (note 3.4) disclose the events and circumstances that led to the recognition the goodwill impairment charge.

There is a risk that the disclosures presented are not sufficient to explain the events and circumstances that led to the recognition of the impairment charge, and the sensitivities that the Board has considered.

Communications with Capita plc's ARC

Our discussions with and reporting to the ARC included:

- Our determination of where the significant risk is in 2025, and our conclusions on the appropriateness of the assumptions in the valuation model.
- Our views on the disclosures included in the financial statements and the sensitivity of the Contact Centre impairment conclusion to reasonably possible changes in assumptions.

Areas of particular auditor judgement

We identified the following as the areas of particular auditor judgement:

- Whether the Group's cash flow forecasts for the Contact Centre CGU fell within an acceptable range
- Adequacy of the sensitivity disclosures for the Contact Centre CGU.

Our findings

We found the Group's estimated recoverable amount of the Contact Centre CGU to which the goodwill has been allocated and the related impairment charge to be mildly cautious (FY24: mildly cautious), resulting in an impairment charge towards the middle of our acceptable range. We found the Group's disclosures of the sensitivities to be proportionate (FY24: proportionate).

Further information in the Annual report and Accounts: See the ARC Report on page 114 for details on how the ARC considered the carrying amount of goodwill for the Contact Centre CGU as an area of significant attention, page 199 for the accounting policy on goodwill impairment for the Contact Centre CGU and note 3.4 for the financial disclosures.

KPMG LLP's Independent Auditor's Report *continued*

4.3 Onerous contract provisions associated with closed book life & pension business

Financial Statement Elements

| | FY25 | FY24 |
|--|--------|--------|
| Closed book Life & Pensions business exit provision (reclassified in the period from the customer contract provision category) | £94.3m | £43.9m |

Our assessment of risk vs FY24

Our assessment is that the risk is similar to FY24.

Our results

FY25: Mildly cautious

FY24: Balanced

Description of the Key Audit Matter

Subjective estimate

The provision recognised in relation to the exit of the closed book Life & Pensions business is significant and has increased in the period (reclassified in the period from the customer contract provision category) due to the agreement reached with Royal London in December 2025. The amount of the provision is subject to significant estimation uncertainty because of inherent uncertainty involved in forecasting losses that will be incurred up until the migration date, the costs that will be incurred in performing the migration activities, and the ability to complete the transition in the agreed timescales.

We have identified a risk of fraud due to the above, as well as the temporary covenant amendment obtained, which create a potential for management bias.

The effect of these matters is that, as part of our risk assessment, we determined that there is a risk of error and fraud in respect of the accuracy of the element of the closed book Life & Pensions business exit provision related to the Royal London contracts, as a result of a high degree of estimation uncertainty, with a potential range of possible outcomes greater than our materiality for the financial statements as a whole.

Disclosure quality

There is a risk that the disclosures presented are not adequate in explaining the key assumptions and sensitivity of these assumptions applied in assessment of the provision required.

Our response to the risk

We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures to address the risk included:

Our sector and entity experience: We considered the Group's exit and migration project plans, and considered the assumptions applied in determining expected losses that will be incurred up until the migration date and the costs that will be incurred in performing the migration. We assessed if the assumptions are supportable based on project documentation and the Group's experience of delivering similar migrations.

We assessed the feasibility of the project timeline used in the estimate by comparing planned milestones to historic delivery performance on similar contract exits.

Test of details: We obtained and inspected the contractual agreement reached with Royal London to corroborate the key terms relevant to the estimate made by the Group and to assess whether any other conditions existed within the agreement that were relevant to the estimate made by the Group.

Personnel interviews: We corroborated judgements made in respect of the estimated costs of completing the migration activity through discussions with project level staff and inspection of project planning documentation.

Scenario analysis: We developed a range of independent expectations for the migration costs based upon applying a range of different assumptions. We considered how the amount determined by the Group compared to the range developed in our audit.

Assessing transparency: We considered the disclosures in the financial statements to assess whether they provide sufficient detail regarding the uncertainties, key assumptions and judgements applied in determining the provision recognised relating to the Royal London contracts exit and migration activity, and the associated sensitivities, with a particular focus on those disclosures related to the impact of delays to the migration date.

4.3 Onerous contract provisions associated with closed book Life & Pension business continued

Communications with Capita plc's ARC

Our discussions with and reporting to the ARC included:

- Our assessment of the Group's key assumptions and judgements linked to the closed book Life & Pensions business exit provision related to the Royal London contracts
- Adequacy of accompanying disclosures in respect to the provision recognised in relation to the exit of the closed book Life & Pensions business related to the Royal London contracts in note 3.6 to the financial statements

Areas of particular auditor judgement

We identified the following as the area of particular auditor judgement:

- Assessment of the sensitivity disclosures related to the extent of time that Capita would be required to service the contracts before the migration is complete.

Our findings

We found the Group's provision recognised in relation to the exit of the closed book Life & Pensions business to be mildly cautious (FY24: Balanced).

We found the Group's disclosures in 3.6 to be proportionate (FY24: Proportionate).

Further information in the Annual Report and Accounts: See the ARC Report on page 113 for details on how the ARC considered recognition and measurement of onerous contract provisions (OCPs) as an area of significant attention, page 172 for the accounting policy on assessing recognition and measurement of OCPs in note 3.6 for the financial disclosures.

KPMG LLP's Independent Auditor's Report *continued*

4.4 Recoverability of the parent company's investment in, and amounts due from, its subsidiaries

| Financial Statement Elements | Our assessment of risk vs FY24 | | Our results |
|--|--------------------------------|-----------|---|
| | FY25 | FY24 | |
| Investments carrying value after impairment | £1,177.3m | 978.2m | FY25: Balanced FY24: Balanced |
| Impairment charge in Capita Life & Pensions Regulated Services | £58.7m | £5.9m | |
| Amounts receivable from subsidiary companies | £1,776m | £2,025.3m | |

Description of the Key Audit Matter

Forecast-based assessment

The carrying amount of the Parent Company's investment in, and amounts due from, its subsidiaries represent 39.2% and 59.2% (FY24: 31.6% and 65.3%) of its total assets respectively.

The estimated recoverable amount of these balances is subjective due to the inherent uncertainty involved in forecasting future cash flows, especially forecast revenue growth.

An impairment of £58.7m has been recognised on the investment in the subsidiary Capita Life & Pensions Regulated Services Limited (CLPRS), driven by the agreement reached with Royal London in December 2025 (See section 4.3).

In addition, uncertainty in relation to the current macro-economic environment may further impact the Group's activities and performance and renders precise forecasting of the underlying cashflows for all the Group's subsidiaries challenging.

The effect of these matters is that, as part of our risk assessment for audit planning purposes, we determined that the recoverable amount of the Parent Company's investment in, and amounts due from, its subsidiaries had a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. In conducting our final audit work, we concluded that, except for the investment in subsidiary in CLPRS, reasonably possible changes to the recoverable amounts would not be expected to result in a material impairment or expected credit losses.

Our response to the risk

We performed the tests below rather than seeking to rely on the Parent Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures included:

Tests of detail: For amounts due from subsidiaries, we first assessed the likely risk of default by the counterparty with reference to the Parent Company's definition of default, being a net liability position. This was based upon the subsidiary's draft balance sheet as utilised within the Group consolidation. For investments, we assessed if there was an indicator of impairment by comparing the carrying amount of the investment with the subsidiary's draft net assets within the Group consolidation, being an approximation of its minimum recoverable amount. Where required, we then proceeded to assess the probability of recovery based upon the entity level discounted cashflow forecasts and the recoverable amount of any indirect subsidiaries. We assessed consistency with the cashflows utilised in the goodwill impairment (where applicable), deferred tax and going concern models. For CLPRS, we also assessed consistency with the assumptions used in determining the related OCPs.

Historical comparison: For the balances identified as at greatest risk of irrecoverability, we assessed the historical accuracy of the forecasts used by considering actual performance against prior year budgets, recognising the impacts of the current macro-economic environment. We assessed the forecast revenue growth with reference to the most recent results for 2024 and 2025.

4.4 Recoverability of the parent company's investment in, and amounts due from, its subsidiaries continued

Description of the Key Audit Matter

Disclosure quality

The financial statements (note 7.3.3) disclose the key assumptions underlying the investment impairment calculations and the sensitivity of the calculations to changes in these assumptions.

There is a risk that the disclosures presented are not sufficient to explain the key assumptions that drive the valuations, and the key sensitivities that the Board has considered. This is particularly important given the current uncertainty surrounding the macro-economic environment.

Our response to the risk

Evaluating Directors' intent: We assessed the Directors' intention in respect of the recovery of intercompany debt and assessed whether the cash flows used to assess recoverability were consistent with this intention.

Sensitivity analysis: We performed sensitivity analyses for the key inputs and assumptions which included forecast revenue growth. We considered the likelihood of such scenarios materialising and the impact this would have upon the recoverable amount.

Assessing transparency: We evaluated the adequacy of the disclosures related to the estimation uncertainty, judgements made and assumptions over the recoverability of the Parent Company's investment in, and amounts due from, its subsidiaries, and the associated sensitivities, with a particular focus on disclosures related to the investment in subsidiaries in Capita Life & Pensions Regulated Services Limited.

Communications with the Capita plc's ARC

Our discussions with and reporting to the ARC included:

- Our conclusions on the appropriateness of the Group's assumptions taken in respect to cash flow forecasts, included the forecast revenue growth assumption for certain investments.
- Our assessment of the Group's judgement taken in respect to recoverability of intercompany receivables.

Areas of particular auditor judgement

We identified the following as the areas of particular auditor judgement:

- For investments identified as at greatest risk of irrecoverability, whether the cash flow forecasts fell within an acceptable range.

Our findings

We found the Parent Company's assessment of the recoverability of the investments in, and amounts due from, subsidiaries to be balanced (FY24: Balanced). We found the Parent Company's disclosures of the recoverability of investments held by the Parent Company in, and amounts due from, subsidiaries to be proportionate (FY24: Proportionate).

Further information in the Annual Report and Accounts: See the ARC Report on page 114 for details on how the ARC considered the Recoverability of the Parent Company's investment in, and amounts due from its subsidiaries as an area of significant attention, page 234 for the accounting policy on assessing recoverability of the Parent Company's investment in, and amounts due from its subsidiaries, and note 7.3.3 for the financial disclosures.

KPMG LLP's Independent Auditor's Report *continued***5. Our ability to detect irregularities, and our response****Fraud – Identifying And Responding To Risks Of Material Misstatement Due To Fraud**

| | |
|--|--|
| Fraud risk assessment | <p>To identify risks of material misstatement due to fraud (fraud risks) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.</p> <p>Our risk assessment procedures included:</p> <ul style="list-style-type: none"> • Enquiring of Directors, the ARC, internal audit and inspection of the Group's documented high-level policies and procedures to prevent and detect fraud, including the Group's channel for whistleblowing, as well as whether they have knowledge of any actual, suspected or alleged fraud; • Reading Board and ARC meeting minutes; • Considering remuneration incentive schemes and performance targets for management and Directors including the short and long-term incentive plans for management remuneration; • Using analytical procedures to identify any unusual or unexpected relationships. |
| Risk communications | <p>We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group auditor to component auditors of relevant fraud risks identified at the Group level and requests to component auditors to report to the Group auditor any instances of fraud that could give rise to a material misstatement at Group level.</p> |
| Fraud risks | <p>As required by auditing standards, taking into account possible pressures to meet profit targets and market consensus and continued ongoing economic uncertainty, and using our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular, the risk of bias in accounting estimates and judgements such as contract modifications and terminations.</p> <p>We also identified a fraud risk related to the going concern assessment, and the estimation of the recoverable amount of the Contact Centre CGU goodwill, because of the inherent uncertainty involved in forecasting future cash flows, which creates a potential for management bias.</p> <p>In addition, we identified a fraud risk in respect of the business exit element of the OCP associated with the closed book Life & Pensions business, due to the significant estimation uncertainty in forecasting losses that will be incurred, and the temporary covenant amendment obtained, which create a potential for management bias.</p> |
| Link to KAMs | <p>Further details in respect of going concern, impairment of goodwill, and OCPs associated with the closed book Life & Pensions business are set out in section 4 of this report.</p> |
| Procedures to address fraud risks | <p>We performed procedures including:</p> <ul style="list-style-type: none"> • Identifying journal entries and other adjustments to test at the Group level and for selected components, based on risk criteria, and comparing the identified entries to supporting documentation. These included, where relevant, those posted by senior finance personnel and those posted to unusual accounts, including unexpected account combinations of entries to revenue, expenses, cash and borrowings. • Assessing whether the judgement made in accounting estimates are indicative of a potential bias, including those over revenue recognition, measurement of OCPs in the closed book Life & Pensions business, going concern and impairment of goodwill. |

Laws and regulations – identifying and responding to risks of material misstatement relating to compliance with laws and regulations

| | |
|---|---|
| Laws and regulations risk assessment | We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group’s regulatory and legal correspondence; and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations. As some of the Group’s subsidiaries are regulated, our assessment of risks involved gaining an understanding of the control environment including these entities’ procedures for complying with regulatory requirements. |
| Risk communications | We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group auditor to component auditors of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group auditor any instances of non-compliance with laws and regulations that could give rise to a material misstatement at Group level. |
| Direct laws context and link to audit | The potential effect of these laws and regulations on the financial statements varies considerably. The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related company legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. |
| Most significant indirect law/regulation areas | The Group is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of some of the Group’s subsidiaries’ license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, data protection, employment law, regulatory capital and liquidity (in relation to the financial and regulated nature of certain of the Group’s activities in the closed book Life & Pensions and Pension Administration businesses). Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach. |
| Known actual or suspected matters | For the cyber incident discussed in note 2.4 of this report, we assessed disclosures against our understanding from the penalty notice and concluded that information disclosed is appropriate. |

Context

| | |
|---|---|
| Context of the ability of the audit to detect fraud or breaches of law or regulation | Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations. |
|---|---|

KPMG LLP's Independent Auditor's Report *continued*

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

| | |
|--|--|
| <p>£6.0m (FY24: £6.0m)</p> <p>Materiality for the group financial statements as a whole</p> | <p>What we mean A quantitative reference for the purpose of planning and performing our audit.</p> <hr/> <p>Basis for determining materiality and judgements applied Materiality for the Group financial statements as a whole was set at £6.0m (FY24: £6.0m). In FY24, this was determined with reference to a benchmark of normalised Group revenue of £2,369.1m, by excluding revenue in relation to business exits disclosed in note 2.8 of the consolidated financial statements in the 2024 ARA. Use of revenue as the benchmark reflects the continuing volatility in profit before tax from continuing operations, with revenues providing a more stable measure year on year. In FY25, the benchmark of revenue has not been normalised as the revenue in relation to business exits relates primarily to the closed book Life & Pensions business, the transition of which is expected to take up to five years.</p> <p>Use of revenue as the benchmark reflects the continuing volatility in profit before tax from continuing operations, with revenues providing a more stable measure year on year. Revenue is also a significant focus for management and external stakeholders.</p> <p>Our Group materiality of £6.0m was determined by applying a percentage to the Group revenue. When using this benchmark, KPMG's approach for listed entities considers a guideline range 0.5% – 1% of the measure. In setting overall Group materiality, we applied a percentage of 0.26% (FY24: 0.25%) to the benchmark which is below the lower end of the expected range. This acknowledges the low historic margin of the Group.</p> <p>Materiality for the Parent Company financial statements as a whole was set at £5.5m (FY24: £5.5m), determined by reference to total Company assets and represents 0.18% of the Company's total assets (FY24: 0.18%).</p> |
| <p>£3.9m (FY24: £3.9m)</p> <p>Performance materiality</p> | <p>What we mean Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.</p> <hr/> <p>Basis for determining performance materiality and judgements applied Performance materiality for the Group and the Parent Company was set at 65% (FY24: 65%) of materiality for the financial statements as a whole, which equates to £3.9m (FY24: £3.9m) for the Group and £3.6m (FY24: £3.6m) for the Parent Company. We applied this percentage in our determination of performance materiality based on the number and level of identified misstatements and control deficiencies during the prior period.</p> |
| <p>£0.3m (FY24: £0.3m)</p> <p>Audit misstatement posting threshold</p> | <p>What we mean This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.</p> <p>This is also the amount above which all misstatements identified are communicated to Capita plc's ARC.</p> <hr/> <p>Basis for determining the audit misstatement posting threshold and judgements applied We set our audit misstatement posting threshold at 5% (FY24: 5%) of our materiality for the Group financial statements. We also report to the ARC other identified misstatements that warrant reporting on qualitative grounds.</p> |

The overall materiality for the Group financial statements of £6.0m (FY24: £6.0m) compares as follows to the main financial statement caption amounts:

| | Group Revenue | | Group Profit/(Loss) Before Tax | | Total Group Assets | |
|-----------------------------------|------------------|-----------|--------------------------------|---------|--------------------|-----------|
| | FY25 | FY24 | FY25 | FY24 | FY25 | FY24 |
| Financial statement caption | £2,312.3m | £2,421.6m | £(170.9)m | £116.6m | £1,734.5m | £1,839.0m |
| Group materiality as % of caption | 0.26% | 0.25% | 3.51% | 5.15% | 0.35% | 0.33% |

7. The scope of our audit

Group scope

What we mean

How the Group auditor determined the procedures to be performed across the Group.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 74 (FY24: 123) components, having considered our evaluation of Key Audit Matters, existence of common risk profile across entities, Group's operational structure and our ability to perform audit procedures centrally.

Of those, we identified 1 quantitatively significant component which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

We also identified 1 component that required special audit consideration, owing to Group risks relating to OCPs residing in this component.

In addition, having considered qualitative and quantitative factors, we selected an additional 10 components with accounts contributing to the specific risks of material misstatement of the Group financial statements.

The below summarises where we performed audit procedures:

| Component type | Number of components where we performed audit procedures | Range of materiality applied |
|--|--|------------------------------|
| Quantitatively significant components | 1 | £5.0m |
| Components requiring special audit consideration | 1 | £1.4m |
| Other components where we performed procedures | 10 | £0.3m – £5.5m |
| Total | 12 | |

We involved component auditors in performing the audit work on components. We set the component materialities having regard to size and risk profile of the group across the component. The Group auditor performed the audit of the parent Company.

Our audit procedures covered 93% of Group revenue.

We performed audit procedures in relation to components and consolidation adjustments that overall accounted for 92% of total profits and losses that make up Group before tax, and 95% of total debits and credits that make up Group total assets.

For the remaining components, which we performed no audit procedures, no component represented more than 1% of Group total revenue, Group before tax or Group total assets. We performed analysis at a Group level to re-examine our assessment that there is not a risk of material misstatement relating to these components.

Impact of controls on our group audit

As noted by the ARC on page 111, the Group's internal system of controls is undergoing a programme of improvement. The developing nature of the control environment outlined by the ARC is consistent with our own audit findings in previous and the current year.

Therefore, given these findings, we planned to not rely on either manual or automated controls and performed a predominately substantive audit for relevant processes. We used data and analytics to support our audit of areas such as revenue and purchases. Given that we do not rely on IT controls, a direct testing approach was used over the completeness and reliability of data used in these routines.

KPMG LLP's Independent Auditor's Report *continued*

7. The scope of our audit continued

Group auditor oversight

What we mean

The extent of the Group auditor's involvement in work performed by component auditors.

In working with component auditors, we:

- Held planning calls with component auditors to discuss the significant areas of the audit relevant to the components, including the Key Audit Matter; OCPs
- Issued Group audit instructions to component auditors on the scope of their work, including specifying the procedures to perform in their audit of journals and long-term contracts
- Communicated with the UK component auditors in-person as the audit progressed to understand and evaluate their work and organised frequent video conferences with the partners and Directors of the Group and component auditors, including those based overseas. At these meetings the findings reported to us were discussed in more detail, and any further work required by us was then performed by the component auditors.

We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed (with a particular focus on audit work performed to address significant risks of fraud related to revenue recognition and management override of controls).

8. Other information in the annual report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Our reporting

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic report and directors' report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

Our responsibility

We are required to form an opinion as to whether the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Our reporting

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

8. Other information in the annual report continued

Corporate governance disclosures

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the ARC, including the significant issues that the ARC considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review.

Our reporting

Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.

We have nothing to report in this respect.

Other matters on which we are required to report by exception

Our responsibility

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Our reporting

We have nothing to report in these respects.

KPMG LLP's Independent Auditor's Report *continued*

9. Respective Responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page [X], the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Griffiths (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
E14 5GL

9 March 2026

Consolidated financial statements

Consolidated income statement for the year ended 31 December 2025

| | Notes | 2025 £m | 2024 £m |
|--|---------------|------------------|------------|
| Revenue | 2.2 | 2,312.3 | 2,421.6 |
| Cost of sales | | (1,844.3) | (1,905.1) |
| Gross profit | | 468.0 | 516.5 |
| Administrative expenses (including goodwill impairment of £73.7m (2024: £75.1m)) | 2.3, 2.4, 2.8 | (597.6) | (526.4) |
| Operating loss | 2.3, 2.4, 2.8 | (129.6) | (9.9) |
| Share of results in associates and losses on financial assets | 2.8 | (0.5) | (11.8) |
| Finance income | 4.3 | 12.5 | 10.0 |
| Finance costs | 4.3 | (51.7) | (56.3) |
| (Loss)/gain on disposal of businesses | 2.8 | (1.6) | 184.6 |
| (Loss)/profit before tax | 2.4 | (170.9) | 116.6 |
| Income tax credit/(charge) | 2.6 | 5.3 | (36.2) |
| Total (loss)/profit for the year | | (165.6) | 80.4 |
| Attributable to: | | | |
| Owners of the Company | | (164.1) | 76.7 |
| Non-controlling interests | 4.7 | (1.5) | 3.7 |
| | | (165.6) | 80.4 |
| (Loss)/earnings per share | 2.7 | | |
| – basic ¹ | | (144.13)p | 68.06p |
| – diluted ¹ | | (144.13)p | 66.10p |
| Adjusted operating profit | 2.4 | 113.5 | 84.6 |
| Adjusted profit before tax | 2.4 | 74.5 | 40.5 |
| Adjusted basic earnings per share ¹ | 2.7 | 49.71p | 1.60p |
| Adjusted diluted earnings per share ¹ | 2.7 | 49.71p | 1.55p |

1. 2024 comparatives have been re-presented from those previously published to reflect the 15 for 1 share consolidation undertaken in April 2025 (refer to notes 2.7 and 4.6).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated financial statements *continued*

Consolidated statement of comprehensive income for the year ended 31 December 2025

| | Notes | 2025 £m | 2024 £m |
|--|-------|----------------|------------|
| Total (loss)/profit for the year | | (165.6) | 80.4 |
| Other comprehensive income/(expense) | | | |
| Items that will not be reclassified subsequently to the income statement | | | |
| Actuarial loss on defined benefit pension schemes | 5.2 | (11.5) | (11.8) |
| Tax effect on defined benefit pension schemes | 2.6 | 2.8 | 2.8 |
| Items that will or may be reclassified subsequently to the income statement | | | |
| Exchange differences on translation of foreign operations | | (2.0) | 0.2 |
| (Loss)/gain on cash flow hedges | 4.2.4 | (14.4) | 9.9 |
| Cash flow hedges recycled to the income statement | 4.2.4 | 9.7 | (2.8) |
| Tax effect on cash flow hedges | 2.6 | 1.2 | (1.8) |
| Other comprehensive expense for the year net of tax | | (14.2) | (3.5) |
| Total comprehensive (expense)/income for the year net of tax | | (179.8) | 76.9 |
| Attributable to: | | | |
| Owners of the Company | | (178.4) | 73.2 |
| Non-controlling interests | 4.7 | (1.4) | 3.7 |
| | | (179.8) | 76.9 |

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

At 31 December 2025

| | Notes | 2025 £m | 2024 £m |
|--|---------|----------------|----------------|
| Non-current assets | | | |
| Property, plant and equipment | 3.2 | 57.5 | 68.5 |
| Intangible assets | 3.3 | 97.6 | 79.8 |
| Goodwill | 3.4 | 300.1 | 372.4 |
| Right-of-use assets | 3.5 | 158.5 | 180.7 |
| Contract fulfilment assets | 3.1.3 | 233.3 | 257.5 |
| Financial assets | 4.5 | 98.1 | 99.0 |
| Deferred tax assets | 2.6 | 128.7 | 111.6 |
| Employee benefits | 5.2 | 33.7 | 42.9 |
| Trade and other receivables | 3.1.1 | 11.4 | 10.0 |
| | | 1,118.9 | 1,222.4 |
| Current assets | | | |
| Financial assets | 4.5 | 6.8 | 20.6 |
| Income tax receivable | | 3.5 | 7.0 |
| Disposal group assets held-for-sale | 2.8.2 | — | 0.1 |
| Trade and other receivables | 3.1.1 | 350.2 | 335.3 |
| Cash and cash equivalents | 4.5.4 | 264.1 | 253.6 |
| | | 624.6 | 616.6 |
| Total assets | | 1,743.5 | 1,839.0 |
| Current liabilities | | | |
| Overdrafts | 4.5.4 | 138.8 | 62.2 |
| Trade and other payables | 3.1.2 | 405.7 | 353.2 |
| Disposal group liabilities held-for-sale | 2.8.2 | — | 0.1 |
| Income tax payable | | 3.5 | 3.8 |
| Deferred income | 2.2.3 | 373.6 | 435.4 |
| Lease liabilities | 4.4,4.5 | 39.5 | 42.9 |
| Financial liabilities | 4.5 | 119.5 | 88.2 |
| Provisions | 3.6 | 70.9 | 81.4 |
| | | 1,151.5 | 1,067.2 |

| | Notes | 2025 £m | 2024 £m |
|---|---------|----------------|----------------|
| Non-current liabilities | | | |
| Trade and other payables | 3.1.2 | 13.9 | 6.7 |
| Deferred income | 2.2.3 | 6.5 | 30.5 |
| Lease liabilities | 4.4,4.5 | 278.7 | 305.8 |
| Financial liabilities | 4.5 | 159.8 | 183.2 |
| Deferred tax liabilities | 2.6 | 6.6 | 7.0 |
| Provisions | 3.6 | 80.1 | 37.9 |
| Employee benefits | 5.2 | 4.6 | 5.0 |
| | | 550.2 | 576.1 |
| Total liabilities | | 1,701.7 | 1,643.3 |
| Net assets | | 41.8 | 195.7 |
| Capital and reserves | | | |
| Share capital | 4.6 | 37.2 | 35.2 |
| Share premium | 4.6 | 20.7 | 1,145.5 |
| Employee benefit trust shares | 4.6 | (1.6) | (0.3) |
| Capital redemption reserve | | 1.8 | 1.8 |
| Other reserves | | (15.1) | (9.5) |
| Retained earnings/(deficit) | | 4.4 | (972.8) |
| Equity attributable to owners of the Company | | 47.4 | 199.9 |
| Non-controlling interests | 4.7 | (5.6) | (4.2) |
| Total equity | | 41.8 | 195.7 |

The accompanying notes are an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the Board of directors on 9 March 2026 and signed on its behalf by:

Adolfo Hernandez
Chief Executive Officer

Pablo Andres
Chief Financial Officer

Consolidated financial statements *continued*Consolidated statement of changes in equity
for the year ended 31 December 2025

| | Share capital £m | Share premium £m | Employee benefit trust shares £m | Capital redemption reserve £m | Retained (deficit)/earnings £m | Other reserves £m | Total attributable to the owners of the parent £m | Non-controlling interests £m | Total equity £m |
|---|---------------------|---------------------|-------------------------------------|----------------------------------|-----------------------------------|----------------------|--|---------------------------------|--------------------|
| At 31 December 2023 | 35.2 | 1,145.5 | (0.7) | 1.8 | (1,053.8) | (15.0) | 113.0 | 1.9 | 114.9 |
| Profit for the year | — | — | — | — | 76.7 | — | 76.7 | 3.7 | 80.4 |
| Other comprehensive income/(expense) | — | — | — | — | (9.0) | 5.5 | (3.5) | — | (3.5) |
| Total comprehensive income for the year | — | — | — | — | 67.7 | 5.5 | 73.2 | 3.7 | 76.9 |
| Share-based payment (note 2.6; note 5.1) | — | — | — | — | 6.0 | — | 6.0 | — | 6.0 |
| Tax effect of share based payment | — | — | — | — | (0.2) | — | (0.2) | — | (0.2) |
| Elimination of non-controlling interest on disposal of businesses (note 2.8.1) | — | — | — | — | — | — | — | (9.1) | (9.1) |
| Exercise of share options under employee long-term incentive plans (note 4.6; note 5.1) | — | — | 1.0 | — | (1.0) | — | — | — | — |
| Parent Company shares purchased (note 4.6) | — | — | (0.6) | — | — | — | (0.6) | — | (0.6) |
| Dividends paid ¹ | — | — | — | — | — | — | — | (0.7) | (0.7) |
| Derecognition of put-options held by non-controlling interests | — | — | — | — | 8.5 | — | 8.5 | — | 8.5 |
| At 31 December 2024 | 35.2 | 1,145.5 | (0.3) | 1.8 | (972.8) | (9.5) | 199.9 | (4.2) | 195.7 |
| Loss for the year | — | — | — | — | (164.1) | — | (164.1) | (1.5) | (165.6) |
| Other comprehensive (expense)/income | — | — | — | — | (8.7) | (5.6) | (14.3) | 0.1 | (14.2) |
| Total comprehensive expense for the year | — | — | — | — | (172.8) | (5.6) | (178.4) | (1.4) | (179.8) |
| Share-based payment (note 5.1) | — | — | — | — | 5.0 | — | 5.0 | — | 5.0 |
| Tax effect of share based payment (note 2.6) | — | — | — | — | 0.7 | — | 0.7 | — | 0.7 |
| Share premium cancellation ² (note 4.6) | — | (1,145.5) | — | — | 1,145.5 | — | — | — | — |
| Exercise of share options under employee long-term incentive plans (note 4.6; note 5.1) | — | — | 1.2 | — | (1.2) | — | — | — | — |
| Shares issued (note 4.6) | 2.0 | 20.7 | (0.3) | — | — | — | 22.4 | — | 22.4 |
| Parent Company shares purchased (note 4.6) | — | — | (2.2) | — | — | — | (2.2) | — | (2.2) |
| At 31 December 2025 | 37.2 | 20.7 | (1.6) | 1.8 | 4.4 | (15.1) | 47.4 | (5.6) | 41.8 |

1. No dividends were declared, paid or proposed in 2025 or 2024 on the Parent Company's ordinary shares.

2. Following shareholder approval at the Company's 2025 Annual General Meeting on 28 April 2025 and subsequent sanctioning by the High Court of England and Wales on 10 June 2025, the Company cancelled its share premium account. The effect of this capital reduction was to increase the distributable reserves of the Company through a transfer to retained earnings (refer to note 4.6).

Share capital – The balance classified as share capital is the nominal proceeds on issue of the Parent Company's equity share capital, comprising 31 pence ordinary shares.

Share premium – The amount paid to the Parent Company by shareholders, in cash or other consideration, over and above the nominal value of shares issued to them less issuance costs.

Employee benefit trust shares – Shares held in the employee benefit trust have no voting rights and no entitlement to a dividend.

Capital redemption reserve – The Parent Company can redeem shares by repaying the market value to shareholders, whereupon the shares are cancelled. Redemption must be from distributable profits. The capital redemption reserve represents the nominal value of the shares redeemed.

Retained earnings – Net profits/(losses) accumulated in the Group after dividends are paid.

Other reserves – This consists of the foreign currency translation reserve deficit of £13.1m (2024: £11.0m deficit) and the cash flow hedging reserve deficit of £2.0m (2024: £1.5m surplus).

Non-controlling interests (NCI) – This represents equity in subsidiaries not attributable directly or indirectly to the Parent Company.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated cash flow statement for the year ended 31 December 2025

| | Notes | 2025 £m | 2024 £m | | Notes | 2025 £m | 2024 £m |
|--|---------------|---------------|------------|---|-------|---------------|------------|
| Cash generated from operations | 2.9 | 47.8 | 16.0 | Cash flows from financing activities | | | |
| Income tax paid | | (5.7) | (4.0) | Dividends paid to non-controlling interests | | — | (0.7) |
| Income tax received | | 2.8 | 5.1 | Purchase of Parent Company shares by the Employee benefit trust | 4.6 | (0.8) | (0.6) |
| Interest received | | 7.8 | 8.0 | Capital element of lease rental payments | 2.9.3 | (44.7) | (53.6) |
| Interest paid | | (48.0) | (50.3) | Proceeds on issue of private placement loan notes | 2.9.3 | 93.4 | — |
| Net cash inflow/(outflow) from operating activities | | 4.7 | (25.2) | Gain from cross-currency swaps | 2.9.3 | 0.8 | — |
| Cash flows from investing activities | | | | Repayment of private placement loan notes | 2.9.3 | (89.0) | — |
| Purchase of property, plant and equipment | 3.2 | (9.5) | (16.6) | Proceeds from cross-currency interest rate swaps | 2.9.3 | 13.1 | 3.4 |
| Purchase of intangible assets | 3.3 | (38.2) | (33.5) | Proceeds from other finance | 2.9.3 | 0.2 | — |
| Proceeds from sale of property, plant and equipment and intangible assets | 2.3, 3.2, 3.3 | 1.4 | 0.3 | Debt financing arrangement costs | 2.9.3 | (1.5) | — |
| Proceeds from disposal of associates and joint ventures | | — | 0.3 | Net cash outflow from financing activities | | (28.5) | (51.5) |
| Additions to originated loans receivable | | — | (0.5) | (Decrease)/increase in cash and cash equivalents | | (67.5) | 124.5 |
| Proceeds from sale of investments held at fair value through profit and loss | | 0.5 | 1.4 | Cash and cash equivalents at the beginning of the year | | 191.4 | 67.6 |
| Capital element of lease rental receipts | | 4.2 | 5.9 | Effect of exchange rates on cash and cash equivalents | | 1.4 | (0.7) |
| Deferred consideration from sale of subsidiary companies | | — | 20.0 | Cash and cash equivalents at 31 December | | 125.3 | 191.4 |
| Total proceeds received from disposal of businesses, net of disposal costs | 2.8.1 | (2.1) | 249.1 | Cash and cash equivalents comprise: | | | |
| Cash held by businesses when sold | 2.8.1 | — | (25.2) | Cash and cash equivalents | 4.5.4 | 264.1 | 253.6 |
| Net cash (outflow)/inflow from investing activities | | (43.7) | 201.2 | Overdrafts | 4.5.4 | (138.8) | (62.2) |
| | | | | Total | | 125.3 | 191.4 |
| | | | | Cash generated from operations excluding business exits | 2.9.2 | 72.9 | 27.0 |
| | | | | Free cash flow excluding business exits | 2.9.2 | (54.0) | (110.9) |

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

Section 1: Basis of preparation

This section sets out the Group's accounting policies relating to these consolidated financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

This section also includes details of new accounting standards, amendments and interpretations including their effective dates and explanation on the expected impact to the financial position and performance of the Group.

For ease of reference, this symbol has been used to denote any accounting policies included within the notes to these consolidated financial statements:

AP Denotes accounting policies

These financial statements consolidate those of Capita plc (the Company or the Parent Company) and all of its subsidiaries (the Group). Capita plc is a public limited company incorporated in England and Wales whose shares are publicly traded. The principal activities of the Group are given in the strategic report on pages 2 to 88.

These consolidated financial statements of Capita plc for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 9 March 2026.

These consolidated financial statements are presented in British pounds sterling and all values are rounded to the nearest tenth of a million (£m) except where otherwise indicated.

Statement of compliance

These consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards (UK-IFRS) and the Disclosure and Transparency Rules of the UK's Financial Conduct Authority.

Basis of consolidation

These consolidated financial statements comprise the financial statements of the Group at 31 December each year. Subsidiaries are consolidated from the date on which control is transferred to the Group until control is transferred out of the Group. Where there is a loss of control of a subsidiary, these consolidated financial statements include the results for that part of the reporting year during which Capita plc had control and the profit or loss on disposal is calculated as the difference between the fair value of the consideration received and the carrying amount of the net assets (including goodwill) disposed of. Losses applicable to the non-controlling interests in subsidiaries are attributed to the non-controlling interests even if that results in the non-controlling interests having a deficit balance.

Investments in associates are accounted for using the equity method. Under the equity method, the investment in the entity is stated as a one line item at cost plus the investor's share of retained post-acquisition profits or losses and other changes in net assets less any impairment.

Going concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 December 2025, the Board is required to consider whether the Group and Parent Company can continue in operational existence for the foreseeable future. The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties, sensitivities, and mitigations as set out below.

Accounting standards require that 'the foreseeable future' for going concern assessment covers a period of at least twelve months from the date of approval of these financial statements. The Board has considered the period from the date of approval of these financial statements to 30 June 2027 ('the going concern period'), which aligns with a period end and covenant test date for the Group.

The base case financial forecasts used in the going concern assessment are derived from the 2026-2028 business plan as approved by the Board in March 2026.

The going concern assessment considers the Group's sources and uses of liquidity and covenant compliance throughout the period under review. The value of the Group's committed revolving credit facility (RCF) was £250.0m at 31 December 2025 and extends to 31 December 2027. In February 2026, the Company entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing RCF. The additional facility expires 18 months from signing. In a severe but plausible downside scenario, the facility is partially drawn.

Financial position at 31 December 2025

At 31 December 2025 the Group had net debt of £461.6m (2024: £415.2m), net financial debt (pre-IFRS 16)¹ of £143.4m (2024: £66.5m), available liquidity¹ of £329.4m (2024: £397.2m) and was in compliance with all debt covenants (refer to note 4.1.2 to the consolidated financial statements).

Board assessment

Base case scenario

Under the base case scenario, the Group forecasts growth in revenue, profit and cash flow over the medium term. When combined with available committed facilities, this allows the Group to manage scheduled debt repayments (with no need for future refinancing of these repayments). The most material sensitivities to the base case are the risk of not delivering the planned revenue growth.

The base case projections used for going concern assessment purposes reflect business disposals completed up to the date of approval of these consolidated financial statements. The base case financial forecasts demonstrate liquidity headroom and compliance with all debt covenant measures throughout the going concern period to 30 June 2027.

Severe but plausible downside scenario

In considering severe but plausible downside scenarios, the Board has taken account of the potential adverse financial impacts resulting from the following risks:

- revenue growth falling materially short of plan;
- unforeseen operational issues leading to contract losses and cash outflows;
- sustained interest rates at current levels;
- non-availability of the Group's non-recourse trade receivables financing facility; and
- unexpected financial costs linked to unexpected one-off incidents.

1. Refer to alternative performance measures in section 8.2 to the financial statements.

Section 1: Basis of preparation *continued*

The likelihood of simultaneous crystallisation of the above risks is considered by the Board to be low. Nevertheless in the event that simultaneous crystallisation were to occur, the Group would need to take action to ensure there is sufficient liquidity. In its assessment of going concern, the Board has considered the mitigations, under the direct control of the Group, that could be implemented including, but not limited to, substantially reducing (or removing in full) bonus and incentive payments, reducing discretionary spend and reductions or delays in capital investment. Taking these considerations into account, the Group's financial forecasts, in a severe but plausible downside scenario, demonstrate sufficient liquidity headroom and compliance with all debt covenant measures throughout the going concern period to 30 June 2027.

Adoption of going concern basis

Reflecting the forecasts, coupled with the Board's ability to implement appropriate mitigations should the severe but plausible downside materialise, the Group and Parent Company continue to adopt the going concern basis in preparing these consolidated financial statements. The Board has concluded that the Group and Parent Company will be able to continue in operation and meet their liabilities as they fall due over the period to 30 June 2027.

Foreign currency translation

The functional and presentation currency of Capita plc and its UK subsidiaries is the British pound sterling (£). Transactions in foreign currencies are initially recorded at the functional currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency exchange rate ruling at the balance sheet date. All differences are taken to the consolidated income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the consolidated income statement.

Tax charges and credits attributable to exchange differences on those borrowings are also taken directly to equity. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of overseas operations include the euro, Indian rupee, South African rand, Polish zloty and the US dollar. At the balance sheet date, the assets and liabilities of the overseas operations are retranslated into the presentation currency of Capita plc at the exchange rate ruling on the balance sheet date and their income statements are translated using the weighted average exchange rate for the year.

The exchange differences arising on the retranslation are taken directly to a separate component of equity. On disposal of a foreign operation, the deferred cumulative foreign currency translation difference recognised in equity relating to that particular foreign operation is recognised in the consolidated income statement.

Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on whether they are current or non-current.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the balance sheet date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the balance sheet date; or
- Does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Recoverable amount of non-current assets

At each balance sheet date, the Group assesses whether there is any indication that a non-current asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's, or cash-generating unit's, fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Consideration of climate change

The impact of climate change has been considered in the preparation of these consolidated financial statements across a number of areas, including our evaluation of the critical accounting estimates and assumptions which are detailed below, consistent with the risks and opportunities set out in the strategic report on pages 68 to 78. None of these risks had a material effect on the critical accounting estimates and assumptions or on the consolidated financial statements of the Group. The following areas were considered during the preparation of these consolidated financial statements:

- contract judgements made on the Group's major contracts including contract fulfilment assets;
- going concern and viability of the Group over the relevant respective period;
- cash flow forecasts used in the impairment assessments of non-current assets including goodwill;
- carrying value and useful economic lives of property, plant and equipment;
- deferred tax asset recognition; and
- the valuation of assets held within the Group's pension schemes.

As current legislation stands, there is currently no material short or medium-term¹ impact expected from climate change on the Group. The Group will continue to monitor its climate strategy and the impact that policies or changes in legislation may have on the estimates the Group makes, and any subsequent impact on assets and liabilities recognised and presented in its consolidated financial statements.

1. As defined in the Task Force on Climate-related Financial Disclosures section of the Strategic Report.

Notes to the consolidated financial statements *continued*

Section 1: Basis of preparation *continued*

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in accordance with generally accepted accounting principles requires the directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the presented periods. Although these judgements and assumptions are based on the directors' best knowledge of the amounts, events or actions, actual results may differ.

As described in note 2.1, given the level of judgement and estimation involved in assessing the future profitability of contracts, it is reasonably possible that outcomes within the next financial year may be different from management's assumptions which could require a material adjustment to the carrying amounts of contract fulfilment assets and onerous contract provisions.

Judgements

The key areas where significant accounting judgements have been made and which have the most significant effect on the amounts recognised in the consolidated financial statements, are summarised below and set out in more detail in the related note(s):

- Contract accounting (note 2.1):
 - Revenue recognition;
- Capitalisation of contract fulfilment assets (note 3.1.3); and
- Adoption of the going concern basis of preparation (section 1).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are summarised below and set out in more detail in the related note. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are incorporated into the assumptions when they occur:

- Contract accounting (note 2.1):
 - Impairment of contract fulfilment assets;
 - Carrying value of onerous contract provisions; and
 - Variable consideration to be recognised;
- Deferred tax asset recognition (note 2.6);
- Impairment of goodwill in respect of the Contact Centre group of cash generating units (note 3.4);
- Carrying value of closed book Life & Pensions business exit provision (note 3.6);
- Carrying value of claims and litigations provisions (note 3.6); and
- Measurement of defined benefit pension obligations (note 5.2).

For ease of reference, the symbols below have been used to denote significant accounting judgements and/or significant accounting estimates and assumptions where they occur within the notes to these consolidated financial statements:

J Denotes significant accounting judgements

E Denotes significant accounting estimates and assumptions

New standards and interpretations adopted

The accounting policies adopted are consistent with those of the previous financial year. In addition, the Group has adopted the new, and amendments to, standards listed below. These amendments were either not applicable or not material to the Group or Parent Company.

| International Accounting Standards (IAS/IFRS) | Effective date |
|--|----------------|
| Lack of Exchangeability - Amendments to IAS 21 | 1 January 2025 |

New standards and interpretations issued but not yet adopted

The International Accounting Standards Board (IASB) has issued the following standards, amendments and interpretations with an effective date after the date of these consolidated financial statements. These are effective for annual reporting periods beginning on or after the date indicated:

| International Accounting Standards (IAS/IFRS) | Effective date |
|--|-----------------------|
| Amendments to the Classification and Measurement of Financial Instruments - IFRS 9 and IFRS 7 | 1 January 2026 |
| Annual Improvements to IFRS Accounting Standards - Volume 11 - Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 | 1 January 2026 |
| Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7 | 1 January 2026 |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 | Deferred indefinitely |
| Presentation and Disclosure of Financial Statements - IFRS 18 | 1 January 2027 |

IFRS 18 Presentation and Disclosure in Financial Statements was issued by the IASB in April 2024 and adopted by the UK Endorsement Board in December 2025. The standard will replace IAS 1 *Presentation of Financial Statements*. While several sections from IAS 1 have been brought forward into IFRS 18, the standard introduces new requirements as follows:

- Two newly defined subtotals of operating profit or loss and profit or loss before financing and income taxes;
- Requirement to classify all income and expenses in the income statement into five specified categories – operating, investing, financing, income taxes and discontinued operations;
- Disclosure of management-defined performance measures (MPMs) used to communicate financial performance in public communications outside financial statements within a single note in the financial statements; and
- Enhanced guidance for the aggregation and disaggregation of financial information based on the identified roles of the primary financial statements and the notes.

The Group will adopt the standard for the reporting period ending 31 December 2027. The impact of the standard on the Group is currently being assessed, and it is not yet practicable to quantify the effect of IFRS 18 on these consolidated financial statements.

The other amendments are either not applicable or not expected to be material to the Group or Parent Company.

Section 2: Results for the year

This section contains notes related to the financial performance of the Group. These include:

- 2.1 Contract accounting
- 2.2 Revenue including segmental revenue
- 2.3 Operating profit
- 2.4 Adjusted operating profit and adjusted profit before tax
- 2.5 Segmental information
- 2.6 Taxation
- 2.7 Earnings/(loss) per share
- 2.8 Business exits and assets held-for-sale
- 2.9 Cash flow information

AP Denotes accounting policies

J Denotes significant accounting judgements

E Denotes significant accounting estimates and assumptions

Key highlights

Reported revenue

£2,312.3m

(2024: £2,421.6m)

Reported operating loss / margin

£(129.6)m / (5.6)%

(2024: loss £(9.9)m)

(2024: (0.4)%)

Net cash inflow/(outflow) from operating activities

£4.7m

(2024: £(25.2)m)

Reported basic (loss)/earnings per share (EPS)

(144.13)p

(2024: 68.06p)

Adjusted revenue¹

Aim: Achieve low to mid-digit revenue growth per annum in the medium-term

£2,199.5m

(2024: £2,225.7m)

Adjusted operating profit / margin¹

Aim: Achieve adjusted operating profit margin of between 6% and 8% in the medium-term

£113.5m / 5.2%

(2024: £84.6m)

(2024: 3.8%)

Free cash flow excluding business exits¹

Aim: Achieve sustainable, long-term positive free cash flow growth generation

£(54.0)m

(2024: £(110.9)m)

Adjusted basic earnings per share (EPS)¹

Aim: Achieve long-term growth in EPS

49.71p

(2024: 1.60p)

1. Refer to APMs and related KPIs on pages 239 to 245.

Notes to the consolidated financial statements *continued*

Section 2: Results for the year *continued*

For additional information, which does not form part of these consolidated financial statements, the Chief Financial Officer's review in the strategic report includes information in respect of the changes.

Adjusted results

Revenue

The Group's adjusted revenue¹ reduced by 1.2% year-on-year reflecting good growth in Public Service and the Pension Solutions business, offset by 17.5% decline in the Contact Centre business:

- **Capita Public Service** (4.5% growth): benefit from the Health Assessment Advisory Service contract win, the Disabled Students Allowance contract, growth on the contract with Transport for London, including the opening of the Silvertown Tunnel, and scope expansion on the Royal Navy training contract and extension of the Primary Care Support England contract, partly offset by the flow through of contracts lost in previous years;
- **Capita Experience:**
 - **Contact Centre:** (17.5% reduction): lower volumes, primarily within the Telecommunications vertical, the impact of working with our customers to drive volumes to our nearshore and offshore delivery centres, which reduces revenue while becoming more efficient and competitive, and contract losses;
 - **Pension Solutions:** (4.5% growth): benefit of indexation and extensions on existing contracts; and
 - **Regulated Services:** (200.0% growth): a £19m one-off benefit from a contract exit in the Mortgage Software business.

Operating profit

The Group's adjusted operating profit¹ improved by £28.9m year-on-year reflecting improved contract performance in Public Service and the in-year benefit from the £250m cost reduction programme. This is driven by the following at the segmental level:

- **Capita Public Service:** net benefit from the revenue flow-through on new and expanded contracts and material savings delivered through the cost reduction programme, partly offset by continued reinvestment in technology solutions, and a £9m impact from the rise in National Insurance;
- **Capita Experience:**
 - **Contact Centre:** flow through of revenue decline, lower levels of project work, rise in National Insurance and reinvestment, partly offset by savings delivered through the cost reduction programme. The operating loss for the business also includes c.£15m of costs in respect of under-utilised property and a c.£10m loss from the German business;
 - **Pension Solutions:** flow through of revenue benefit and savings delivered through the cost reduction programme, partly offset by reduced interest income due to lower UK interest rates (2025: £17m; 2024: £22m);
 - **Regulated Services:** a £6m benefit from termination fee received from the contract exit in the Mortgage Software business, and savings delivered through the cost reduction programme; and
- **Capita plc:** reflects benefits delivered through the cost reduction programme and a one-off gain related to the extension of a property sub-lease.

Profit before tax

Adjusted profit before tax¹ increased year-on-year to £74.5m (2024: £40.5m) reflecting the above improvements in adjusted operating profit¹ and reduced net finance costs excluded from adjusted profit of £39.0m (2024: £44.1m). Lower net finance costs primarily attributable to movements in the value of non-designated foreign exchange forward contracts and a more favourable interest rate environment.

Reported results

The decline in reported revenue of 4.5% reflects the reduction in adjusted revenue¹ noted above, and the impact of businesses exited and in the process of being exited during 2025 and 2024. The most significant of these being the closed book Life & Pensions business.

Adjusted operating profit¹ and adjusted profit before tax¹ exclude a number of specific items so users of these consolidated financial statements can more clearly understand the financial performance of the Group. Details of items charged/credited in arriving at the reported operating loss and reported loss before tax can be found in note 2.3.

The reported operating loss of £129.6m (2024: loss £9.9m), reflects the increase in costs to deliver the significant cost reduction programme (2025: £56.1m; 2024: £27.9m), the direct costs incurred as a consequence of the March 2023 cyber incident, primarily the £14m fine paid to the Information Commissioner's Office (ICO) (2025: £15.9m; 2024: £1.0m), and the loss from business exits in the year, primarily the closed book Life & Pensions business (2025: £97.2m; 2024: profit £9.7m), partly offset by the improvement in adjusted operating profit¹ detailed above, and a slightly lower goodwill impairment charge (2025: £73.7m; 2024: £75.1m).

The move to a reported loss before tax of £170.9m (2024: profit £116.6m), reflects the increased reported operating loss detailed above, the loss from business exits in the year of £1.6m (2024: gain £184.6m from the sale of Capita One and the Group's 75% shareholding in Fera), partly offset by lower net finance costs to £39.2m (2024: £46.3m).

Taxation

The adjusted tax charge for the year was £19.0m (2024: charge £34.6m). The reduction is mainly as a result of the changes in the accounting estimate of recognised deferred tax assets which had less of an impact in 2025 compared to 2024.

The reported tax credit for the year of £5.3m comprises a current tax charge of £8.6m, reflecting non-deductible business exit costs, the non-deductible ICO penalty relating to the 2023 cyber incident, non-deductible goodwill impairment, plus a deferred tax credit of £13.9m arising from changes in the accounting estimate of recognised deferred tax assets. The prior period charge of £36.2m comprised a current tax charge of £17.8m, reflecting non-deductible goodwill impairments and unrecognised current year tax losses, plus a deferred tax charge of £18.4m, reflecting the changes in the accounting estimate of recognised deferred tax assets. The reduction in the reported income tax charge reflects the reduction in the adjusted tax charge¹ noted above, and a change in the accounting estimate of recognised deferred tax assets.

Earnings per share

Adjusted basic earnings per share¹ increased to 49.71p (2024: adjusted basic earnings per share¹ 1.60p) reflecting the increase in adjusted operating profit¹, reduction in the net finance costs excluded from adjusted profit, and the lower adjusted total tax charge of £19.0m (2024: charge of £34.6m).

The reduction from a reported basic earnings per share to a reported loss per share reflects the move to a reported loss before tax noted above, offset by the move to a reported tax credit (2024: tax charge).

1. Refer to APMs and related KPIs on pages 239 to 245.

Section 2: Results for the year *continued*

Cash flow

| Adjusted operating profit ¹ to free cash flow excluding business exits ¹ | Notes | 2025 £m | 2024 £m |
|---|-------|---------------|------------|
| Adjusted operating profit¹ | 2.4 | 113.5 | 84.6 |
| Add: depreciation/amortisation and impairment of property, plant and equipment, right-of-use assets and intangible assets | 2.5 | 74.5 | 84.4 |
| Adjusted EBITDA¹ | | 188.0 | 169.0 |
| Working capital | | (30.8) | (84.2) |
| Non-cash and other adjustments | | (17.5) | (2.0) |
| Operating cash flow excluding business exits¹ | | 139.7 | 82.8 |
| Adjusted operating cash conversion¹ | | 74.3 % | 49.0 % |
| Pension deficit contributions | 2.9 | — | (6.3) |
| Cyber incident | 2.9 | (13.6) | (5.0) |
| Cost reduction programme | 2.9 | (53.2) | (44.5) |
| Cash generated from operations excluding business exits¹ | | 72.9 | 27.0 |
| Net capital expenditure | 2.9 | (46.2) | (49.3) |
| Interest/tax paid | 2.9 | (41.1) | (42.0) |
| Net capital lease payments | 2.9 | (39.6) | (46.6) |
| Free cash flow excluding business exits¹ | | (54.0) | (110.9) |

Operating cash flow excluding business exits¹ and operating cash flow conversion¹ increased in 2025 driven by the following:

- **Public Service:** higher adjusted operating profit¹ flow through and favourable timing of receipts at the end of 2025;
- **Capita Experience:**
 - **Contact Centre:** timing of key receipts and phasing of supplier invoicing. The cash flow for the business also includes a c.£20m outflow in respect of under-utilised properties and a c.£8m cash outflow from the German business;
 - **Pension Solutions:** investment in the year in the Civil Service Pension Scheme (CSPS) contract of £26m (contract fulfilment asset), and delay of a milestone payment;
 - **Regulated Services:** termination fee received from the contract exit in the Mortgage Software business, and cash impact of savings delivered through the cost reduction programme; and
- **Capita plc:** benefit from the cost reduction programme and lower repayments against the non-recourse trade receivables financing facilities during 2025.

Cash generated from operations excluding business exits¹ of £72.9m reflects the above improvement in operating cash flow excluding business exits¹, and the reduction in pension deficit contributions, partly offset by an increase in the cash costs to deliver the cost reduction programme (£53.2m), and the direct cash flow impact of the cyber incident (£13.6m), primarily the ICO penalty and related legal fees.

Free cash flow excluding business exits¹ was an outflow of £54.0m (2024: outflow £110.9m), and includes £53.2m of cash costs to deliver the cost reduction programme (2024: £44.5m), and £13.6m net cash outflow in respect of the 2023 cyber incident (2024: £5.0m). The improvement year on year primarily reflects the improvement in cash generated from operations excluding business exits¹ above, continued capital investment in our contract delivery with new technology solutions and cyber capabilities, lower net capital lease payments from the ongoing property portfolio rationalisation, and lower interest outflows.

The Group had a cash outflow of £28.1m (2024: £2.7m inflow) arising from those businesses classified as business exits. In 2024, this was offset by an additional outflow from pension deficit payments triggered as a result of these disposals totalling £14.5m.

Dividend

The Board is not recommending the payment of a final dividend (2024: £nil). The prioritised order the Board applies in respect of capital allocation is to:

1. make the operating and capital investment needed to deliver its strategy;
2. ensure the Group is optimally financed from a debt and leverage perspective in line with its medium-term target;
3. recommence dividend payments once the Group is sustainably generating positive free cash flow; and
4. at a point in the future, when the Group either organically or inorganically generates sufficient surplus funds, contemplate alternative investor returns above a traditional dividend stream.

1. Refer to APMs and related KPIs on pages 239 to 245.

Notes to the consolidated financial statements *continued*

Section 2: Results for the year *continued*

2.1 Contract accounting

At 31 December 2025, the Group had the following results and balance sheet items related to long-term contracts:

| | Notes | 2025 £m | 2024 £m |
|--|-------|----------------|------------|
| Long-term contractual revenue | 2.2 | 1,746.7 | 1,871.7 |
| Contract fulfilment assets (non-current) | 3.1.3 | 233.3 | 257.5 |
| Accrued income | 3.1.1 | 145.7 | 132.7 |
| Deferred income | | 380.1 | 465.9 |
| Onerous contract provisions | | 71.6 | 46.2 |

Background

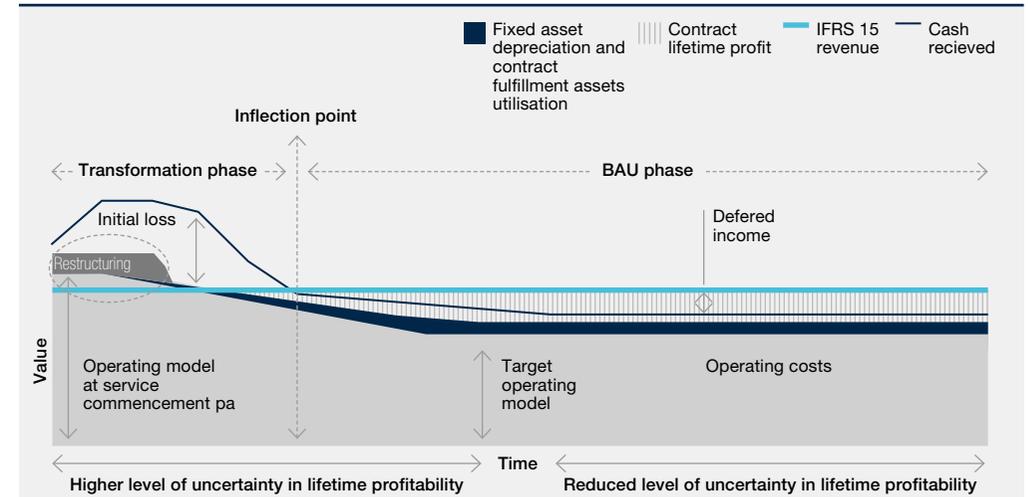
The Group operates diverse businesses. The majority of the Group's revenue is from contracts greater than two years in duration (long-term contractual), representing 75.5% of Group reported revenue in 2025 (2024: 77.3%).

These long-term contracts can be complex in nature given the breadth of solutions the Group offers and the transformational activities involved. Typically, Capita takes a customer's process and transforms it into a more efficient and effective solution which is then operated for the customer. The outcome is a high quality solution that addresses the customer's needs and is delivered consistently over the life of the contract.

The Group recognises revenue on long-term contracts as the value is delivered to the customer, which is generally evenly over the contract term, regardless of any restructuring and transformation activity required to deliver the services to the customer. Capita will often incur greater costs during contract transformation phases with costs diminishing over time as the target operating model is implemented and efficiencies realised. This results in lower profits or losses in the early years of contracts and potentially higher profits in later years as the transformation activities are successfully completed and the target operating model fully implemented (the business as usual (BAU) phase). The inflection point is when the contract becomes profitable.

Non-current contract fulfilment assets are recognised for those costs qualifying for capitalisation. The utilisation of these assets is recognised over the contract term. The timing of cash receipts from customers typically matches when the costs are incurred to transform, restructure and run the service. This results in income being deferred and released when the Group delivers against its obligations to provide services and solutions to its customers.

An example, showing the revenue, cost, profit and cash flow of a typical long-term contract lifecycle is as follows:



E Significant accounting estimates and assumptions

Due to the size and complexity of some of the Group's contracts, there are significant judgements to be applied, specifically in assessing: (i) the recoverability of non-current contract fulfilment assets; and (ii) the completeness of onerous contract provisions (within the customer contract provision and the closed book Life & Pensions business exit provision in note 3.6). These judgements are dependent on assessing the contract's future profitability and give rise to a key source of estimation uncertainty. It is possible that outcomes within the next financial year may be different from management's assumptions and could require a material adjustment to the carrying amounts of contract fulfilment assets and onerous provisions.

Significant judgement is also applied when estimating variable consideration. This judgement requires an assessment of the amount of variable consideration to be recognised such that it is highly probable that no revenue reversal will occur. It is possible that outcomes within the next financial year may be different from management's assumption, resulting in additional, or reduced, revenues.

J Significant accounting judgements

Significant judgement is exercised by management regarding when to recognise revenue from variations or scope changes on long-term contracts. There is a risk that revenue may be recognised while uncertainties exist over contractual terms during ongoing negotiations with customers. These uncertainties could impact the timing and/or transaction price and therefore the overall amount of revenue to be recognised. Judgement is also required when customers request scope changes to determine if there is a contract modification or a contract termination followed by a new contract. Contract terminations can lead to the immediate recognition of any deferred income being held for recognition in future periods. Refer to note 2.2 for the Group's accounting policies.

Section 2: Results for the year *continued*

2.1 Contract accounting continued

Assessing contract profitability

In assessing a contract's future lifetime profitability, management must estimate forecast revenue and costs to both transform and run the service over the remaining contract term. The ability to accurately forecast the outcomes involves estimates in respect of: costs to be incurred; cost savings to be achieved; future performance against any contract-specific key performance indicators (KPIs) that could trigger variable consideration or service credits; outcome of any commercial negotiations; and impact of inflation on the cost base and the indexation of revenue.

The level of uncertainty in the estimated future profitability of a contract is directly related to the stage in a contract's life-cycle, and the complexity of the performance obligations. Contracts in the transformation stage are considered to have a higher level of uncertainty because of:

- the ability to accurately estimate the costs to deliver the transformed process;
- the dependency on the customer to agree to the specifics of the transformation: for example, where they are involved in certifying that the new process or, the new technical solution, designed by Capita meets their specific requirements;
- the requirement to deliver the key transformation milestones in accordance with timelines agreed with the customer; and
- the assumptions made to forecast expected savings in the target operating model.

Those contracts which are in BAU tend to have a much lower level of uncertainty in estimating future profitability.

Recoverability of non-current contract fulfilment assets and completeness of onerous contract provisions

Management first assesses whether contract assets are impaired and then further considers whether an onerous contract exists. For half and full year reporting, the Audit and Risk Committee specifically review the material judgements and estimates, and the overall approach to this assessment in respect of the Group's major contracts, including comparison against previous forecasts.

The major contracts are rated by management according to their financial risk profile, which is linked to the level of uncertainty over future assumptions. At half year, the Audit and Risk Committee review contracts in the high or medium risk categories, and, additionally at full year if not already identified, those contracts material by virtue of their size relative to the Group are reviewed.

An assessment of which contracts are major contracts is performed twice a year. Other contracts are reported to the Audit and Risk Committee as deemed appropriate. These contracts are collectively referred to as 'major contracts' in the remainder of this note.

In the following paragraphs, the amounts disclosed for the current period are only in respect of those major contracts that the Audit and Risk Committee have reviewed (ie those major contracts which are in the high or medium risk categories or material by virtue of their size relative to the Group). The prior year amounts in relation to major contracts are as previously presented, and as such reflect the major contracts reviewed by the Audit and Risk Committee for that year end. The prior period amounts are therefore not directly comparable to those disclosed for the current year.

The major contracts contributed £1.2 billion (2024: £1.0 billion) or 52% (2024: 41%) of Group reported revenue. Non-current contract fulfilment assets at 31 December 2025 were £233.3m (2024: £257.5m), of which £66.4m (2024: £119.3m) relates to major contracts with ongoing transformational activities. The remainder relates to contracts post transformation and includes non-major contracts.

As noted above, the major contracts, both pre- and post-transformation, are rated according to their financial risk profile. For those that are in the high and medium rated risk categories the associated non-current contract fulfilment assets were, in aggregate, £60.4m at 31 December 2025 (2024: £67.8m). The recoverability of these assets is dependent on no significant adverse change in the key contract assumptions arising. The balance of deferred income associated with these contracts was £63.9m at 31 December 2025 (2024: £95.9m) and is forecast to be recognised as performance obligations continue to be delivered over the life of the respective contracts. Onerous contract provisions associated with these contracts were £66.5m at 31 December 2025 (2024: £35.3m) and primarily relate to the contracts with Royal London in the closed book Life & Pensions business (refer to note 3.6).

Following these reviews, and reviews of smaller contracts across the business, as outlined in note 3.1.3, non-current contract fulfilment asset impairments of £0.9m (2024: £0.7m) were identified and recognised within adjusted cost of sales, of which £nil (2024: £nil) relates to non-current contract fulfilment assets added during the period. Additionally, a net onerous contract provision release of £0.3m (2024: £0.3m net charge), was identified and recognised in adjusted cost of sales, with a further cost of £40.6m (2024: £21.8m) excluded from adjusted cost of sales as part of the agreed exit of the contracts with Royal London in the closed book Life & Pensions business (refer to note 2.8).

Given the quantum of the relevant contract assets and liabilities, and the nature of the estimates noted above, management has concluded it is reasonably possible that outcomes within the next financial year may be different from management's current assumptions and could require a material adjustment to the carrying amounts of contract fulfilment assets and onerous contract provisions. However, as noted above, £66.4m (2024: £119.3m) of non-current contract fulfilment assets relates to major contracts with ongoing transformational activities; and, £60.4m (2024: £67.8m) of non-current contract fulfilment assets and £66.5m (2024: £35.3m) of onerous contract provisions relate to major contracts in the highest and medium rated risk category. Due to the level of uncertainty, combination of variables and timing across numerous contracts, it is not practical to provide a quantitative analysis of the aggregated judgements that are applied, and management do not believe that disclosing a potential range of outcomes on a consolidated basis would provide meaningful information to a user of the financial statements. Due to commercial sensitivities, the Group does not specifically disclose the amounts involved in any individual contract.

Certain major transformation contracts have key milestones during the next twelve months and an inability to meet these key milestones could lead to reduced profitability and a risk of impairment of the associated contract fulfilment assets. These include contracts with the BBC and the Civil Service Pension Scheme.

Additional information, which does not form part of these consolidated financial statements, on the results and performance of the underlying divisions including the outlook on certain contracts is set out in the divisional performance review in the strategic report.

Notes to the consolidated financial statements *continued*

Section 2: Results for the year *continued*

2.2 Revenue including segmental revenue

AP Accounting policies

Revenue

The Group operates a diverse range of businesses and accordingly applies a variety of methods for revenue recognition, based on the principles set out in IFRS 15 *Revenue from Contracts with Customers*.

The revenue and profits are recognised based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

Revenue is recognised either when the performance obligation in the contract has been performed ('point-in-time' recognition) or 'over-time' as control of the performance obligation is transferred to the customer.

For all contracts, the Group determines if the arrangement with a customer creates enforceable rights and obligations. This assessment results in certain Master Service Agreements (MSA) or Frameworks not meeting the definition of a contract under IFRS 15 and as such the individual call-off agreements, linked to the MSA, are treated as individual contracts.

The Group enters into contracts which contain extension periods, where either the customer or both parties can choose to extend the contract or there is an automatic annual renewal, and/or termination clauses that could impact the actual duration of the contract. Judgement is applied to assess the impact that these clauses have when determining the appropriate contract term. The term of the contract impacts both the period over which revenue from performance obligations may be recognised and the period over which non-current contract fulfilment assets are expensed.

For contracts with multiple components to be delivered such as transformation, transitions and the delivery of outsourced services, management applies judgement to consider whether those promised goods and services are:

- (i) distinct – to be accounted for as separate performance obligations;
- (ii) not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct; or,
- (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At a contract's inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and has rights to under the contract. This includes an assessment of any variable consideration where the Group's performance may result in additional, or reduced, revenues based on the achievement, or not, of agreed key performance indicators (KPIs). Such amounts are only included based on the expected value, or the most likely outcome method, and only to the extent that it is highly probable that no revenue reversal will occur.

The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are already agreed.

After the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative standalone selling prices and recognises revenue when (or while) those performance obligations are satisfied.

The Group infrequently sells standard products with observable standalone prices due to the specialised services required by customers, consequently the Group applies judgement to determine an appropriate standalone selling price. More frequently, the Group sells customers bespoke solutions, and in these cases

the Group typically uses the expected cost-plus margin or a contractually stated price approach to estimate the standalone selling price of each performance obligation.

The Group may offer price step downs during the life of a contract, but with no change to the underlying scope of services to be delivered. In general, any such variable consideration, price step down or discount is included in the total transaction price to be allocated across all performance obligations unless it relates to only one performance obligation in a contract.

For each performance obligation to be recognised over-time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Group has promised to transfer to the customer. The Group applies the relevant output or input method consistently to similar performance obligations in other contracts.

When using the output method, the Group recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services under the contract. This is a faithful depiction of the transfer of services since the service delivered to the customer is unchanged. Where the output method is used, in particular for long-term service contracts where the series guidance is applied, the Group often uses a method of time elapsed which requires minimal estimation. Certain long-term contracts use output methods based upon estimations of: user numbers; service activity levels; or fees collected.

When transfer of control is most closely aligned to Group efforts in delivering the service, the input method is used to measure progress and revenue is recognised in direct proportion to costs incurred. This is a faithful depiction of the transfer of services because costs (or other inputs) most accurately reflect the incremental benefits received by the customer from efforts to date.

If performance obligations in a contract do not meet the over-time criteria, the Group recognises revenue at a point-in-time when the service or good is delivered.

Where a contract contains variable consideration the estimate is regularly reviewed, including at half year and full year reporting, to ensure the criteria that it is highly probable that the eventual consideration will not be significantly lower than the current estimate continues to be met.

Where the Group commits to provide exit assistance services in a contract, delivery of these services may be a separate performance obligation. Where the contract does not provide the standalone selling price for these services, the Group allocates revenue from the other performance obligations, and recognises this revenue using a method that faithfully depicts the Group's performance in providing these services.

Contract modifications

The Group's contracts are often amended for changes in contract specifications and requirements. Contract modifications exist when the amendment either creates new, or changes existing, enforceable rights and obligations. The effect of a contract modification on the transaction price and the Group's measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue in one of the following ways:

- a) prospectively as an additional performance obligation (this is typically when new distinct goods or services are provided on an existing contract);
- b) prospectively as a termination of the existing contract and creation of a new contract;
- c) as part of the original contract using a cumulative catch up (this is typically where the modification changes the services provided to date); or,
- d) as a combination of (b) and (c).

Section 2: Results for the year *continued*

2.2 Revenue including segmental revenue continued

In respect of contracts for which the Group has decided there is a series of distinct goods and services that are substantially the same and have the same pattern of transfer where revenue is recognised over-time, the modification will always be treated under either (a) or (b); (d) may arise when a contract has a part-termination and a modification of the remaining performance obligations.

Judgement is applied in relation to the accounting for such modifications where the final terms or legal contracts have not been agreed prior to the year end because management needs to determine if a modification has been approved and if it either creates new, or changes existing, enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in subsequent accounting periods. Modification and amendments to contracts are undertaken through an agreed formal process. For example, if a change in scope has been approved but the corresponding change in price is still being negotiated, management uses judgement to estimate the change in total transaction price. Importantly, any variable consideration is only recognised to the extent that it is highly probable that no revenue reversal will occur. For example, if pricing is subject to indexation based on an external metric (such as the Consumer Price Index (CPI) or the Retail Price Index (RPI)) then the revenue related to the indexation will only be recognised after the relevant indexation is confirmed. Future indexation is not recognised because it is not highly probable that a significant reversal of an indexation adjustment will not occur.

Principal versus agent

The Group has arrangements with some of its customers whereby it needs to determine if it acts as a principal or an agent because more than one party is involved in providing the goods and services to the customer. The Group is a principal if it controls a promised good or service before transferring that good or service to the customer. The Group is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably: the discretion the Group has in establishing the price for the specified good or service; whether the Group has inventory risk; and whether or not the Group is primarily responsible for fulfilling the promise to deliver the service or good.

This assessment of control requires judgement particularly in relation to certain service contracts. An example is the provision of certain recruitment and learning services where the Group may be assessed to be agent or principal dependent upon the facts and circumstances of the arrangement and the nature of the services being delivered.

Where the Group is acting as a principal, revenue is recorded on a gross basis. Where the Group is acting as an agent, revenue is recorded on a net basis, recognising only the commission or fee earned as revenue.

Licences

Software licences delivered by the Group can either be right to access (active) or right to use (passive) licences, which determines the timing of revenue recognition. The assessment of whether a licence is active or passive involves judgement.

The key determinant of an active licence is whether or not the Group is required to undertake continuing activities that significantly affect the licensed intellectual property (or the customer has a reasonable expectation that it will do so) and the customer is, therefore, exposed to positive (or negative) impacts resulting from those changes. Where the Group is responsible for any maintenance, continuing support, updates and upgrades, then the sale of the initial software is not distinct. All other licences which have significant standalone functionality are treated as passive licences.

When software upgrades are sold as part of the software licence agreement (ie software upgrades are promised to the customer), the Group applies judgement to assess whether the software upgrades are distinct from the licence (ie a separate performance obligation). If the upgrades are considered fundamental to the ongoing use of the software by the customer, the upgrades are not considered distinct and not accounted for as a separate performance obligation.

For each contract that includes a separate licence performance obligation, the Group considers all the facts and circumstances in determining whether the licence revenue is recognised over-time (active) or at a point-in-time (passive) from the go-live date of the licence.

Deferred and accrued income

The Group's customer contracts include a diverse range of payment schedules dependent upon the nature and type of goods and/or services being provided. This can include performance-based payments or progress payments as well as regular monthly or quarterly payments for ongoing service delivery. Payments for transactional goods and services may be at delivery date, in arrears or part payment in advance. The long-term service contracts tend to have higher cash flows early in the contract to cover transformational activities.

Where payments received are greater than the revenue recognised up to the balance sheet date, the Group recognises a deferred income contract liability for this difference. Where payments received are less than the revenue recognised up to the balance sheet date, the Group recognises an accrued contract income asset for this difference.

At each balance sheet date, the Group assesses whether accrued income may be impaired by applying the simplified approach permitted by IFRS 9 (as with trade receivables). Where applicable, accrued income is reduced by appropriate allowances for expected credit losses calculated using this approach.

Financing component

If the timing of payments agreed with the customer provides the Group or the customer with a significant benefit of financing the transfer of goods or services, the amount of consideration is adjusted for the effects of the time value of money. The Group does not make an adjustment for the time value of money in the following circumstances:

- (i) when the Group expects, at contract inception, that the period between the entity transferring the good or service and the customer paying for it will be one year or less; or
- (ii) when the Group receives consideration upfront as part of a transformation phase, this receipt is for reasons other than for financing and the overall consideration that the customer pays is no different as a result of paying this consideration upfront.

There were no contracts with significant financing components in 2025 (2024: none).

Contract types

The Group disaggregates revenue from contracts with customers by contract type, because management believe this best depicts how the nature, amount, timing, and uncertainty of the Group's revenue and cash flows are affected by economic factors. Categories are: long-term contractual (greater than two years); short-term contractual (less than two years); and transactional. The years being measured from the service commencement date.

Long-term contractual (greater than two years)

The Group provides a range of services under contracts with a duration of more than two years. The nature of contracts or performance obligations within this revenue type includes:

- (i) long-term outsourced service arrangements in the public and private sectors; and
- (ii) active software licence arrangements.

Notes to the consolidated financial statements *continued*

Section 2: Results for the year *continued*

2.2 Revenue including segmental revenue continued

The majority of long-term contractual agreements form part of a series of distinct goods and services because they are substantially the same service; and have the same pattern of transfer, since the series constitutes services provided in distinct time increments (eg daily, monthly, quarterly or annually), and therefore treats the series as one performance obligation.

Short-term contractual (less than two years)

The nature of contracts or performance obligations within this revenue type includes:

- (i) short-term outsourced service arrangements in the public and private sectors; and
- (ii) software maintenance contracts.

The Group has assessed that maintenance and support (ie on-call support, remote support) for software licences is a performance obligation that can be considered capable of being distinct and separately identifiable in a contract if the customer has a passive licence. These recurring services are substantially the same because the nature of the promise is for the Group to 'stand ready' to perform maintenance and support when required by the customer. Each day of 'standing ready' is distinct from each subsequent day and is transferred in the same pattern to the customer.

Transactional (point-in-time) contracts

The Group delivers a range of goods or services in all reportable segments that are transactional services for which revenue is recognised at the point-in-time when control of the goods or services has transferred to the customer. This may be at the point of physical delivery of goods or services and acceptance by the customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria. The nature of contracts or performance obligations within this revenue type includes:

- (i) provision of computing hardware goods;
- (ii) passive software licence agreements;
- (iii) commission received as agent from the sale of third-party software; and
- (iv) fees received in relation to the delivery of professional services.

Master service arrangements (MSA) or Frameworks

MSA or individual call-off agreements are classified as short-term contractual if they include a notice period with committed volumes, otherwise they are classified as transactional (point-in-time) contracts.

2.2.1 Segmental revenue

The Group's operations are managed separately according to the nature of the services provided, with each segment representing a strategic business offering a different package of client services across the markets the Group serves. Capita plc is a reconciling item and not an operating segment. A description of the service provision for each segment can be found in the strategic report on pages 2 to 87. Inter-segmental pricing is based on set criteria and is either charged on an arm's length basis or at cost.

The tables opposite present revenue for the Group's operating segments as reported to the Chief Operating Decision Maker ('CODM'). The Group comprises two trading divisions: Capita Public Service and Capita Experience. Capita Public Service goes to market through three subdivisions: Local and Regional Partnerships; Defence and National Preparedness; and Central Government, however, the CODM views these subdivisions as one operating segment. Capita Experience also comprises three subdivisions: Contact Centre; Pension Solutions; and Regulated Services; the CODM reviews the operating results for each of these three subdivisions separately, and therefore each subdivision is an operating segment. Comparative information has been re-presented to reflect businesses moved to business exits during 2025.

Adjusted revenue, excluding results from businesses exited in both years (adjusting items), was £2,199.5m (2024: £2,225.7m), a decline of 1.2% (2024: a decline of 6.8%).

| Year ended 31 December 2025 | Capita Public Service £m | Capita Experience | | | Total adjusted £m | Adjusting items £m | Total reported £m |
|---------------------------------------|-----------------------------------|-------------------------|----------------------------|-----------------------------|-------------------------|--------------------------|-------------------------|
| | | Contact Centre £m | Pension Solutions £m | Regulated Services £m | | | |
| Continuing operations | | | | | | | |
| Long-term contractual | 1,198.8 | 288.7 | 130.9 | 24.6 | 1,643.0 | 103.7 | 1,746.7 |
| Short-term contractual | 133.5 | 229.2 | 56.1 | — | 418.8 | 9.1 | 427.9 |
| Transactional (point-in-time) | 117.7 | 18.8 | — | 1.2 | 137.7 | — | 137.7 |
| Total segment revenue | 1,450.0 | 536.7 | 187.0 | 25.8 | 2,199.5 | 112.8 | 2,312.3 |
| Trading revenue | 1,470.0 | 554.4 | 189.8 | 25.8 | 2,240.0 | — | 2,240.0 |
| Inter-segment revenue | (20.0) | (17.7) | (2.8) | — | (40.5) | — | (40.5) |
| Total adjusted segment revenue | 1,450.0 | 536.7 | 187.0 | 25.8 | 2,199.5 | — | 2,199.5 |
| Business exits – trading | — | — | — | — | — | 116.1 | 116.1 |
| Inter-segment revenue | — | — | — | — | — | (3.3) | (3.3) |
| Total segment revenue | 1,450.0 | 536.7 | 187.0 | 25.8 | 2,199.5 | 112.8 | 2,312.3 |
| Year ended 31 December 2024 | | | | | | | |
| Continuing operations | | | | | | | |
| Long-term contractual | 1,148.4 | 408.4 | 127.9 | 5.5 | 1,690.2 | 181.5 | 1,871.7 |
| Short-term contractual | 162.0 | 220.3 | 51.1 | — | 433.4 | 9.5 | 442.9 |
| Transactional (point-in-time) | 76.8 | 22.2 | — | 3.1 | 102.1 | 4.9 | 107.0 |
| Total segment revenue | 1,387.2 | 650.9 | 179.0 | 8.6 | 2,225.7 | 195.9 | 2,421.6 |
| Trading revenue | 1,409.9 | 676.7 | 179.8 | 9.5 | 2,275.9 | — | 2,275.9 |
| Inter-segment revenue | (22.7) | (25.8) | (0.8) | (0.9) | (50.2) | — | (50.2) |
| Total adjusted segment revenue | 1,387.2 | 650.9 | 179.0 | 8.6 | 2,225.7 | — | 2,225.7 |
| Business exits – trading | — | — | — | — | — | 196.1 | 196.1 |
| Inter-segment revenue | — | — | — | — | — | (0.2) | (0.2) |
| Total segment revenue | 1,387.2 | 650.9 | 179.0 | 8.6 | 2,225.7 | 195.9 | 2,421.6 |

Section 2: Results for the year *continued*

2.2 Revenue including segmental revenue continued

Geographical location

The Group generates revenue largely in the UK and Europe. The table below presents revenue by geographical location.

| | 2025 | | | 2024 | | |
|---------|----------------------|----------------------|----------------|----------------------|----------------------|-------------|
| | United Kingdom £m | Rest of Europe £m | Total £m | United Kingdom £m | Rest of Europe £m | Total £m |
| Revenue | 2,061.2 | 251.1 | 2,312.3 | 2,150.3 | 271.3 | 2,421.6 |

2.2.2 Order book

The tables below show the order book for each division, categorised into long-term contractual and short-term contractual. The figures represent the aggregate amount of currently contracted transaction price allocated to the performance obligations that are unsatisfied or partially unsatisfied. Revenue expected to be recognised upon satisfaction of these performance obligations is as follows:

| Order book 31 December 2025 | Capita Experience | | | | Total £m |
|--------------------------------|-----------------------------|----------------------|-------------------------|--------------------------|----------------|
| | Capita Public Service £m | Contact Centre £m | Pension Solutions £m | Regulated Services £m | |
| Long-term contractual | 2,686.7 | 890.0 | 450.9 | 106.5 | 4,134.1 |
| Short-term contractual | 33.4 | 59.2 | 14.2 | — | 106.8 |
| Total | 2,720.1 | 949.2 | 465.1 | 106.5 | 4,240.9 |

| Order book 31 December 2024 | Capita Experience | | | | Total £m |
|--------------------------------|-----------------------------|----------------------|-------------------------|--------------------------|----------------|
| | Capita Public Service £m | Contact Centre £m | Pension Solutions £m | Regulated Services £m | |
| Long-term contractual | 2,843.1 | 426.1 | 431.2 | 226.1 | 3,926.5 |
| Short-term contractual | 80.3 | 218.5 | 10.1 | 5.3 | 314.2 |
| Total | 2,923.4 | 644.6 | 441.3 | 231.4 | 4,240.7 |

The table below shows the expected timing of revenue to be recognised from long-term contractual orders at 31 December 2025:

| Time bands of expected revenue recognition from long-term contractual orders | Capita Experience | | | | Total £m |
|--|-----------------------------|----------------------|-------------------------|--------------------------|----------------|
| | Capita Public Service £m | Contact Centre £m | Pension Solutions £m | Regulated Services £m | |
| < 1 year | 834.3 | 221.8 | 102.0 | 63.3 | 1,221.4 |
| 1–5 years | 1,659.3 | 634.4 | 234.5 | 43.2 | 2,571.4 |
| > 5 years | 193.1 | 33.8 | 114.4 | — | 341.3 |
| Total | 2,686.7 | 890.0 | 450.9 | 106.5 | 4,134.1 |

Prior year comparative information is not presented for the expected timing of revenue recognition because it is a forward looking disclosure and therefore management does not believe that such disclosure provides meaningful information to a user of the consolidated financial statements.

The order book represents the consideration that the Group will be entitled to receive from customers when the Group satisfies its remaining performance obligations under the contracts. However, the total revenue that will be earned by the Group will also include non-contracted volumetric revenue, future indexation linked to an external metric, new wins, scope changes, and anticipated contract extensions. These elements have been excluded from the above tables because they are not contracted. Additionally, revenue from contract extensions is excluded from the order book unless they are pre-priced extensions whereby the Group has a legally binding obligation to deliver the performance obligations during the extension period. The total revenue related to pre-priced extensions for major contracts included in the tables above amounted to £157.7m (2024: £309.0m¹). The amounts presented do not include orders for which neither party has performed, and each party has the unilateral right to terminate a wholly unperformed contract without compensating the other party.

Of the £4.1 billion (2024: £3.9 billion) revenue to be earned on long-term contracts, £3.1 billion (2024: £3.1 billion¹) relates to major contracts. This amount excludes revenue that will be derived from frameworks, non-contracted volumetric revenue, non-contracted scope changes and future unforeseen volume changes from these major contracts, which together are anticipated to contribute an additional £0.7-£0.9 billion (2024: £0.8-£1.0 billion¹) of revenue to the Group over the life of these contracts.

The Group performs various services for a number of UK Government ministerial departments and considers these individual ministerial departments to be separate customers due to the limited economic integration between each ministerial department. Revenues of £350.0m from one customer in Capita Public Service represented more than 10% of the Group's total revenues (2024: £325.8m from one customer in the Capita Public Service division).

1. The prior year amounts in relation to major contracts are as previously presented, and as such reflect the major contracts reviewed by the Audit and Risk Committee for that year end (refer to note 2.1). Consequently, the prior year amounts are not directly comparable to those disclosed for the current period.

2.2.3 Deferred income

The Group's deferred income balances solely relate to revenue from contracts with customers. Revenue recognised in the reporting period that was included in the deferred income balance at the beginning of the period was £422.1m (2024: £492.2m).

Movements in the deferred income balances were driven by transactions entered into by the Group in the normal course of business during the current and prior year, other than accelerated revenue recognised in adjusted revenue of £13.4m which related to a termination of a contract in the Regulated Services business in Capita Experience (2024: £1.8m recognised in adjusted revenue which primarily related to a partial termination of a contract within Capita Public Service; and, £7.4m excluded from adjusted revenue which related to termination of contracts in the Regulated Services business within Capita Experience).

Notes to the consolidated financial statements *continued*

Section 2: Results for the year *continued*

2.3 Operating profit

2.3.1 Items charged/(credited) to reported operating profit

| | Notes | 2025 £m | 2024 £m |
|---|-------|------------|------------|
| Depreciation of property, plant and equipment | 3.2 | 18.9 | 24.2 |
| Depreciation of right-of-use assets | 3.5 | 36.1 | 42.3 |
| Impairment of property, plant and equipment | 3.2 | 0.7 | 1.8 |
| Impairment of right-of-use assets | 3.5 | 0.1 | 0.2 |
| Amortisation of intangible assets | 3.3 | 21.6 | 23.4 |
| Impairment of intangible assets | 3.3 | 0.6 | 9.1 |
| Impairment of goodwill | 3.4 | 73.7 | 75.1 |
| (Gain)/loss on sale of property, plant and equipment and intangibles | 2.9.1 | (0.3) | 1.7 |
| Expense/(income) from foreign exchange differences | | 1.6 | (0.1) |
| Contract fulfilment asset utilisation, impairment and derecognition | 3.1.3 | 90.1 | 68.3 |
| Contract termination gains | | (6.0) | — |
| The net of: accelerated deferred income unwind, and contract fulfilment asset utilisation | | (0.5) | 9.0 |
| Onerous contract provisions (net of additions, releases and unwinding of discount) | | 40.3 | 22.1 |

Contract termination gains: customer contracts usually contain provisions to compensate the Group for exit costs and future profits in the event of early termination. During 2025 there were £6.0m contract termination gains recognised and recorded as income during the year in the Regulated Services business within Capita Experience (2024: £nil).

The net of: accelerated deferred income unwind and contract fulfilment asset utilisation: during 2025 the Group recognised a gain of £0.5m related to the net of accelerated deferred income unwinds and non-current contract fulfilment asset utilisation on contract exits. This primarily related to a termination of a contract in the Regulated Services business within Capita Experience (2024: £9.0m primarily related to the closed book Life & Pensions business within business exits, where the early exit of two contracts was agreed).

Onerous contract provisions: during 2025 the Group recognised a net loss of £40.3m related primarily to onerous contract provisions (refer to note 3.6) in the closed book Life & Pensions business within business exits (2024: £22.1m net loss related to contracts in the closed book Life & Pensions business within business exits).

2.3.2 Fees payable to auditors

The amounts included in the table below relate to fees payable to KPMG LLP and its associates:

| | 2025 £m | 2024 £m |
|---|------------|------------|
| Audit and audit-related services | | |
| The audit of the Parent Company and the Group's consolidated financial statements | 4.5 | 4.6 |
| The audit of the financial statements of the Group's subsidiary companies | 0.8 | 0.7 |
| Total audit and audit-related services | 5.3 | 5.3 |
| Non-audit services | | |
| Other assurance services | 1.9 | 1.0 |
| Audit-related assurance services | 0.3 | 0.3 |
| Total non-audit services | 2.2 | 1.3 |
| Total audit and non-audit services | 7.5 | 6.6 |

The non-audit fees in respect of 2025 related to the review of interim results, ISAE 3402 assurance reporting on controls operated by a subsidiary, ISAE 3000 assurance reporting over non-financial metrics reported, and services to support the Group in fulfilling obligations required by the UK Listing Rules.

In respect of 2024, the non-audit fees related to the review of interim results, ISAE 3402 assurance reporting on controls operated by a subsidiary, ISAE 3000 assurance reporting over non-financial metrics reported within the Annual Report and Accounts, and services as reporting accountant for the disposal of Capita One Limited.

Section 2: Results for the year *continued*

2.4 Adjusted operating profit and adjusted profit before tax

AP Accounting policies

IAS 1 *Presentation of Financial Statements* permits an entity to present additional information for specific items to enable users to better assess the entity's financial performance.

The Board has adopted a policy to disclose separately those items that it considers are outside the underlying operating results for the particular year under review and against which the Group's performance is assessed internally. In the Board's judgement, these need to be disclosed separately by virtue of their nature, size and/or incidence, for users of the consolidated financial statements to obtain an understanding of the financial information and the underlying performance of the Group. In general, the Board believes that alternative performance measures (APMs) are useful for investors because they provide further clarity and transparency of the Group's financial performance and are closely monitored by management to evaluate the Group's operating performance to facilitate financial, strategic and operating decisions. Accordingly, these items are also excluded from the discussion of divisional performance in the strategic report. This policy is kept under review by the Board and the Audit and Risk Committee. Refer to Section 8.2 for further details of the Group's APMs.

While the Board considers APMs to be helpful to the reader it notes that APMs have certain limitations, including the exclusion of significant recurring and non-recurring items, and may not be directly comparable with similarly titled measures presented by other companies.

Those items excluded from the adjusted income statement are: business exits; amortisation and impairment of acquired intangibles; impairment of goodwill; certain mark-to-market valuation changes that impact net finance costs; the costs associated with the cyber incident in March 2023, and the expenses associated with the cost reduction programme.

The items below are excluded from the adjusted results:

| | Notes | Operating profit/(loss) | | Profit/(loss) before tax | |
|---|-------|-------------------------|--------------|--------------------------|------------|
| | | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Reported | | (129.6) | (9.9) | (170.9) | 116.6 |
| Amortisation and impairment of acquired intangibles | 3.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Impairment of goodwill | 3.4 | 73.7 | 75.1 | 73.7 | 75.1 |
| Net finance (income)/costs | 4.3 | — | — | (2.1) | 0.1 |
| Business exits expense/(gain) | 2.8 | 97.2 | (9.7) | 101.6 | (180.4) |
| Cyber incident | | 15.9 | 1.0 | 15.9 | 1.0 |
| Cost reduction programme | | 56.1 | 27.9 | 56.1 | 27.9 |
| Adjusted | | 113.5 | 84.6 | 74.5 | 40.5 |

- Adjusted operating profit increased by 34.2% (2024: increased 5.5%) and adjusted profit before tax increased by 84.0% (2024: increased 22.2%). Adjusted operating profit of £113.5m (2024: profit £84.6m) was generated on adjusted revenue of £2,199.5m (2024: £2,225.7m) resulting in an adjusted operating margin of 5.2% (2024: 3.8%).
- The tax charge on adjusted profit before tax is £19.0m (2024: £34.6m charge) resulting in adjusted profit after tax of £55.5m (2024: £5.9m profit).
- The adjusted operating profit and adjusted profit before tax for 2024 has been re-presented for the impact of business exits during 2025 and the change in adjusting items. This has resulted in adjusted operating profit decreasing from £95.9m to £84.6m and adjusted profit before tax decreasing from £50.0m to £40.5m.

Amortisation and impairment of acquired intangible assets: The Group recognised acquired intangible amortisation of £0.2m (2024: £0.2m). These charges are excluded from the adjusted results of the Group because they are non-cash items generated from historical acquisition related activity. The charge is included within administrative expenses.

Impairment of goodwill: The Group carries on its balance sheet significant amounts of goodwill which are subject to annual impairment testing and when any indicators of impairment are identified. Any impairment changes are reported separately because they are non-cash items generated from historical acquisition related activity. The charge is included within administrative expenses.

Net finance (income)/costs: Relate to movements in the mark-to-market value of forward foreign exchange contracts to cover anticipated future expenses and therefore have no equivalent offsetting transaction in the accounting records, also refer to note 4.2.2.

Business exits: The trading result of businesses that have been sold, exited during the period, or are in the process of being sold or exited in accordance with the Group's strategy, and the gain or loss on business disposals are excluded from the Group's adjusted results. Note 2.8 provides further detail regarding which income statement line items are impacted by business exits.

Cyber incident: The Group has incurred exceptional costs associated with the March 2023 cyber incident. These costs comprise specialist professional fees, recovery and remediation costs, investment to reinforce Capita's cyber security environment, and, in 2025, a £14m penalty from the Information Commissioner's Office (ICO). A charge of £15.9m has been recognised in the year ended 31 December 2025, which primarily comprises the ICO penalty of £14m and related legal fees, offset by insurance receipts (2024: charge of £1.0m). Cumulatively the net costs incurred total £42.2m and are included within administrative expenses. Further insurance receipts are anticipated but did not meet the criteria for recognition at 31 December 2025.

Cost reduction programme: The Group implemented a multi-year cost reduction programme in November 2023 to deliver annualised savings of £60m by Q1 2024. The programme was extended in March 2024, to deliver further savings of £100m by mid-2025. In December 2024, reflecting on the progress made ahead of schedule with £140m annualised savings already delivered, and increased confidence in the level of efficiencies that could be delivered, the cost reduction target increased from £160m up to £250m. This target was met by the end of 2025.

The Group exercises judgement in assessing whether the actions being taken to deliver these savings are exceptional as opposed to business as usual, and therefore whether or not the costs to deliver the savings should be excluded from the Group's adjusted results. The assessment considers the nature of the activity being undertaken, in particular, whether it was anticipated in the original bid to win a customer contract. Investment in new technology that supports the delivery of customer contracts are considered business as usual and are not excluded from the Group's adjusted results.

A charge of £56.1m (2024: £27.9m) has been recognised in the year ended 31 December 2025 for the expenses to deliver the cost reduction programme. This includes redundancy and other expenses of £53.4m (2024: £30.5m) to deliver a significant reduction in headcount, and a charge of £2.7m arising from the rationalisation of the Group's property estate (2024: a credit of £2.6m reflecting the successful exit of a number of properties which had been provided for previously). The cumulative expense recognised since the commencement of the cost reduction programme is £138.4m (2024: £82.3m), which is included within administrative expenses. Since the targeted savings were delivered by the end of 2025, no further expenses to deliver this cost reduction programme are expected beyond the end of 2025.

Refer to note 2.9.1 for the cash flow impact of the above.

Notes to the consolidated financial statements *continued*Section 2: Results for the year *continued*

2.5 Segmental information

The Group's operations are managed separately according to the nature of the services provided, with each segment representing a strategic business offering a different package of client outcomes across the markets the Group serves. Capita plc is a reconciling item and not an operating segment. A description of the services provided by each segment can be found in the strategic report on pages 2 to 87. The tables below present profit for the Group's operating segments as reported to the Chief Operating Decision Maker as detailed in note 2.2.1. For segmental reporting, the costs of the central functions have been allocated to the segments using appropriate drivers such as adjusted revenue, adjusted profit or headcount. The closed book Life & Pensions business within business exits has also been allocated a share of the costs of the central functions that relate to the running of the business which the Group expects will no longer be incurred when the business exit has completed. Comparative information has been re-presented to reflect businesses moved to business exits during 2025. Information on segmental revenue can be found in note 2.2.

| | Notes | Year ended 31 December 2025 | | | | | | | Year ended 31 December 2024 | | | | | | | | | |
|---|------------|-----------------------------------|-------------------------|----------------------------|-----------------------------|---------------------|------------------|-------------------------|-----------------------------|-------------------------|-----------------------------------|-------------------------|----------------------------|-----------------------------|---------------------|-------------------------|--------------------------|-------------------------|
| | | Capita Experience | | | | | Capita plc £m | Total adjusted £m | Adjusting items £m | Total reported £m | Capita Experience | | | | Capita plc £m | Total adjusted £m | Adjusting items £m | Total reported £m |
| | | Capita Public Service £m | Contact Centre £m | Pension Solutions £m | Regulated Services £m | Capita plc £m | | | | | Capita Public Service £m | Contact Centre £m | Pension Solutions £m | Regulated Services £m | | | | |
| Adjusted operating profit/(loss) | 2.4 | 121.0 | (17.0) | 29.9 | 5.4 | (25.8) | 113.5 | — | 113.5 | 89.1 | (5.9) | 28.1 | 1.3 | (28.0) | 84.6 | — | 84.6 | |
| Cost reduction programme | 2.4 | (18.1) | (19.7) | (3.2) | (3.0) | (12.1) | — | (56.1) | (56.1) | (11.3) | (5.3) | (0.8) | (0.5) | (10.0) | — | (27.9) | (27.9) | |
| Business exits (trading) | 2.8 | | | | | | | (23.4) | (23.4) | | | | | | | 17.7 | 17.7 | |
| Total trading result | | 102.9 | (36.7) | 26.7 | 2.4 | (37.9) | 113.5 | (79.5) | 34.0 | 77.8 | (11.2) | 27.3 | 0.8 | (38.0) | 84.6 | (10.2) | 74.4 | |
| Non-trading items: | | | | | | | | | | | | | | | | | | |
| Business exits | 2.8 | | | | | | — | (73.8) | (73.8) | | | | | | — | (8.0) | (8.0) | |
| Other adjusting items | 2.4 | | | | | | — | (89.8) | (89.8) | | | | | | — | (76.3) | (76.3) | |
| Operating profit/(loss) | | | | | | | 113.5 | (243.1) | (129.6) | | | | | | 84.6 | (94.5) | (9.9) | |
| Finance income | 4.3 | | | | | | | | 12.5 | | | | | | | | 10.0 | |
| Finance costs | 4.3 | | | | | | | | (51.7) | | | | | | | | (56.3) | |
| Share of results in associates and losses on financial assets | 2.8 | | | | | | | | (0.5) | | | | | | | | (11.8) | |
| (Loss)/gain on disposal of businesses | 2.8 | | | | | | | | (1.6) | | | | | | | | 184.6 | |
| (Loss)/profit before tax | | | | | | | | | (170.9) | | | | | | | | 116.6 | |
| Supplementary Information | | | | | | | | | | | | | | | | | | |
| Depreciation and amortisation | 3.2 | 30.4 | 32.9 | 7.5 | 0.3 | 2.2 | 73.3 | 3.3 | 76.6 | 35.8 | 39.3 | 6.0 | — | 1.7 | 82.8 | 7.1 | 89.9 | |
| Impairment of property, plant and equipment, intangible, right-of-use assets and goodwill | 3.3 3.5 | 0.8 | 0.4 | — | — | — | 1.2 | 73.9 | 75.1 | 0.7 | 0.9 | — | — | — | 1.6 | 84.6 | 86.2 | |
| Non-current contract fulfilment assets utilisation, impairment and derecognition | 3.1.3 | 60.6 | 9.9 | 6.5 | 13.1 | — | 90.1 | — | 90.1 | 57.2 | 5.1 | 3.9 | 0.4 | — | 66.6 | 1.7 | 68.3 | |
| Net onerous contract provisions (net of additions, releases and unwinding of discount) | 2.3 | — | (0.3) | — | — | — | (0.3) | 40.6 | 40.3 | — | 0.3 | — | — | — | 0.3 | 21.8 | 22.1 | |

Geographical location

The table below presents the carrying amount of non-current assets (excluding deferred tax, financial assets and employee benefits) by the geographical location of those assets.

| | 2025 | | | | 2024 | | | |
|--------------------|-------------------------|--------------|-------------|-------------|-------------------------|--------------|-------------|-------------|
| | United Kingdom £m | Europe £m | Other £m | Total £m | United Kingdom £m | Europe £m | Other £m | Total £m |
| Non-current assets | 821.7 | 22.0 | 14.7 | 858.4 | 922.6 | 25.0 | 21.3 | 968.9 |

Section 2: Results for the year *continued*

2.6 Taxation

AP Accounting policies

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill;
- except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

E Significant accounting estimates and assumptions

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there may be an increase or decrease in the amounts recognised in respect of deferred tax assets as well as in the amounts recognised during the year in which the change occurs.

Sensitivities and additional information relating to deferred tax assets/liabilities are provided in note 2.6.2.

Notes to the consolidated financial statements *continued*Section 2: Results for the year *continued*

2.6 Taxation continued

2.6.1 Income tax charge

The reported income tax credit for the year is £5.3m on reported loss before tax of £170.9m (2024: reported income tax charge of £36.2m on reported profit of £116.6m), and an adjusted income tax charge for the period of £19.0m on adjusted profit before tax of £74.5m (2024: adjusted income tax charge of £34.6m on adjusted profit of £40.5m). This includes £0.2m (2024: £0.2m) relating to Pillar Two current income taxes. The most significant reconciling items, explaining the difference from the standard UK corporation tax rate of 25.0% for the period (2024: 25.0%) are non-deductible business exit costs, a non-deductible fine relating to the cyber incident, non-deductible goodwill impairment, changes in the accounting estimate of recognised deferred tax assets and movement in unrecognised temporary differences relating to losses, fixed assets and other provisions.

The forecast future adjusted effective tax rate, before and assuming no material changes to tax laws in the jurisdictions in which Capita operates, is expected to be broadly similar to the UK corporation tax rate, with an increase for taxable profits in higher tax rate jurisdictions.

The major components of the income tax charge are set out below:

| Consolidated income statement | 2025 | | | 2024 | | |
|--|-------------------|--------------------------------|------------------------------------|-------------------|---|---|
| | Total reported £m | Included in adjusted profit £m | Not included in adjusted profit £m | Total reported £m | Included in adjusted profit ¹ £m | Not included in adjusted profit ¹ £m |
| Current income tax | | | | | | |
| Current income tax charge | 7.5 | 7.1 | 0.4 | 15.3 | 13.6 | 1.7 |
| Adjustment in respect of prior years | 1.1 | 1.1 | — | 2.5 | 2.5 | — |
| Deferred tax | | | | | | |
| On origination and reversal of temporary differences | (14.3) | 10.4 | (24.7) | 19.5 | 19.6 | (0.1) |
| Adjustment in respect of prior years | 0.4 | 0.4 | — | (1.1) | (1.1) | — |
| Total (credit)/charge | (5.3) | 19.0 | (24.3) | 36.2 | 34.6 | 1.6 |

1. To enable a like-for-like comparison of adjusted results, the 2024 comparatives have been re-presented to exclude from adjusted profit those businesses classified as business exits during 2025. Refer to note 2.8.

| Consolidated statement of comprehensive income and consolidated statement of changes in equity | 2025 £m | 2024 £m |
|--|--------------|--------------|
| Deferred tax movement on cash flow hedges | (1.2) | 1.8 |
| Deferred tax movement in relation to actuarial changes on defined benefit pension schemes | (2.2) | 7.0 |
| Current income tax movement on defined benefit pension scheme contributions | (0.6) | (9.8) |
| Deferred tax movement in relation to share-based payments | (0.7) | 0.2 |
| Total credit | (4.7) | (0.8) |

The reconciliation between the total tax charge and the accounting profit multiplied by the UK corporation tax rate is as follows:

| | | Total tax | | Current tax | |
|--|-------|--------------|-------------|-------------|-------------|
| | | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| (Loss)/profit before tax | | (170.9) | 116.6 | (170.9) | 116.6 |
| Notional (credit)/charge at UK corporation tax rate of 25.0% | | (42.7) | 29.2 | (42.7) | 29.2 |
| Adjustments in respect of current income tax of prior years | a | 1.1 | 2.5 | 1.1 | 2.5 |
| Adjustments in respect of deferred tax of prior years | b | 0.4 | (1.1) | — | — |
| Non-deductible expenses – adjusted | | 0.5 | 5.0 | 0.5 | 5.0 |
| Non-deductible expenses – business exit | c* | 8.3 | 2.7 | 8.3 | 2.7 |
| Non-deductible expenses – specific items | | 3.5 | — | 3.5 | — |
| Loss/(profit) on disposal of businesses | d* | 0.4 | (46.1) | 0.4 | (46.1) |
| Pillar Two income taxes | 2.6.4 | 0.2 | 0.2 | 0.2 | 0.2 |
| Non-deductible goodwill impairment | e* | 18.4 | 18.7 | 18.4 | 18.7 |
| Tax provided on unremitted earnings | f | (0.2) | (0.5) | — | — |
| Attributable to different tax rates in overseas jurisdictions | g | (1.1) | (0.5) | (0.6) | (0.1) |
| Movement in unrecognised temporary differences | 2.6.2 | 5.3 | 26.1 | — | — |
| Current year movement in uncertain tax positions | j | 0.6 | — | 0.6 | — |
| Fixed asset temporary differences | | — | — | 3.1 | 4.2 |
| Current tax impact on other temporary differences | | — | — | 0.2 | (3.5) |
| Carry forward of losses in current period | h | — | — | 15.6 | 5.0 |
| At the effective total tax rate of 3.1% (2024: 31.0%) and the effective current tax rate of (5.0)% (2024: 15.3%) | i | (5.3) | 36.2 | 8.6 | 17.8 |
| Tax (credit)/charge reported in the income statement | | (5.3) | 36.2 | 8.6 | 17.8 |

- * These £27.1m (2024: £(24.7)m) of reconciling items relate to the reported tax charge only, with no impact on the adjusted tax charge. Further details are given below.
- a The £1.1m prior year charge adjustment includes: (i) £0.4m credit which has a corresponding impact within deferred tax of prior years; and, (ii) a £1.5m charge to adjust for finalisation of submitted tax returns. There is no opposite deferred tax credit in relation to the temporary difference true-ups because these are unrecognised.
- b Adjustments in respect of deferred tax of prior years mainly relate to £0.4m of charges which have a corresponding impact within current income tax of prior years.
- c* Business exit: relates to non-deductible exit costs associated with the closed book Life & Pensions business. Refer to note 2.8 for further details.
- d* Relates to the gain/loss on disposal of entities in the current year. Refer to note 2.8.1 for further details.
- e* Relates to the goodwill impairments as detailed further in note 3.4.
- f Movement on the deferred tax liability recognised on the unremitted earnings of those subsidiaries affected by withholding taxes.
- g Mainly relates to withholding tax and tax payable at rates which are lower than the UK such as Switzerland and Ireland.
- h Relates to the carry forward of losses and non-deductible interest in the period.
- i The current tax charge of £8.6m (2024: £17.8m) results in an effective current tax rate of (5.0)%, which is different from the UK statutory rate of tax of 25% predominantly due to a non-deductible business exit costs, unrecognised losses, interest disallowance carried forward, and other expenses not deductible for tax purposes, including non-qualifying depreciation, fines and capital related costs. The impact of differing overseas tax rates is covered in footnote g.
- j Please refer to note 2.6.3.

Section 2: Results for the year *continued*

2.6 Taxation continued

2.6.2 Deferred tax

Deferred tax relates to the following:

| | At 1 January £m | Credited/(charged) to | | | At 31 December £m |
|--|-----------------------|---------------------------|---------------------------------------|---------------------------------------|-------------------------|
| | | Income statement £m | OCI and changes in equity £m | Other movements ² £m | |
| Deferred tax assets | | | | | |
| Fixed assets which qualify for tax relief | 77.8 | 8.6 | — | (0.1) | 86.3 |
| Provisions and other temporary differences | 8.2 | (0.2) | 1.2 | (0.3) | 8.9 |
| Pension schemes | (8.6) | (0.2) | 2.2 | — | (6.6) |
| Share-based payments | 1.3 | 0.2 | 0.7 | — | 2.2 |
| Tax losses ¹ | 30.7 | 5.2 | — | — | 35.9 |
| | 109.4 | 13.6 | 4.1 | (0.4) | 126.7 |
| Jurisdictional netting | 2.2 | — | — | — | 2.0 |
| Net deferred tax assets | 111.6 | 13.6 | 4.1 | (0.4) | 128.7 |
| Deferred tax liabilities | | | | | |
| Acquired intangibles | (0.1) | — | — | — | (0.1) |
| Contract fulfilment assets | (0.1) | 0.1 | — | — | — |
| Unremitted earnings | (4.6) | 0.2 | — | (0.1) | (4.5) |
| | (4.8) | 0.3 | — | (0.1) | (4.6) |
| Jurisdictional netting | (2.2) | — | — | — | (2.0) |
| Net deferred tax liabilities | (7.0) | 0.3 | — | (0.1) | (6.6) |
| Net deferred tax | 104.6 | 13.9 | 4.1 | (0.5) | 122.1 |

1. Mainly trading losses available to shelter future profits and deferred interest.

2. Other movements includes foreign exchange movements and business disposals.

The main movement in the net deferred tax asset is the income statement tax charge arising on the change in the accounting estimate of deferred tax.

On 6 April 2024, it was announced that the free-standing tax charge that applies to authorised surplus payments to sponsoring employers of a registered defined benefit pension scheme will reduce from 35% to 25%. This was substantively enacted retrospectively from 11 March 2024. Therefore, for the purpose of recognising deferred tax on the pension scheme surplus, withholding tax at 25% (2023: 35%) would apply for any surplus being refunded to the Group at the end of the life of the scheme. Corporation tax at 25% would apply for any surplus expected to unwind over the life of the scheme. Management have concluded that the corporation tax rate should apply to the recognition of deferred tax on the pension scheme surplus, reflecting the Group's intention regarding the manner of recovery of the asset.

The UK Government has proposed reducing the main rate of capital allowances from 18% to 14%. As the change has not yet been substantively enacted, deferred tax balances in these financial statements continue to be measured using the existing enacted rates. The impact of any future rate changes will be recognised in the period in which they become substantively enacted.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The recoverability of deferred tax assets is supported by the deferred tax liabilities against which the reversal can be offset and the expected level of future taxable profits available to offset the assets when they reverse.

The recognition of deferred tax assets at 31 December 2025 has been based on the forecast accounting profits in the 2026-2028 business plan approved by the Board. This is the same plan used to derive forecast cash flows for the goodwill impairment test (refer to note 3.4). A long-term growth rate of 1.5%, as used for impairment test purposes, has been applied to the years beyond 2028. A reducing probability factor has also been applied to future profits for the potential decrease in reliability of forecasts extrapolated for later years, such that profits beyond seven years of the balance sheet date have not been considered probable for the purpose of assessing deferred tax asset recognition.

Unused tax losses make up a significant proportion of the temporary differences available to be utilised in future periods. These losses mainly arose due to the historic adoption of IFRS 15, previous Covid-19 related downward pressures on profits and tax deductible restructuring costs, tax deductible business exit costs, cyber costs and pension contributions. Based on the forecast accounting profits, management have concluded that some of the deductible temporary differences and unused tax losses are not recognisable due to uncertainty in their recoverability. There is an increase in the amounts previously recognised in respect of deferred tax assets and an increase in unrecognised temporary differences arising during the year. The impact of this is a credit to the income statement of £13.9m, and a credit to OCI and changes in equity of £4.1m. This is included in the movement in unrecognised temporary differences of £5.3m in the tax reconciliation table in section 2.6.1 above, which also includes unrecognised current year temporary differences (mainly losses) of £18.9m. The reported income statement charge includes a £24.7m change in the deferred tax asset estimate due to the impact on future taxable profits of the disposal of the closed book Life & Pensions business, reflected in the tax arising on business exits (see note 2.8).

Deferred tax asset recognition depends on the reliability of management's forecasts and is sensitive to the assumptions that underlie them. Management have considered the severe but plausible downsides applied to the base-case projections for assessing going concern and viability, to gauge sensitivity and identify a reasonable possible alternative result. This scenario identified a further potential reduction in recognised deferred tax assets of approximately £11.3m.

Notes to the consolidated financial statements *continued*

Section 2: Results for the year *continued*

2.6 Taxation *continued*

2.6.2 Deferred tax *continued*

The Group has unrecognised tax losses and other temporary differences that are available for offset against future taxable profits of the companies in which the losses or other temporary differences arose but have not been recognised because it is not probable that future taxable profits will be available against which these can be offset. The table below shows the amounts split between UK and non-UK jurisdictions.

| | 2025 £m Gross Amount | 2024 £m Gross Amount |
|------------------------------------|----------------------------|----------------------------|
| UK: | | |
| Tax losses | 690.7 | 667.6 |
| Other temporary timing differences | 234.5 | 239.2 |
| | 925.2 | 906.8 |
| Non-UK: | | |
| Tax losses | 93.6 | 64.0 |
| Other temporary timing differences | 15.1 | 12.4 |
| | 108.7 | 76.4 |
| Total | 1,033.9 | 983.2 |

The £50.7m increase in unrecognised tax losses and other temporary differences reflects the increase in unrecognised temporary differences arising during the year due to: deferred interest; tax deductible cost reduction programme and business exit expenses.

Assets have no time expiry, but some losses are subject to specific loss restriction rules.

Dividends received from subsidiaries are largely exempt from UK tax but may be subject to dividend withholding taxes levied by the overseas tax jurisdictions in which the subsidiaries operate. The gross temporary differences of those subsidiaries affected by such potential taxes is £44.9m (2024: £45.6m). A deferred tax liability of £4.3m (2024: £4.5m) has been recognised on the unremitted earnings of those subsidiaries affected by such potential taxes because the Group is able to control the timing of reversal and it is anticipating dividends to be distributed. The earnings remitted during the year have resulted in a reduction in the closing deferred tax liability.

2.6.3 Uncertain tax positions

The Group files income tax returns in several jurisdictions and some of these returns are open to, or subject to, tax authority audits or examinations. Tax returns contain matters that could be subject to differing interpretations of applicable tax laws and regulations; and the resolution of tax positions, through negotiations with relevant tax authorities or litigation, can take several years. Tax uncertainties are assessed throughout the year and specifically at the year-end with any associated provisions recognised considering the specific circumstances of each risk, including the merits of technical aspects, previous experience with tax authorities, recent tax law and if relevant, external specialist advice. The Group applies judgement in quantifying uncertainties over income tax treatments in accordance with this criteria.

At 31 December 2025 the net income tax payable of £nil is net of a £3.3m (2024: £3.0m) liability in relation to uncertain tax positions. During 2025, the Group reassessed the uncertain tax provision and adjusted the tax risk upwards by £0.6m (2024: £0.1m downwards), offset by £0.3m relating to foreign exchange movements.

Expiry under the statute of limitations, or conclusion of tax audits could result in a release of the provision in the next financial year. While it is difficult to predict the ultimate outcome in some cases, and there are a range of different outcomes, the Group does not currently anticipate that there will be any material impact on the Group's financial position in the next financial year.

2.6.4 Global minimum tax

The Group is within the scope of the Pillar Two top-up tax that applies in the UK. The first period for which a Pillar Two return will be required is the accounting period ending on 31 December 2024.

The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

It is expected that the Group will pay Pillar Two top-up taxes of £0.2m for the period ended 31 December 2025 in relation to operations in Poland and Bulgaria. This is included in the current income tax expenses as shown in note 2.6.1.

Since the stated jurisdictions either have a low tax rate and no material profits are expected; or, an expected effective tax rate close to 15%; it is expected that the Pillar Two top-up tax will continue to have an immaterial impact on the Group tax liability.

2.6.5 Capita's responsible approach to taxation

Capita has an open and positive working relationship with HMRC, has a designated customer compliance manager, and is committed to prompt disclosure and transparency in all dealings with HMRC and overseas tax authorities. The Group does not have a complex tax structure, nor does it pursue aggressive tax avoidance activities. The Group continues to progress well with its legal entity rationalisation programme. The Group has a low-risk rating from HMRC, and has been awarded the Fair Tax Mark for its tax disclosures from 2018 to 2024. The Group has operations in a number of countries outside the UK. All such operations outside the UK are trading operations and pay the appropriate local taxes on these activities. Further detail, regarding Capita's tax strategy can be found on the Policies & Principles area of the Capita website (<https://www.capita.com/about-us/codes-policies-and-principles>).

Section 2: Results for the year *continued*

2.7 Earnings/(loss) per share

AP Accounting policies

Basic earnings/(loss) per share are calculated by dividing net profit/(loss) for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

| | | 2025 | 2024 |
|-----------------------------------|------------|----------|--------------------|
| | | pence | pence ¹ |
| Basic (loss)/earnings per share | – reported | (144.13) | 68.06 |
| | – adjusted | 49.71 | 1.60 |
| Diluted (loss)/earnings per share | – reported | (144.13) | 66.10 |
| | – adjusted | 49.71 | 1.55 |

1. 2024 comparatives have been re-presented from those previously published to reflect the 15 for 1 share consolidation undertaken in April 2025 (refer to note 4.6).

The following tables show the earnings and share data used in the basic and diluted earnings/(loss) per share calculations:

| | | 2025 | 2024 |
|--|-------|---------|--------|
| | | £m | £m |
| Reported (loss)/profit before tax for the period | | (170.9) | 116.6 |
| Income tax credit/(charge) | 2.6.1 | 5.3 | (36.2) |
| Reported (loss)/profit for the period | | (165.6) | 80.4 |
| Less: Non-controlling interests | | 1.5 | (3.7) |
| Total (loss)/profit attributable to shareholders | | (164.1) | 76.7 |
| Adjusted profit before tax ¹ for the period | 2.4 | 74.5 | 40.5 |
| Income tax charge | 2.6.1 | (19.0) | (34.6) |
| Adjusted profit for the period | | 55.5 | 5.9 |
| Less: Non-controlling interests | | 1.1 | (4.1) |
| Adjusted profit attributable to shareholders | | 56.6 | 1.8 |

1. Definitions of the alternative performance measures and related key performance indicators (KPIs) can be found in section 8.2.

| | 2025 | 2024 |
|--|-----------|------------------------|
| | thousands | thousands ¹ |
| Weighted average number of ordinary shares (excluding Employee benefit trust shares) for basic earnings per share | 113,856 | 112,694 |
| Dilutive potential ordinary shares: | | |
| Employee share options | — | 3,341 |
| Weighted average number of ordinary shares (excluding Employee benefit trust shares) adjusted for the effect of dilution | 113,856 | 116,035 |

1. 2024 comparatives have been re-presented from those previously published to reflect the 15 for 1 share consolidation undertaken in April 2025 (refer to note 4.6).

At 31 December 2025, 3,507,176 (2024: none) share options were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive. Under IAS 33 *Earnings per Share*, potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

The earnings per share figures are calculated based on earnings attributable to ordinary equity holders of the Parent Company and therefore exclude non-controlling interest. The earnings per share is calculated on a total reported and an adjusted basis. The earnings per share for business exits and specific items are reconciling items between total reported and adjusted basic earnings per share.

Details of transactions involving ordinary shares or potential ordinary shares between the balance sheet date and the date on which these consolidated financial statements were authorised for issue, are included in note 4.6.

Notes to the consolidated financial statements *continued*

Section 2: Results for the year *continued*

2.8 Business exits and assets held-for-sale

AP Accounting policies

Business exits

Business exits are businesses that have been sold, exited during the period, or are in the process of being sold or exited in accordance with the Group's strategy. None of these business exits meets the definition of 'discontinued operations' as stipulated by IFRS 5 *Non-current assets held-for-sale and discontinued operations*, which requires comparative financial information to be restated where the relative size of a disposal or completed business closure is significant, which is normally understood to mean a reported segment. However, the trading result of these businesses, non-trading expenses, and any gain/loss on disposal, have been excluded from adjusted results. To enable a like-for-like comparison of adjusted results, the 2024 comparatives have been re-presented to exclude the businesses classified as business exits during 2025.

Assets held-for-sale

The Group classifies a non-current asset (or disposal group) as held-for-sale if its carrying amount will be recovered principally through a sale transaction instead of continued use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification.

Based on the above requirements, at 31 December 2025 no businesses were deemed to have met this threshold. At 31 December 2024 one business (the Group's mortgage servicing business) was deemed to have met this threshold, before it was subsequently sold in 2025.

2025 business exits

Business exits at 31 December 2025 primarily comprised the following business:

Closed book Life & Pensions business:

The closed book Life & Pensions business, which previously sat within the Group's Regulated Services segment within Capita Experience, has been a challenging part of the Group which, as announced at the Company's Capital Markets Day in June 2024, Capita has been actively seeking to exit. The Group has entered into a number of transition agreements for the contracts within this business which are being migrated over the coming years. In December 2025, the Group reached a transition agreement for the remaining two legacy evergreen contracts with its last customer, Royal London, and therefore this business met the criteria to be presented as a business exit. The transition of the Royal London contracts is expected to take five years due to the complex nature of the contracts and systems, and data interdependencies.

Under the transition agreement for the Royal London contracts, Capita agreed to pay Royal London an initial c.£22m. The agreement provided an option, exercisable by either Royal London or Capita, for this initial payment to be settled through the issue to Royal London of 5,670,909 ordinary shares. This option was exercised in December 2025. The resulting share based payment charge of £22.4m has been included in non-trading administrative business exit expenses.

The Group will also make a contribution towards Royal London's costs, comprising three £10m payments on the first, second and third anniversaries of the migration completion. The migration is expected to take five years, so these payments are expected to take place in 2031, 2032 and 2033. Provision has been made for these payments in December 2025, with the resultant charge included in non-trading administrative business exit expenses.

The closed books and contractual dynamics have led to onerous conditions to service certain of the contracts in this business, and an onerous contract provision had been recognised in prior periods. This provision was increased in 2025 to reflect the current best estimate of the costs to continue service delivery up to the expected end of these contracts and the migration costs to hand over these services, reflecting the terms of the exits agreed and experience of previous contract exits. Refer to note 3.6.

Mortgage servicing business:

This business was held-for-sale at 31 December 2024, and its sale was completed on 13 October 2025.

Other business exits:

As disclosed in the 2024 Annual Report, in 2024 the Group decided to exit its corporate venture business (Capita Scaling Partner) within Capita Experience, and a small business from Capita Public Service. The trading results and non-trading expenses of these businesses have also been excluded from adjusted results. The Capita Scaling Partner business manages the Group's investments in start-up and scale-up companies. Part of our investment in one venture was sold during the year realising a gain of £nil which, in the table below, is included within 'share of results in associates and losses on financial assets'. Also included is a net loss of £0.5m in relation to the revaluation of the remaining Capita Scaling Partner investments. The Group will seek to maximise value from the remaining Capita Scaling Partner investments, which at 31 December 2025 had an aggregate carrying value of £3.8m (2024: £4.8m), including loans receivable by Capita of £0.7m (2024: £0.7m). To facilitate this, an external third party was engaged to manage the disposal process for the Group's remaining investments.

| Income statement impact | 2025 | | | 2024 (Re-presented) ¹ | | |
|---|---------------|-------------------|----------------|----------------------------------|-------------------|-------------|
| | Trading £m | Non-trading £m | Total £m | Trading £m | Non-trading £m | Total £m |
| Revenue | 112.8 | — | 112.8 | 195.9 | — | 195.9 |
| Cost of sales | (122.2) | — | (122.2) | (161.7) | — | (161.7) |
| Gross (loss)/profit | (9.4) | — | (9.4) | 34.2 | — | 34.2 |
| Administrative expenses | (14.0) | (73.8) | (87.8) | (16.5) | (8.0) | (24.5) |
| Operating (loss)/profit | (23.4) | (73.8) | (97.2) | 17.7 | (8.0) | 9.7 |
| Share of results in associates and losses on financial assets | — | (0.5) | (0.5) | — | (11.8) | (11.8) |
| Finance income | 0.9 | — | 0.9 | 0.8 | — | 0.8 |
| Finance costs | (2.4) | (0.8) | (3.2) | (2.9) | — | (2.9) |
| (Loss)/gain on disposal of businesses | — | (1.6) | (1.6) | — | 184.6 | 184.6 |
| (Loss)/profit before tax | (24.9) | (76.7) | (101.6) | 15.6 | 164.8 | 180.4 |
| Taxation | — | 24.7 | 24.7 | (1.7) | — | (1.7) |
| (Loss)/profit after tax | (24.9) | (52.0) | (76.9) | 13.9 | 164.8 | 178.7 |

1. To enable a like-for-like comparison of adjusted results, the 2024 comparatives have been re-presented to include the businesses classified as business exits during 2025.

Section 2: Results for the year *continued*

2.8 Business exits and assets held-for-sale continued

Trading revenue and costs represent the trading performance of the above businesses up to the point of being disposed or exited, and in the comparative period also those businesses disposed of during 2024 (being Capita One and the Group's 75% shareholding in Fera Science Limited (Fera)).

Trading expenses primarily comprise payroll costs of £64.9m (2024: £108.4m) and information technology costs of £33.6m (2024: £52.1m).

Non-trading administrative expenses include costs associated with the agreed exit of the Royal London contracts in the closed book Life & Pensions business of £62.5m (which includes provision for migration costs, the initial share based payment charge recognised by the Group, and provision for the £30m contribution to Royal London's running costs, as set out earlier in this note); project costs of £11.3m (2024: £1.1m); and, in the comparative period, asset impairments of £8.7m.

2.8.1 Disposals

During 2025 the Group disposed of its mortgage servicing business. During 2024 the Group disposed of two businesses: Capita One, and the Group's 75% shareholding in Fera.

The (loss)/gain arising was determined as follows:

| | 2025 £m | 2024 £m |
|---|--------------|--------------|
| Disposal group assets held-for-sale ¹ | 0.1 | 157.8 |
| Disposal group liabilities held-for-sale ¹ | (0.2) | (82.9) |
| Net identifiable assets sold | (0.1) | 74.9 |
| Non-controlling interests | — | (9.1) |
| | (0.1) | 65.8 |
| Sales price: | | |
| received in cash | 0.1 | 269.8 |
| Less: disposal costs | (1.8) | (19.4) |
| Net sales price | (1.7) | 250.4 |
| (Loss)/gain on disposal of businesses | (1.6) | 184.6 |

The net cash (outflow)/inflow was determined as follows:

| | 2025 £m | 2024 £m |
|---|--------------|---------------|
| Net cash inflow | | |
| Proceeds received | 0.1 | 269.8 |
| Less disposal costs: | | |
| income statement charge | (1.8) | (19.4) |
| change in accrued disposal costs during the year | (0.4) | (1.3) |
| Total proceeds received net of disposal costs paid | (2.1) | 249.1 |
| Total cash held by businesses when sold | | |
| Cash held by businesses classified as held-for-sale | — | (25.2) |
| Total cash held by businesses when sold | — | (25.2) |
| Net cash (outflow)/inflow | (2.1) | 223.9 |

1. 2024 balances in respect of disposal group assets and liabilities held-for-sale relate to Fera and Capita One which were transferred to held-for-sale on 31 December 2023 and 30 June 2024 respectively, prior to their disposals in 2024.

Disposal costs of £0.7m, relating to businesses disposed of in the current year, were recognised in prior years and are excluded from the above loss on disposal of businesses.

2.8.2 Disposal group assets and liabilities held-for-sale

At 31 December 2025, no businesses were deemed to have met the threshold to be treated as held-for-sale (2024: the mortgage servicing business was deemed to have met the held-for-sale threshold).

| | 2025 £m | 2024 £m |
|---|------------|------------|
| Property, plant and equipment | — | 0.1 |
| Disposal group assets held-for-sale | — | 0.1 |
| Accruals | — | 0.1 |
| Disposal group liabilities held-for-sale | — | 0.1 |

2.8.3 Business exit cash flows

Businesses exited and being exited had a cash generated from operations outflow of £25.1m up to the date of exit (2024: cash inflow of £3.5m). A reconciliation of cash generated from/(used by) operations excluding business exits, is included in note 2.9.2.

Notes to the consolidated financial statements *continued*Section 2: Results for the year *continued*

2.9 Cash flow information

AP Accounting policies

In the consolidated balance sheet cash and cash equivalent comprise cash at bank and in-hand and short-term deposits with an original maturity of three months or less. In the consolidated cash flow statement, cash and cash equivalents consist of cash and short-term deposits net of outstanding bank overdrafts and include cash and overdrafts within disposal group assets and liabilities held-for-sale. Cash at bank earns interest at fixed and floating rates based on prevailing bank deposit rates.

2.9.1 Additional cash flow information

| | Notes | 2025 | | 2024 | |
|--|---------|----------------|---|----------------|---|
| | | Reported £m | Excluding business exits ¹ £m | Reported £m | Excluding business exits ¹ £m |
| Cash flows from operating activities: | | | | | |
| Reported operating loss | 2.4 | (129.6) | (129.6) | (9.9) | (9.9) |
| Remove: business exit operating loss/(profit) | 2.8 | — | 97.2 | — | (9.7) |
| Total operating loss | | (129.6) | (32.4) | (9.9) | (19.6) |
| Adjustments for non-cash items: | | | | | |
| Depreciation | 3.2 3.5 | 55.0 | 53.8 | 66.5 | 64.1 |
| Amortisation of intangible assets | 3.3 | 21.6 | 19.7 | 23.4 | 18.9 |
| Share-based payment expense ³ | 5.1 | 27.4 | 5.0 | 6.0 | 6.0 |
| Employee benefits | 5.2 | 7.5 | 7.5 | 8.5 | 8.5 |
| (Gain)/loss on sale of property, plant and equipment and intangibles | 2.3 | (0.3) | (0.3) | 1.7 | 1.7 |
| Amendments and early terminations of leases | | (4.8) | (4.7) | (6.8) | (6.8) |
| Impairment of non-current assets | | 75.1 | 75.0 | 86.2 | 76.9 |
| Other adjustments: | | | | | |
| Movement in provisions ² | | 30.5 | (15.8) | (31.2) | (23.4) |
| Defined benefit pension deficit contributions | 5.2 | — | — | (20.8) | (6.3) |
| Regular defined benefit pension contributions | 5.2 | (8.1) | (8.1) | (8.4) | (8.4) |
| Movements in working capital²: | | | | | |
| Trade and other receivables | | (19.6) | (29.0) | 16.4 | 21.5 |
| Non-recourse trade receivables financing | 3.1.1 | 1.2 | 1.2 | (11.8) | (11.8) |
| Trade and other payables | | 54.3 | 47.6 | (65.2) | (60.4) |
| Deferred income | | (86.7) | (70.9) | (33.2) | (28.0) |
| Contract fulfilment assets (non-current) | | 24.3 | 24.3 | (5.4) | (5.9) |
| Cash generated from operations | | 47.8 | 72.9 | 16.0 | 27.0 |

| | Notes | 2025 | | 2024 | |
|---|-------|----------------|---|----------------|---|
| | | Reported £m | Excluding business exits ¹ £m | Reported £m | Excluding business exits ¹ £m |
| Adjustments for free cash flows: | | | | | |
| Income tax paid | | (5.7) | (3.9) | (4.0) | (4.0) |
| Income tax received | | 2.8 | 2.8 | 5.1 | 5.1 |
| Interest received | | 7.8 | 7.2 | 8.0 | 7.2 |
| Interest paid | | (48.0) | (47.2) | (50.3) | (50.3) |
| Net cash inflow/(outflow) from operating activities | | 4.7 | 31.8 | (25.2) | (15.0) |
| Purchase of property, plant and equipment | 3.2 | (9.5) | (9.4) | (16.6) | (16.2) |
| Purchase of intangible assets | | (38.2) | (38.2) | (33.5) | (33.4) |
| Proceeds from sale of property, plant and equipment and intangible assets | | 1.4 | 1.4 | 0.3 | 0.3 |
| Capital element of lease rental receipts | | 4.2 | 4.2 | 5.9 | 5.9 |
| Capital element of lease rental payments | | (44.7) | (43.8) | (53.6) | (52.5) |
| Free cash flow¹ | | (82.1) | (54.0) | (122.7) | (110.9) |

- Definitions of the alternative performance measures and related key performance indicators (KPIs) can be found in section 8.2.
- These movements exclude items that have been adjusted for elsewhere within the cash flow statement. For example, balances transferred to held-for-sale or relate to a business disposal. As such these movements may not directly agree to the year-on-year movements within the balance sheet.
- The reported share based payment expense in 2025 includes £22.4m in respect of the transition agreement with Royal London. Refer to note 2.8 for further details.

Cyber incident: In relation to the exceptional cyber incident costs referred to in note 2.4, the net cash outflow during the year ended 31 December 2025 was £13.6m (2024: £5.0m) and is included within free cash flow excluding business exits, and cash generated from operations excluding business exits. The cumulative net cash outflow since the incident in 2023 is £38.7m.

Cost reduction programme: In relation to the implementation of the cost reduction programme detailed in note 2.4, the cash outflow during the year ended 31 December 2025 was £53.2m (2024: £44.5m), and is included within free cash flow excluding business exits, and cash generated from operations excluding business exits. The cumulative cash outflow since the commencement of the cost reduction programme in 2023 is £103.8m.

Section 2: Results for the year *continued*

2.9 Cash flow information continued

2.9.2 Free cash flow and cash generated from operations (alternative performance measures - refer to section 8.2)

The Board considers free cash flow, and cash generated from operations excluding business exits, to be alternative performance measures because these metrics provide a more representative measure of the sustainable cash flow of the Group. To enable comparability of the adjusted results, the 2024 results have been re-presented for those businesses exited, or in the process of being exited, during 2025.

These measures are analysed below:

| | Free cash flow | | Cash generated/(used) by operations | |
|--|----------------|------------|-------------------------------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Reported (including business exits) | (82.1) | (122.7) | 47.8 | 16.0 |
| Business exits | 28.1 | (2.7) | 25.1 | (3.5) |
| Defined benefit pension deficit contributions triggered by disposals | — | 14.5 | — | 14.5 |
| Excluding business exits | (54.0) | (110.9) | 72.9 | 27.0 |

A reconciliation of net cash flow to movement in net debt is included in note 2.9.3.

Business exits: The cash flows of businesses exited, or in the process of being exited, and the proceeds from disposals, are disclosed outside the adjusted results.

Defined benefit pension deficit contributions triggered by disposals: The Trustees of the Group's main defined benefit pension scheme (HPS) agreed with the Group to accelerate the payment of future agreed deficit contributions on a pound for pound basis in the event of disposal proceeds being used to fund mandatory prepayments of debt. The Group paid all the outstanding deficit contributions in 2024. There are no further agreed deficit contributions to be paid at this time.

Notes to the consolidated financial statements *continued*Section 2: Results for the year *continued*

2.9 Cash flow information continued

2.9.3 Reconciliation of net cash flow to movement in net debt

| | Note | Net debt at 1 January £m | Cash flow movements £m | Amortisation £m | Change in fair value £m | Interest £m | New leases £m | Lease terminations £m | Lease modifications £m | Exchange movements £m | Total Non-cash movement ¹ £m | Net debt at 31 December £m |
|--|--------------|--------------------------------|------------------------------|--------------------|-------------------------------|----------------|---------------------|-----------------------------|------------------------------|-----------------------------|--|----------------------------------|
| Year ended 31 December 2025 | | | | | | | | | | | | |
| Cash, cash equivalents and overdrafts | 4.5.4 | 191.4 | (67.5) | — | — | — | — | — | — | 1.4 | 1.4 | 125.3 |
| Private placement loan notes | | (271.9) | (4.4) | — | 0.4 | — | — | — | — | 7.1 | 7.5 | (268.8) |
| Unamortised transaction costs on debt issuance | | 2.6 | 1.5 | (1.7) | — | — | — | — | — | — | (1.7) | 2.4 |
| Carrying value of private placement loan notes | 4.5 | (269.3) | (2.9) | (1.7) | 0.4 | — | — | — | — | 7.1 | 5.8 | (266.4) |
| Cross-currency interest rate swaps | 4.5 | 12.2 | (13.9) | — | — | — | — | — | — | 0.4 | 0.4 | (1.3) |
| Fair value of private placement loan notes | | (257.1) | (16.8) | (1.7) | 0.4 | — | — | — | — | 7.5 | 6.2 | (267.7) |
| Other finance | 4.5 | (0.1) | (0.2) | — | — | — | — | — | — | — | — | (0.3) |
| Lease liabilities | 4.4 | (348.7) | 65.5 | — | — | (20.8) | (11.1) | 4.4 | (6.8) | (0.7) | (35.0) | (318.2) |
| Total net liabilities from financing activities | | (605.9) | 48.5 | (1.7) | 0.4 | (20.8) | (11.1) | 4.4 | (6.8) | 6.8 | (28.8) | (586.2) |
| Deferred consideration payable | 4.5 | (0.7) | — | — | — | — | — | — | — | — | — | (0.7) |
| Net debt | 4.1.1 | (415.2) | (19.0) | (1.7) | 0.4 | (20.8) | (11.1) | 4.4 | (6.8) | 8.2 | (27.4) | (461.6) |
| Year ended 31 December 2024 | | | | | | | | | | | | |
| Cash, cash equivalents and overdrafts | 4.5.4 | 67.6 | 124.5 | — | — | — | — | — | — | (0.7) | (0.7) | 191.4 |
| Private placement loan notes | | (267.0) | — | — | 0.9 | — | — | — | — | (5.8) | (4.9) | (271.9) |
| Unamortised transaction costs on debt issuance | | 4.5 | — | (1.9) | — | — | — | — | — | — | (1.9) | 2.6 |
| Carrying value of private placement loan notes | 4.5 | (262.5) | — | (1.9) | 0.9 | — | — | — | — | (5.8) | (6.8) | (269.3) |
| Cross-currency interest rate swaps | 4.5 | 13.6 | (3.4) | — | 2.0 | — | — | — | — | — | 2.0 | 12.2 |
| Fair value of private placement loan notes | | (248.9) | (3.4) | (1.9) | 2.9 | — | — | — | — | (5.8) | (4.8) | (257.1) |
| Other finance | 4.5 | (0.1) | — | — | — | — | — | — | — | — | — | (0.1) |
| Lease liabilities | 4.4 | (363.4) | 76.3 | — | — | (22.7) | (34.6) | 9.3 | (14.3) | 0.7 | (61.6) | (348.7) |
| Total net liabilities from financing activities | | (612.4) | 72.9 | (1.9) | 2.9 | (22.7) | (34.6) | 9.3 | (14.3) | (5.1) | (66.4) | (605.9) |
| Deferred consideration payable | 4.5 | (0.7) | — | — | — | — | — | — | — | — | — | (0.7) |
| Net debt | 4.1.1 | (545.5) | 197.4 | (1.9) | 2.9 | (22.7) | (34.6) | 9.3 | (14.3) | (5.8) | (67.1) | (415.2) |

1. The non-cash movement relates to: the effect of changes in foreign exchange rates on cash; fair value changes on the swaps; amortisation of private placement loan notes issuance costs; and additions, terminations and foreign exchange rate effects on the Group's lease liabilities.

Overdrafts comprise the aggregate value of overdrawn bank account balances within the Group's notional interest pooling arrangements. These aggregate overdrawn amounts are fully offset by surplus balances within the same notional pooling arrangements.

At 31 December 2025, the Group's £250m committed revolving credit facility was undrawn (31 December 2024: undrawn).

Section 3: Operating assets and liabilities

This section shows the operating assets and liabilities used to generate the Group's trading performance. Liabilities relating to the Group's financing activities are contained in Section 4. Current tax and deferred tax assets and liabilities are shown in note 2.6. Deferred income is shown in note 2.1.

| | |
|-------|--|
| 3.1 | Working capital |
| 3.1.1 | Trade and other receivables |
| 3.1.2 | Trade and other payables |
| 3.1.3 | Contract fulfilment assets (non-current) |
| 3.2 | Property, plant and equipment |
| 3.3 | Intangible assets |
| 3.4 | Goodwill |
| 3.5 | Right-of-use assets |
| 3.6 | Provisions |

AP

Denotes accounting policies

J

Denotes significant accounting judgements

E

Denotes significant accounting estimates and assumptions

Key highlights

| | Note | 2025 £m | 2024 £m | Year on Year movement £m |
|---|-------|----------------|------------|--------------------------------|
| Working capital (current and non-current): | 3.1 | (204.8) | (223.0) | 18.2 |
| Trade and other receivables | 3.1.1 | 361.6 | 345.3 | 16.3 |
| Trade and other payables | 3.1.2 | (419.6) | (359.9) | (59.7) |
| Deferred income | 2.1 | (380.1) | (465.9) | 85.8 |
| Contract fulfilment assets | 3.1.3 | 233.3 | 257.5 | (24.2) |
| Property, plant and equipment | 3.2 | 57.5 | 68.5 | (11.0) |
| Intangible assets | 3.3 | 97.6 | 79.8 | 17.8 |
| Goodwill | 3.4 | 300.1 | 372.4 | (72.3) |
| Right-of-use assets | 3.5 | 158.5 | 180.7 | (22.2) |
| Provisions | 3.6 | (151.0) | (119.3) | (31.7) |

The increase in trade and other receivables is primarily driven by an increase in other receivables (£17.2m), primarily reflecting a reclassification from contract fulfilment assets, and accrued income (£13.0m), offset by a reduction in trade receivables (£10.5m) and current contract fulfilment assets (£3.2m). The reduction in trade receivables is net of the non-recourse trade receivables financing as detailed below.

The Group uses non-recourse trade receivables financing, with £24.6m of outstanding invoices sold under these facilities at 31 December 2025 (2024: £23.4m).

The increase in trade and other payables was primarily driven by a £29.3m increase in trade payables reflecting the timing of supplier payments. Additionally, there have been increases to other payables (£18.7m), accruals (£9.4m) and other taxes and social security costs (£2.3m).

The decrease in deferred income reflects the recognition of revenue as performance obligations are delivered on customer contracts and an acceleration of revenue recognised of £13.4m related to a termination of a contract in the Regulated Services business in Capita Experience. This was partially offset by contracts in transformation such as Civil Service Pension Scheme in the Pensions Solutions business in Capita Experience.

Non-current contract fulfilment assets decreased as a result of £76.3m of utilisations primarily within Capita Public Service and £12.9m of derecognition primarily following the early termination of a customer contract in the Regulated Services business in Capita Experience. This was offset by £76.0m of additions on contracts in transformation in the year, including Civil Service Pension Scheme, Primary Care Support England and BBC TV Licensing.

Property, plant and equipment decreased due to depreciation and impairment of £19.6m, being partially offset by £9.5m of additions, including the new Immersive Skills Lab at our Fire Service College.

Intangible assets increased due to £39.8m of additions relating to investment in capitalised and purchased software. This includes investment in contract delivery within our Pension Solutions business and AgentSuite within our Contact Centre business, both in Capita Experience. This was partly offset by amortisation and impairment of £22.2m.

Goodwill decreased as a result of the impairment of the Contact Centre CGU (£73.7m).

Right-of-use assets decreased due to depreciation of £36.1m more than offsetting additions of £11.1m. The reduction reflects the Group's continued property rationalisation strategy. Additions include a new office in Mumbai and two new offices in Liverpool and Cheshire to support our Civil Service Pension Scheme contract.

The increase in provisions of £31.7m during the year reflects additions totalling £141.8m, with the largest addition (£62.5m) being in relation to the agreed exit of the contracts with Royal London in the closed book Life & Pensions business (refer to note 3.6 for more details). These additions were partially offset by the utilisation of provisions (£94.1m), including £40.4m in respect of the cost reduction programme, and releases of provisions (£18.2m) primarily those related to claims and litigation (£11.6m).

Notes to the consolidated financial statements *continued*

Section 3: Operating assets and liabilities *continued*

3.1 Working capital

3.1.1 Trade and other receivables

AP Accounting policies

Trade receivables: Trade receivables are initially recognised at cost (being the same as fair value) and subsequently at amortised cost less any provision for impairment, to ensure the amounts recognised represent their recoverable amount.

Impairment: For trade receivables, the Group applies the simplified approach permitted by IFRS 9 *Financial Instruments*, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group monitors the level of trade receivables on a monthly basis, continually assessing the risk of default by any counterparty. Each customer has an external credit score which determines the level of credit provided.

Derecognition: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (ie removed from the Group's consolidated balance sheet) when (i) the rights to receive the cash flows from the asset have expired; or, (ii) the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risk and rewards of the asset; or, (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Trade receivables that are sold without recourse are derecognised at the point of sale when the risks and rewards of the receivables have been fully transferred.

Accrued income: Accrued income is recognised when the revenue recognised on a customer contract exceeds the amount which the Group has the right to receive payment for as at the balance sheet date.

| | Current | | Non-current | |
|---|--------------|--------------|-------------|-------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Trade receivables | 121.0 | 133.3 | 1.8 | — |
| Other receivables | 25.8 | 10.8 | 5.9 | 3.7 |
| Other taxes and social security | 0.9 | 1.2 | 0.5 | 1.5 |
| Current contract fulfilment assets ¹ | 5.2 | 8.4 | — | — |
| Accrued income | 145.7 | 132.7 | — | — |
| Prepayments | 51.6 | 48.9 | 3.2 | 4.8 |
| | 350.2 | 335.3 | 11.4 | 10.0 |

1. Refer to note 3.1.3 for non-current contract fulfilment assets.

Trade receivables are non-interest bearing and generally on 30-day terms.

The Group's accrued income balances solely relate to revenue from contracts with customers. Movements in the accrued income balances were driven by transactions entered into by the Group in the normal course of business during the year. There were no material loss allowances in respect of accrued income as at the balance sheet date.

Movements in the loss allowance made against receivables were as follows:

| | 2025 £m | 2024 £m |
|-------------------------------------|------------|------------|
| At 1 January | 6.3 | 5.5 |
| Net remeasurement of loss allowance | — | 0.8 |
| At 31 December | 6.3 | 6.3 |

| | 2025 £m | 2024 £m |
|--|--------------|--------------|
| Ageing of trade receivables | | |
| Not due | 79.8 | 85.7 |
| Overdue by less than three months | 9.2 | 14.4 |
| Overdue between three and six months | 1.5 | 5.0 |
| Overdue between six and twelve months | 0.9 | 2.4 |
| Overdue more than twelve months ¹ | 37.7 | 32.1 |
| Allowance for doubtful debts | (6.3) | (6.3) |
| | 122.8 | 133.3 |

1. In both 2025 and 2024, the amounts overdue by more than twelve months primarily relate to a previously agreed commercial settlement in the closed book Life & Pensions business which will not be received until a future date.

Under the simplified approach permitted by IFRS 9, all invoices that are six months or more past due are fully provided for unless there is a specific confirmation from the customer that the invoice will be settled during the following month, or there are specific circumstances such that recognition of a provision is not appropriate. Additionally, any other invoices where the customer relationship manager has identified significant financial problems which mean that customer is unlikely to pay the invoice in the near future are also provided for. No material amounts receivable were renegotiated such that they were not past due at the balance sheet date.

The Group trades only with third parties that are expected to be creditworthy. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to seek assurance from the counterparties that they can fulfil their obligations. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to credit loss remains low.

Section 3: Operating assets and liabilities *continued*

3.1 Working capital continued

3.1.1 Trade and other receivables continued

Non-recourse trade receivable financing

The value of invoices sold under the UK non-recourse trade receivables financing at 31 December 2025 was £17.2m (2024: £14.5m). Further, in Germany the Group uses a non-recourse trade receivable financing arrangement for a specific customer contract, and the value of invoices sold under that arrangement at 31 December 2025 was £7.4m (2024: £8.9m). Since these arrangements are non-recourse, and the underlying trade receivables are derecognised, the cash inflow is included within operating activities (refer to note 2.9.1).

The cost of selling such invoices totalled £2.6m (2024: £3.4m) and was included in net finance costs (see note 4.3) in the consolidated income statement.

3.1.2 Trade and other payables

| | Current | | Non-current | |
|---------------------------------|------------|------------|-------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Trade payables | 127.5 | 98.2 | — | — |
| Other payables | 44.0 | 31.4 | 11.6 | 5.5 |
| Other taxes and social security | 67.6 | 65.3 | — | — |
| Accruals | 166.6 | 158.3 | 2.3 | 1.2 |
| | 405.7 | 353.2 | 13.9 | 6.7 |

The Group utilises a credit card facility, the outstanding balance of which was £4.5m at 31 December 2025 (2024: £5.2m).

3.1.3 Contract fulfilment assets (non-current)

AP Accounting policies

The Group regularly incurs costs to deliver its outsourcing services in a more efficient way (often referred to as 'transformation' costs). These costs may include process mapping and design, system development, project management, hardware (generally within the scope of the Group's accounting policy for property, plant and equipment), software licence costs (generally within the scope of the Group's accounting policy for intangible assets), recruitment costs and training.

Contract fulfilment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed when incurred.

In determining the appropriate accounting treatment for such costs, the Group first considers any other applicable standards. If those other standards preclude capitalisation of a particular cost, then an asset is not recognised under IFRS 15 *Revenue from Contracts with Customers*.

If other standards are not applicable to contract fulfilment costs, the Group applies the following criteria which, if met, result in capitalisation of costs that: (i) directly relate to a contract or to a specifically identifiable anticipated contract; (ii) generate or enhance resources that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) are expected to be recovered.

The Group has determined that, where the relevant specific criteria are met, the costs for (i) process mapping and design; (ii) system development; and (iii) project management; are likely to qualify to be capitalised as contract fulfilment assets.

The incremental costs of obtaining a contract with a customer are recognised as a contract fulfilment asset if the Group expects to recover them. The Group incurs costs such as bid costs, legal fees to draft a contract and sales commissions when it enters into a new contract.

The Group has determined that the following costs may be capitalised as contract fulfilment assets: (i) legal fees to draft a contract after the Group has been selected as preferred supplier; and (ii) sales commissions directly related to winning a specific contract.

Costs incurred prior to selection as preferred supplier are not capitalised but expensed when incurred.

The Group also considers the nature of any Software as a Service (SaaS) utilised during delivery of the Group's revenue generating contracts and whether associated costs incurred meet the criteria for capitalisation as contract fulfilment assets. In particular the Group assesses whether the work conducted includes any configuration or customisation of the suppliers software and then considers the relevant accounting treatment.

Utilisation: The utilisation charge is included within cost of sales. The Group utilises non-current contract fulfilment assets over the expected contract period on a systematic basis that mirrors the pattern in which the Group satisfies its performance obligations to the customer.

Derecognition: A non-current contract fulfilment asset is derecognised either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

Impairment: At each balance sheet date, the Group determines whether or not the non-current contract fulfilment assets are impaired by comparing the carrying amount of the asset with the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price are removed for the impairment test.

J Significant accounting judgements

Judgement is applied by the Group when determining what costs qualify to be capitalised, in particular when considering whether these costs are incremental and when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable. For example, the Group considers which type of sales commissions are incremental to the cost of obtaining specific contracts and the time when such costs should be capitalised. See note 2.1 for further information.

Notes to the consolidated financial statements *continued*

Section 3: Operating assets and liabilities *continued*

3.1 Working capital *continued*

3.1.3 Contract fulfilment assets (non-current) *continued*

Movements in non-current contract fulfilment assets were as follows¹:

| | 2025 £m | 2024 £m |
|--|------------|------------|
| At 1 January | 257.5 | 257.0 |
| Additions | 76.0 | 73.6 |
| Reclassification to other receivables | (10.2) | — |
| Transfer to disposal group assets held-for-sale ² | — | (4.7) |
| Impairment - included in adjusted profit | (0.9) | (0.7) |
| Impairment - included in business exits | — | (0.1) |
| Derecognition - included in adjusted profit | (12.9) | (1.9) |
| Utilisation - included in adjusted profit | (76.3) | (64.0) |
| Utilisation - included in business exits | — | (1.6) |
| Exchange movement | 0.1 | (0.1) |
| At 31 December | 233.3 | 257.5 |

1. Refer to note 3.1.1 for current contract fulfilment assets.

2. Transfer to disposal group assets held-for-sale in the year ended 31 December 2024 is in respect of Capita One which was transferred at 30 June 2024 and subsequently sold during the second half of 2024.

As at 31 December 2025, the majority of the balance relates to transformation and set-up costs. This is consistent with the prior year.

Impairment: In 2025, the Group recognised an impairment of £0.9m (2024: £0.8m) in cost of sales, of which, £nil (2024: £nil) related to contract fulfilment assets added during the year.

Derecognition: In 2025, £12.9m was derecognised primarily following the early termination of a customer contract in the Regulated Services business in Capita Experience (2024: £1.9m).

3.2 Property, plant and equipment

AP Accounting policies

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation: Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as follows:

- Freehold buildings and long leasehold property – up to 50 years.
- Leasehold improvements – period of the lease.
- Plant and machinery – 3 to 10 years.

Impairment: The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are disclosed as administrative expenses in the consolidated income statement.

Derecognition: An item of property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset (retired). Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying value of the asset, is included in the consolidated income statement when the asset is derecognised.

Section 3: Operating assets and liabilities *continued*

3.2 Property, plant and equipment *continued*

| | 2025 | | | 2024 | | |
|--|---|------------------------------|-------------|---|------------------------------|-------------|
| | Leasehold improvements, land and buildings £m | Plant and machinery £m | Total £m | Leasehold improvements, land and buildings £m | Plant and machinery £m | Total £m |
| Cost | | | | | | |
| At 1 January | 78.3 | 79.5 | 157.8 | 81.0 | 108.9 | 189.9 |
| Additions | 4.6 | 4.9 | 9.5 | 7.3 | 9.3 | 16.6 |
| Disposals – included in adjusted profit | (1.6) | (5.4) | (7.0) | (1.7) | (2.2) | (3.9) |
| Transfer to disposal group assets held-for-sale | — | — | — | — | (0.2) | (0.2) |
| Reclassifications to intangible assets | — | — | — | 0.1 | (0.8) | (0.7) |
| Asset retirements | (10.8) | (16.3) | (27.1) | (8.1) | (34.1) | (42.2) |
| Exchange movement | 0.1 | — | 0.1 | (0.3) | (1.4) | (1.7) |
| At 31 December | 70.6 | 62.7 | 133.3 | 78.3 | 79.5 | 157.8 |
| Depreciation and impairment | | | | | | |
| At 1 January | 35.7 | 53.6 | 89.3 | 36.4 | 73.5 | 109.9 |
| Depreciation charged - included in adjusted profit | 6.8 | 11.7 | 18.5 | 7.2 | 15.7 | 22.9 |
| Depreciation charged - included in business exits | 0.2 | 0.2 | 0.4 | 0.4 | 0.9 | 1.3 |
| Disposals – included in adjusted profit | (1.5) | (4.4) | (5.9) | (1.6) | (2.0) | (3.6) |
| Impairment – included in adjusted profit | 0.5 | 0.2 | 0.7 | 1.1 | 0.2 | 1.3 |
| Impairment – included in business exits | — | — | — | 0.4 | 0.1 | 0.5 |
| Transfer to disposal group assets held-for-sale | — | — | — | — | (0.2) | (0.2) |
| Reclassifications from intangible assets | — | — | — | — | 0.6 | 0.6 |
| Asset retirements | (10.8) | (16.3) | (27.1) | (8.1) | (34.1) | (42.2) |
| Exchange movement | — | (0.1) | (0.1) | (0.1) | (1.1) | (1.2) |
| At 31 December | 30.9 | 44.9 | 75.8 | 35.7 | 53.6 | 89.3 |
| Net book value | | | | | | |
| At 1 January | 42.6 | 25.9 | 68.5 | 44.6 | 35.4 | 80.0 |
| At 31 December | 39.7 | 17.8 | 57.5 | 42.6 | 25.9 | 68.5 |

At 31 December 2025, amounts contracted for but not provided in the consolidated financial statements for the acquisition of property, plant and equipment amounted to £0.4m (2024: £1.4m), relating to building improvements on leased property.

Notes to the consolidated financial statements *continued*

Section 3: Operating assets and liabilities *continued*

3.3 Intangible assets

AP Accounting policies

Intangible assets acquired separately are capitalised at cost and those identified in a business acquisition are capitalised at fair value at the date of acquisition. In the case of capitalised software development costs, research expenditure is written off to the consolidated income statement when it is incurred. Development expenditure is similarly written off until the Group is satisfied as to the technical, commercial and financial viability of individual projects. Where this condition is satisfied, the development expenditure is capitalised and amortised over the period during which the Group is expected to benefit.

The Group considers the nature of any Software as a Service (SaaS) utilised by the Group and whether associated costs incurred meet the criteria for capitalisation as intangible assets. In particular the Group assesses whether the work conducted includes any configuration or customisation of the suppliers software and then considers the relevant accounting treatment.

Following initial recognition, the carrying amount of an intangible asset is its cost less accumulated amortisation and impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. There were no indefinite-lived assets in 2025 or 2024.

Amortisation: Amortisation is charged on assets with finite lives. The amortisation method used reflects the expected pattern of consumption of future economic benefits and generally amortised on a straight-line basis, the amortisation periods used are as follows:

- Intangible assets acquired in business combinations – 1.5 to 20 years.
- Intangible assets purchased or internally capitalised – 3 to 20 years.

Impairment: Intangible assets with finite lives are only tested for impairment, either individually or at the cash-generating unit level, when there is an indicator of impairment.

Derecognition: Intangible assets are derecognised upon disposal, or when no future economic benefits are expected to arise from the continued use of the asset (retired). Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying value of the asset, is included in the consolidated income statement when the asset is derecognised.

The measurement of intangible assets other than goodwill in a business combination: On the acquisition of a business, the identifiable intangible assets may include licences, customer lists and brands. The fair value of these assets is determined by discounting estimated future net cash flows generated by the asset because in most cases no active market for the assets exists and therefore no observable value exists. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets.

The assessment of costs capitalised as intangible assets to generate future economic benefits: Judgement is applied in assessing whether costs incurred, both internal and external, will generate future economic benefits. Judgements and estimates are applied in determining the carrying value of the assets, including assumptions made in respect of the status of the programme each asset relates to. Given the level of judgement and estimation involved in assessing future cash flows, it is reasonably possible that outcomes within the next financial year may be different from management's assumptions and require an adjustment to the carrying value of intangible assets, however any adjustment is not expected to be material.

Section 3: Operating assets and liabilities *continued*

3.3 Intangible assets continued

| | 2025 | | | 2024 | | |
|--|---|--------------------------------------|-------------|---|--------------------------------------|-------------|
| | Intangible assets acquired in business combinations £m | Capitalised/purchased software £m | Total £m | Intangible assets acquired in business combinations £m | Capitalised/purchased software £m | Total £m |
| Cost | | | | | | |
| At 1 January | 3.1 | 145.7 | 148.8 | 3.0 | 175.0 | 178.0 |
| Additions ¹ | — | 39.8 | 39.8 | — | 33.5 | 33.5 |
| Disposals – included in adjusted profit | — | — | — | — | (2.0) | (2.0) |
| Transfer to disposal group assets held-for-sale ² | — | — | — | — | (14.6) | (14.6) |
| Reclassifications to property, plant and equipment | — | — | — | — | 0.7 | 0.7 |
| Asset retirements | — | (18.4) | (18.4) | — | (46.2) | (46.2) |
| Exchange movement | — | 0.4 | 0.4 | 0.1 | (0.7) | (0.6) |
| At 31 December | 3.1 | 167.5 | 170.6 | 3.1 | 145.7 | 148.8 |
| Amortisation and impairment | | | | | | |
| At 1 January | 2.8 | 66.2 | 69.0 | 2.5 | 85.5 | 88.0 |
| Amortisation charged in the year - included in adjusted profit | — | 19.5 | 19.5 | — | 18.7 | 18.7 |
| Amortisation charged in the year - excluded from adjusted profit | 0.2 | — | 0.2 | 0.2 | — | 0.2 |
| Amortisation charged in the year - included in business exits | — | 1.9 | 1.9 | — | 4.5 | 4.5 |
| Impairment – included in adjusted profit | — | 0.5 | 0.5 | — | 0.3 | 0.3 |
| Impairment – included in business exits | — | 0.1 | 0.1 | — | 8.8 | 8.8 |
| Disposals – included in adjusted profit | — | — | — | — | (0.3) | (0.3) |
| Transfer to disposal group assets held-for-sale ² | — | — | — | — | (4.2) | (4.2) |
| Reclassifications to property, plant and equipment | — | — | — | — | (0.6) | (0.6) |
| Asset retirements | — | (18.4) | (18.4) | — | (46.2) | (46.2) |
| Exchange movement | — | 0.2 | 0.2 | 0.1 | (0.3) | (0.2) |
| At 31 December | 3.0 | 70.0 | 73.0 | 2.8 | 66.2 | 69.0 |
| Net book value | | | | | | |
| At 1 January | 0.3 | 79.5 | 79.8 | 0.5 | 89.5 | 90.0 |
| At 31 December | 0.1 | 97.5 | 97.6 | 0.3 | 79.5 | 79.8 |

1. Additions comprise £39.7m (2024: £32.3m) of capitalised software development and £0.1m (2024: £1.2m) of purchased software.

2. Transfers to disposal group assets held-for-sale in the year ended 31 December 2024 is in respect of Capita One that was transferred at 30 June 2024 and subsequently sold during the second half of 2024.

Intangible assets capitalised or purchased include capitalised software development (net book value 2025: £94.2m; 2024: £74.2m) and purchased software (net book value 2025: £3.3m; 2024: £5.3m). In the comparative period 'Impairment - included in business exits' includes £8.5m that arose following the decision to exit the mortgage servicing business which was sold during 2025 (see note 2.8.1).

Notes to the consolidated financial statements *continued*

Section 3: Operating assets and liabilities *continued*

3.4 Goodwill

AP Accounting policies

Following initial recognition, goodwill is stated at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill arising on acquisitions prior to 31 December 1997 remains set off directly against reserves and does not get recycled through the consolidated income statement.

At the acquisition date, any goodwill acquired is allocated to the cash-generating units (CGU) which are expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained.

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the Parent company.

E Significant accounting estimates and assumptions

Impairment of Contact Centre goodwill: the Group determines whether goodwill is impaired on an annual basis, or more frequently if required, and this requires an estimation of the recoverable amount of the CGU to which the intangible assets are allocated utilising an estimation of future cash flows and choosing a suitable discount rate.

| | 2025 £m | 2024 £m |
|--|--------------|--------------|
| Cost | | |
| At 1 January | 845.6 | 1,074.2 |
| Transfer to disposal group assets held-for-sale ¹ | — | (72.5) |
| Adjustment to gross goodwill balances ² | — | (154.9) |
| Exchange movement | 1.4 | (1.2) |
| At 31 December | 847.0 | 845.6 |
| Accumulated impairment | | |
| At 1 January | 473.2 | 578.5 |
| Transfer to disposal group assets held-for-sale ¹ | — | (25.5) |
| Impairment – excluded from adjusted profit | 73.7 | 75.1 |
| Adjustment to gross goodwill balances ² | — | (154.9) |
| At 31 December | 546.9 | 473.2 |
| Net book value | | |
| At 1 January | 372.4 | 495.7 |
| At 31 December | 300.1 | 372.4 |

1. In the year ended 31 December 2024 this related to the Capita One business that was transferred to held-for-sale at 30 June 2024, and subsequently sold during the second half of 2024.
2. Adjustment made in 2024 to remove gross cost and accumulated impairment in respect of goodwill that had been fully impaired and subsequently disposed of in previous years. This resulted in an adjustment to each balance of £154.9m, with no change to the overall net book value.

Section 3: Operating assets and liabilities *continued*

3.4 Goodwill continued

Cash-generating units

Reflecting the way management exercises oversight and monitors the Group's performance, the lowest level at which goodwill is monitored is at the divisional level for Capita Public Service, and at a sub-divisional level for Capita Experience in line with the Group's operating segments, with goodwill allocated to these groups of CGUs (hereafter referred to as CGUs) accordingly.

Carrying amount of goodwill allocated to CGUs:

| CGU | Capita Public Service £m | Capita Experience | | | Total £m |
|--|-----------------------------|----------------------|-------------------------|--------------------------|--------------|
| | | Contact Centre £m | Pension Solutions £m | Regulated Services £m | |
| At 1 January | 239.4 | 72.3 | 60.7 | — | 372.4 |
| Impairment – excluded from adjusted profit | — | (73.7) | — | — | (73.7) |
| Exchange movement | — | 1.4 | — | — | 1.4 |
| At 31 December | 239.4 | — | 60.7 | — | 300.1 |

Business exits

As set out in note 2.8, one business (the Group's mortgage servicing business) was fully disposed of during the year. This business had been transferred to disposal group assets held-for-sale at 31 December 2024, however there was no goodwill attributable to it.

The impairment test

The Group's impairment test compares the carrying value of each CGU with its recoverable amount. The recoverable amount of a CGU is the higher of fair value less cost of disposal, and its value in use, where value in use would typically be the expected cash flows to be generated operating the business into perpetuity.

As described in the strategic report, the Group delivered the targeted £250m cost savings by the end of 2025. The recoverable amount of each group of CGUs has therefore been calculated using value in use (being the present value of future cash flows for each CGU).

In undertaking the annual impairment review, the directors considered both internal and external sources of information, and any observable indications that may suggest that the carrying value of goodwill may be impaired. This included a comparison with the Group's share price and market capitalisation.

At 31 December 2024, an impairment of £75.1m was recognised in respect of the Contact Centre CGU. Whilst progress has been made in improving the competitiveness of the Contact Centre business, it has seen a material impact from contract losses and volume reduction on clients. The financial performance is unsatisfactory and the level of improvement and contract wins that it was hoped would be delivered when the Group's strategy was set out at the Capital Markets Day in 2024, has not been seen.

The business's adjusted revenue¹ declined 17.5% in 2025, driven by reduced volumes in the Telecommunications vertical and contract losses, and its adjusted operating loss¹ increased to £17.0m, which includes costs associated with under-utilised property and losses arising in the German business. During the year significant cost reductions were made to improve the business's financial performance however the phasing of these reductions was later than expected in 2025, and there is more work to do in respect of the German business and of the property footprint which currently represents around 60% of the Group's lease liability.

Although the Contact Centre business secured deals with a total contract value of £716.5m in 2025, up by 66% on 2024 and its win rate across all opportunities was 80%, up from 57% in 2024, the business's unweighted and weighted pipeline has reduced compared to the end of the prior year. In addition, the majority of contracts won are framework agreements, which enable the customer to both ramp up and ramp down volume, providing both an opportunity but also a risk to the business's forecast, as seen with the reduction in volumes in the year.

A key aspect of the Contact Centre strategy is better technology, and the forecast for the business assumes an increase in the use of its new AI and generative AI solutions, such as AgentSuite, with expansion delivered in 2025 and further rollouts to clients planned in 2026. There is a risk with the assumed rollout of these new technology solutions, such as the pace of technological change, which brings increased uncertainty in delivery, and therefore a risk to the business's forecast.

These trends were reflected in the financial projections used for impairment testing previously, which resulted in the impairment of the Contact Centre CGU at the end of 2024. However, as improvement in financial performance has not yet been seen, and to reflect sector wide headwinds, and taking account of the inherent uncertainty in forecasting, for the purposes of the impairment test, the business plan cash flow projections have been risk adjusted in the Contact Centre CGU from 2026 onwards. At 31 December 2025, a goodwill impairment of £73.7m was recognised in respect of the Contact Centre CGU.

At 31 December 2025, the carrying value post impairment of the Contact Centre CGU was aligned to its estimated recoverable amount of £(31.0)m, which is inclusive of lease liabilities. The estimated recoverable amounts of the other CGUs exceeded their respective carrying values. The key inputs to the calculations are described below, including changes in market conditions.

Forecast cash flows

The cash flow projections prepared for the impairment test are derived from the 2026-2028 business plan approved by the Board, which are prepared on a nominal basis. The key assumption in the business plan includes the delivery of planned revenue growth. As noted above, for the purposes of the impairment test, the business plan cash flow projections have been risk adjusted in the Contact Centre CGU from 2026 onwards to reflect recent performance.

The going concern severe but plausible downside scenarios have taken account of the potential adverse financial impacts resulting from the following risks, which include the key assumptions noted above:

- revenue growth falling materially short of plan;
- unforeseen operational issues leading to contract losses and cash outflows; and
- unexpected financial costs linked to unexpected one-off incidents.

As such, the below sensitivity analysis includes assessing the impact of these crystallising on the impairment test performed.

Forecast cash flows have been adjusted for movements in deferred income and contract fulfilment assets. An adjustment has also been made to the 2026 cash flows to reflect the assumed build-up in working capital to reach a normalised working capital position for each CGU.

1. Refer to alternative performance measures in section 8.2 to the financial statements.

Notes to the consolidated financial statements *continued*

Section 3: Operating assets and liabilities *continued*

3.4 Goodwill *continued*

Allocation of central function costs

The Board has considered an appropriate methodology to apply when allocating central function costs. The methodology applied for the 2025 impairment test was aligned to that applied in reporting segmental performance (refer to note 2.5). The remaining Group related costs of Capita plc, which have not been allocated as part of segmental reporting, are allocated to CGUs for impairment testing purposes based on 2026 forecast earnings before interest, tax, depreciation and amortisation (EBITDA).

Long-term growth rate

The long-term growth rate is based on economic growth forecasts by recognised bodies and this has been applied to forecast cash flows for years four and five (2029 and 2030) and for the terminal period. The 2025 long-term growth rate is 1.5% (2024: 1.6%).

Discount rates

Management estimates discount rates using nominal post-tax rates of comparator companies for each CGU. The discount rates reflect the latest market assumptions for the risk-free rate, the equity risk premium and the net cost of debt, which are all based on publicly available external sources.

The table below presents the pre-tax discount rates applied to the cash flows for 2025 and 2024.

| | Capita Experience | | |
|------|-----------------------|----------------|-------------------|
| | Capita Public Service | Contact Centre | Pension Solutions |
| 2025 | 10.2% | 10.6% | 8.9% |
| 2024 | 10.5% | 11.2% | 10.6% |

Sensitivity analysis

The impairment testing as described is reliant on the reliability of management's forecasts and the assumptions that underlie them; and on the selection of the discount and growth rates to be applied. To gauge the sensitivity of the result to a change in any one, or combination of the assumptions that underlie the model, a number of scenarios were developed to identify the range of reasonably possible alternatives and measure which CGUs are the most susceptible to an impairment should the assumptions used be varied. The most material sensitivity to the cash flow forecasts is the risk of not delivering the planned revenue growth.

The sensitivity scenarios applied estimate potential impairments required (with all other variables being equal) through: an increase in discount rate of 1%, or a decrease of 1% in the long-term growth rate (for the terminal period) for the Group in total and each of the CGUs; or, through the severe but plausible downsides applied to the base-case projections for assessing going concern and viability, without mitigations, for 2026 to 2028, and the long-term growth rate (1.5%) applied to the 2028 downside cash flows to generate projected cash flows for 2029, 2030, and the terminal period. We have also considered the impact of all the scenarios together, which is also a reasonable possible alternative.

In respect of the Capita Public Service and Pension Solution CGUs, no potential impairments have been identified under any of these sensitivity scenarios, including the combination sensitivity scenario.

Following the impairment in respect of the Contact Centre CGU as at 31 December 2025 detailed above, there is no longer any goodwill attributable to this CGU, and as such, no further risk of additional goodwill impairment in any of the sensitivity scenarios.

The calculated recoverable value of the Contact Centre CGU under each of the sensitivity scenarios detailed above gives rise to a potential impairment of non-goodwill balances attributable to the CGU, which comprise right-of-use assets, intangible assets, property, plant and equipment, and corporate assets allocated to the CGU for impairment testing purposes.

Given the potential for additional impairments under the different sensitivity scenarios, management continue to closely monitor the performance of this CGU and will consider the impact of any changes to the key assumptions, including due to the performance issues of the Contact Centre business detailed further above.

If the estimated recoverable amount was to decline further, impairment would only be recognised to the extent that the standalone fair value less cost of disposal or value in use of the individual assets did not support their carrying value at that time. Accordingly, it is impracticable to disclose the extent of the possible impact of changes to key assumptions on the carrying value of the non-goodwill assets within the CGU.

Comparison to share price and market capitalisation

The Company's market capitalisation, adjusted for the fair value of net debt, indicates an enterprise value that continues to be significantly less than the Group's sum-of-the-parts CGU valuation based upon the model prepared for impairment testing purposes at 31 December 2025. The directors gave consideration as to why this might be the case and the reasonableness of the assumptions used in the impairment model, and whether these points could indicate additional indicators of impairment in respect of the Group's goodwill balances.

The factors considered included: the differing basis of valuations (including that third parties value the services sector on income statement multiples versus long-term view using a discounted cash flow for the basis of impairment testing under accounting standards), sum-of-the-parts view and the multiples achieved on recent disposals, general market assumptions of the sector which can ignore the liquidity profile and specific risks of an entity, and other specific items impacting the market's view of the Group at the moment, including delivery of a sustainable improvement in financial performance.

Taking these points into consideration, the Board is comfortable that there is no further impairment in respect of goodwill to be recognised at 31 December 2025, despite the continuing low market capitalisation of the Group.

Section 3: Operating assets and liabilities *continued*

3.5 Right-of-use assets

AP Accounting policies

At the inception of the lease, the Group recognises a right-of-use asset at cost, which comprises the present value of minimum future lease payments determined at the inception of the lease. Right-of-use assets are depreciated using the straight-line method over the shorter of estimated life or the lease term. Amendments to lease terms resulting in a change in payments or the length of the lease results in an adjustment to the right-of-use asset and corresponding lease liability. Right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be fully recoverable. Right-of-use assets exclude leases with low values and terms of twelve months or less. These leases are expensed to the consolidated income statement when incurred.

As detailed in note 2.4, during 2025 a charge of £56.1m (2024: £27.9m) was recognised for the costs to deliver the cost reduction programme. This includes a charge of £2.7m arising from the rationalisation of the Group's property estate, including impairments of £0.1m. In 2024, a property related credit of £2.6m was recognised reflecting the successful exit of a number of properties which had been provided for previously. These amounts have been excluded from adjusted profit.

Other movements include amendments to existing leases.

| Net Book Value | Property £m | Motor vehicles £m | Equipment £m | Total £m |
|--|----------------|-------------------------|-----------------|-------------|
| At 1 January 2024 | 200.1 | 5.9 | 2.5 | 208.5 |
| Addition of new leases | 27.6 | 5.8 | 1.2 | 34.6 |
| Depreciation charged - included in adjusted profit | (35.4) | (4.2) | (1.6) | (41.2) |
| Depreciation charged - included in business exits | (1.1) | — | — | (1.1) |
| Impairment - excluded from adjusted profit | (0.2) | — | — | (0.2) |
| Transfer to lease receivable ¹ | (31.3) | — | — | (31.3) |
| Disposals - included in adjusted profit | (5.5) | (0.7) | — | (6.2) |
| Exchange movement | (0.6) | — | — | (0.6) |
| Other movements | 18.2 | 0.1 | -0.1 | 18.2 |
| At 31 December 2024 | 171.8 | 6.9 | 2.0 | 180.7 |
| Addition of new leases | 6.2 | 4.7 | 0.2 | 11.1 |
| Depreciation charged - included in adjusted profit | (31.0) | (3.3) | (1.0) | (35.3) |
| Depreciation charged - included in business exits | (0.8) | — | — | (0.8) |
| Impairment - excluded from adjusted profit | (0.1) | — | — | (0.1) |
| Disposals - included in adjusted profit | (3.8) | (0.2) | (0.2) | (4.2) |
| Exchange movement | 0.3 | — | — | 0.3 |
| Other movements | 6.7 | 0.1 | — | 6.8 |
| At 31 December 2025 | 149.3 | 8.2 | 1.0 | 158.5 |

1. Transfers to lease receivable in the year ended 31 December 2024 comprises £31.3m that was transferred at 17 January 2024 on the disposal of Fera.

3.6 Provisions

AP Accounting policies

Provisions are recognised when the Group has a present legal or constructive obligation arising from past events, it is probable that cash will be paid to settle it, and the amount can be estimated reliably.

If the effect of the time value of money is material, provisions are discounted using the yield on government bonds which have a similar timing and currency of cash flows to the provision being discounted. Where required adjustments are made to the yields to reflect the risks specific to the cash flows being discounted. The unwinding of the discount is recognised as a financing cost in the consolidated income statement.

The value of the provision is determined based on assumptions and estimates in relation to the amount, timing and likelihood of actual cash flows, which are dependent on future events. Where no reliable basis of estimation can be made, no provision is recorded. However, contingent liabilities disclosures are given when there is a greater than remote probability of outflow of economic benefits. See note 6.2.

On an ongoing basis, management monitor provisions and their accurate estimation when compared to final outcomes.

E Denotes significant accounting estimates and assumptions

As detailed in note 2.1, due to the size and complexity of some of the Group's contracts, there are significant judgements to be applied, specifically in assessing the completeness of onerous contract provisions. These judgements are dependent on assessing the contract's future profitability and give rise to a key source of estimation uncertainty. It is possible that outcomes within the next financial year may be different from management's assumptions and could require a material adjustment to the carrying amounts of contract fulfilment assets and onerous provisions. In respect of onerous customer contract provisions within the customer contract provision, due to the level of uncertainty, combination of variables and timing across numerous contracts, it is not practical to provide a quantitative analysis of the aggregated estimates and assumptions that are applied, and management do not believe that disclosing a potential range of outcomes on a consolidated basis would provide meaningful information to a user of the financial statements. A potential range of outcomes has been disclosed in respect of the provision for the migration of the Royal London contracts in the closed book Life & Pensions business exit provision. Due to commercial sensitivities, the Group does not specifically disclose the amounts involved in any individual contract, other than for the exit of the contracts with Royal London in the closed book Life & Pensions business.

In respect of claims and litigation provisions, due to the inherent uncertainty and complexity involved in determining the financial impact of legal proceedings, significant estimation is required. Management assess the likelihood of unfavourable outcomes and estimate the potential financial impact, which involves making judgments based on legal and subject matter experts advice, past experience, relevant facts, and the nature of the claims. The range of values attached to these claims, can be significant and the Group robustly defends its position on each claim and they are often settled for amounts significantly smaller than the initial claim and may result in no transfer of economic benefits. Therefore, we do not consider it practicable to disclose a range of possible outcomes for the amounts and timing of settlement of these claims.

Section 4: Capital structure and financing costs

This section outlines the Group's capital structure and financing costs. The Group defines its capital structure as its cash and cash equivalents, interest bearing loans and borrowings and equity. The Group aims to manage its capital structure to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders, by maintaining a sustainable mix of debt and equity to enable the Group to pursue its strategy. The Group makes adjustments to its capital structure in light of changes in economic conditions and strategic operational requirements. To maintain or adjust the capital structure, the Group may return capital to shareholders through dividends and share buy backs, sell assets, raise additional equity, or arrange additional debt facilities.

- 4.1 Net debt, capital and capital management
- 4.2 Financial risk
- 4.3 Finance income and finance costs
- 4.4 Leases
- 4.5 Financial instruments and the fair value hierarchy
- 4.6 Issued share capital
- 4.7 Group composition and non-controlling interests

AP

Denotes accounting policies

J

Denotes significant accounting judgements

E

Denotes significant accounting estimates and assumptions

Key highlights

Net financial debt to adjusted EBITDA¹ (both pre-IFRS 16)

Aim: Maintain the ratio of net financial debt to adjusted EBITDA¹ (both pre-IFRS 16) at $\leq 1.0x$ times over the medium term

1.0x

(2024: 0.5x)

Available liquidity¹

£329.4m

(2024: £397.2m)

1. Refer to APMs and related KPIs on pages 239-245.

Capital strategy

The Group's capital strategy is to build a strong and flexible balance sheet, which supports the Group's strategic objectives and the investment needed to support the business.

The Board aims to maintain the ratio of net financial debt to adjusted EBITDA, on a pre-IFRS 16 basis at $\leq 1.0x$ times over the medium term.

Liquidity

Available liquidity¹ at 31 December 2025 was £329.4m (2024: £397.2m) and during 2025 net financial debt (pre-IFRS 16) increased by £76.9m from £66.5m to £143.4m.

In March 2025, the Group issued £94.2m equivalent of US private placement loan notes across three tranches: £50m maturing 24 April 2028, USD13m maturing 24 April 2028 and USD43m maturing 24 April 2030, with an average interest rate of 7.4%. The notes rank pari passu with the existing indebtedness of the Group and include financial covenants at the same level as those under the revolving credit facility (RCF) and existing US private placement loan notes.

US dollar and British pound sterling private placement loan notes of USD74.3m and £29.7m respectively were repaid on maturity during January and April 2025, as per their contractual values. Net of swaps the repayments were £75.9m.

In July 2025, the Group extended its £250m RCF by twelve months to December 2027. The RCF includes a £50m accordion option, whilst all other terms remain substantially unchanged. The RCF was undrawn as at 31 December 2025.

The RCF includes a sustainability component that can adjust the margin by up to five basis points conditional upon achieving agreed Environmental, Social and Governance (ESG) key performance indicators (KPIs). These KPIs are:

1. Scope 1, Scope 2 (market based), and Scope 3 (business travel) absolute emissions reduction.
2. Employee engagement index.
3. Gender diversity at senior management level.

In February 2026, we entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing RCF. The additional facility expires 18 months from signing.

Net finance costs

Net finance costs decreased by £7.1m to £39.2m (2024: £46.3m), reflecting lower debt levels, a more favourable interest rate environment, and movements in the value of non-designated foreign exchange contracts.

Notes to the consolidated financial statements *continued*

Section 4: Capital structure and financing costs *continued*

4.1 Net debt, capital and capital management

4.1.1 Net debt and capital

The components of the Group's net debt and undrawn available liquidity are summarised below.

| | Notes | 2025 £m | 2024 £m | Year on Year movement |
|---|--------|----------------|------------|--------------------------|
| Cash and cash equivalents | 4.5.4 | (264.1) | (253.6) | (10.5) |
| Overdraft | 4.5.4 | 138.8 | 62.2 | 76.6 |
| Lease liabilities | 4.4.1 | 318.2 | 348.7 | (30.5) |
| Private placement loan notes ¹ | 4.5.2 | 266.4 | 269.3 | (2.9) |
| Other finance | 4.5.2 | 0.3 | 0.1 | 0.2 |
| Cross currency interest rate swaps | 4.5.2 | 1.3 | (12.2) | 13.5 |
| Deferred consideration | 4.5.2 | 0.7 | 0.7 | — |
| Net debt | | 461.6 | 415.2 | 46.4 |
| Undrawn available financing facilities | 4.5.2b | 250.0 | 250.0 | — |
| Capital | | 711.6 | 665.2 | 46.4 |

1. Private placement loan notes include US dollar and British pound sterling private placement loan notes.

A reconciliation of net debt shown above to cash flow can be found in note 2.9.3.

The overdrafts are part of a notional cash pooling arrangements in which the balances are fully offset by cash balances within the same arrangements.

4.1.2 Capital management

Capital management forms an important component of Board meetings, including reviews of forecast gearing, key covenant tests, and the mix of funding sources, thereby ensuring sustainability and flexibility. Shareholder returns are reviewed in accordance with the Group's generation of sustainable free cash flow.

The Group's capital management process ensures that it meets the financial covenants of its borrowing arrangements. There are two separate sets of covenant tests underlying the Group's financial instruments with the key difference being the treatment of IFRS 16. Under the test for the bank facilities and US private placement loan notes these covenants are based on maintaining minimum ratios associated with adjusted net debt to adjusted EBITDA and annualised interest cover. There have been no breaches in the financial covenants of any loans or borrowings during the reporting period.

To accommodate for the accounting impact of providing in 2025 for the future losses related to the transition agreement reached with Royal London to exit the remaining legacy contracts, the Group obtained lender approval to amend the US private placement interest coverage covenant for the measurement periods ending 31 December 2025 and 30 June 2026, resetting the minimum permitted value to 3.0x. Upon expiry of the amendment period, the covenant reverts to its original minimum permitted value of 4.0x.

The committed RCF provides the liquidity needed to cover the cash fluctuations during the business cycle, allowing a buffer for contingencies.

Capita plc supports the obligations of its various regulated financial services businesses. The board of each regulated firm is responsible for ensuring it has embedded capital management frameworks that ensure the availability of adequate financial resources at all times, and all externally imposed financial services regulatory capital requirements have been observed.

At 31 December 2025, the Group had a total of £24.6m (2024: £23.4m) invoices sold under non-recourse trade receivables financing facilities, including £17.2m (2024: £14.5m) attributable to the UK facility and £7.4m (2024: £8.9m) attributable to the Germany contract-specific facility. Both facilities provide an economically favourable rate versus the RCF. In addition, the Group utilises a credit card facility, the outstanding balance of which was £4.5m at 31 December 2025 (2024: £5.2m).

4.2 Financial risk

Financial risk management objectives and policies

The Group's Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework, which is outlined on pages 79 to 81 of the strategic report. The Group's principal financial instruments comprise cash, bank loans, private placement loan notes, lease assets and liabilities, and derivatives. The purpose of these is to fund and provide liquidity for the Group's operations and to manage its financial risks. The Group has various other financial instruments including trade receivables and trade payables arising from its operations.

Derivatives comprise cross-currency interest rate swaps, and forward foreign currency contracts executed with its relationship banks, all of which have investment grade credit ratings. The derivatives' purpose is to manage interest rate and currency risks arising from the Group's operations and its sources of finance. It is the Group's policy that no speculative trading in financial instruments is undertaken.

The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk, interest rate risk, and credit risk. The Board periodically reviews and agrees policies for managing these risks, which are summarised below.

Section 4: Capital structure and financing costs *continued*

4.2 Financial risk continued

4.2.1 Liquidity risk

The Group monitors the risk of a liquidity shortage through its business plan and liquidity cycle forecasts and analysis, taking into consideration the maturity of the Group's financial instruments, projected cash flows from operations and an allowance for contingencies.

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to fund the Group's operations and its medium-term plans. Multiple sources of funding are used to maintain a balance between continuity of funding and flexibility without placing reliance on sources that are not contractually committed.

The Group's committed bank facilities provide liquidity for the cash fluctuations during the business cycle and an allowance for contingencies. In July 2025, the Group extended its £250m revolving credit facility (RCF) by a further twelve months to December 2027. The RCF includes a £50m accordion option, whilst all other terms remain substantially unchanged.

The RCF was undrawn at 31 December 2025 (2024: undrawn).

In February 2026, we entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing RCF. The additional facility expires 18 months from signing.

The Group's core funding is provided by private placement loan notes, and to mitigate the risk of needing to refinance in challenging conditions, these have been arranged with a spread of maturities to April 2030.

The bank facilities and private placement loan notes all include provisions that would require repayment in the event of a change of control, and also contain cross default provisions, which are typical of these arrangements.

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows. All balances are stated based on the prevailing foreign exchange rates and the contractual interest rates at the balance sheet date.

| At 31 December 2025 | Within 1 year £m | Between 1–2 years £m | Between 2–3 years £m | Between 3–4 years £m | Between 4–5 years £m | More than 5 years £m | Total £m |
|------------------------------------|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Overdraft* | 138.8 | — | — | — | — | — | 138.8 |
| Private placement loan notes | 116.4 | 44.2 | 76.8 | — | 32.0 | — | 269.4 |
| Interest on loan notes | 18.0 | 8.8 | 5.8 | 2.3 | 1.1 | — | 36.0 |
| Lease liabilities | 57.3 | 49.3 | 44.1 | 35.3 | 28.9 | 221.8 | 436.7 |
| Deferred consideration | — | 0.7 | — | — | — | — | 0.7 |
| Cross-currency interest rate swaps | 0.9 | — | — | — | — | — | 0.9 |
| Cash flow hedges currency swaps | 8.3 | 5.0 | 5.0 | 2.6 | 2.6 | — | 23.5 |
| Other financial instruments | 0.3 | — | — | — | — | — | 0.3 |
| | 340.0 | 108.0 | 131.7 | 40.2 | 64.6 | 221.8 | 906.3 |

* The Group has a notional cash pool under which the bank may net cash balances with overdrafts held by other Group companies in the arrangement. The overdraft balances shown are fully offset by credit balances in the same arrangement.

| At 31 December 2024 | Within 1 year £m | Between 1–2 years £m | Between 2–3 years £m | Between 3–4 years £m | Between 4–5 years £m | More than 5 years £m | Total £m |
|--------------------------------------|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Overdraft* | 62.2 | — | — | — | — | — | 62.2 |
| Private placement loan notes | 89.0 | 119.9 | 45.7 | 18.4 | — | — | 273.0 |
| Interest on loan notes | 13.4 | 11.8 | 2.4 | 4.5 | — | — | 32.1 |
| Lease liabilities | 63.3 | 52.5 | 45.9 | 40.6 | 35.1 | 249.1 | 486.5 |
| Deferred consideration | — | 0.7 | — | — | — | — | 0.7 |
| Cross-currency interest rate swaps | 1.1 | 1.1 | — | — | — | — | 2.2 |
| Cash flow hedges currency swaps | 5.0 | 5.0 | 1.7 | 1.7 | — | — | 13.4 |
| Cash flow hedges Interest rate swaps | 1.7 | — | — | — | — | — | 1.7 |
| Other financial instruments | 0.1 | — | — | — | — | — | 0.1 |
| | 235.8 | 191.0 | 95.7 | 65.2 | 35.1 | 249.1 | 871.9 |

Notes to the consolidated financial statements *continued*

Section 4: Capital structure and financing costs *continued*

4.2 Financial risk continued

4.2.2 Foreign currency risk

The Group is not generally exposed to significant foreign currency transaction risk with two exceptions.

Firstly, services are provided by the Group's operations in India, South Africa and Poland and incurred in Indian rupee (INR), South African rand (ZAR) and Polish zloty (PLN), respectively. The Group seeks to mitigate the short term effect of this exposure by entering into forward foreign exchange contracts to fix the British pounds sterling (GBP) cost of highly probable transactions.

At 31 December 2025, the Group held forward foreign exchange contracts against forecast internal monthly INR, ZAR and PLN costs expected in the periods up to and including December 2028 for all three currencies. These forecast costs have been determined on the basis of the underlying cash flows associated with the delivery of services under executed customer contracts.

Secondly, the Group holds foreign exchange forwards against committed costs relating to the purchase of cloud software services in US dollars (USD) in the periods up to and including November 2030.

To maximise hedge effectiveness, forward foreign exchange contracts are executed with terms matching the underlying cash flows.

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a 5% strengthening/(weakening) in USD, INR, ZAR, and PLN exchange rates, assuming all other variables are unchanged, that would arise from the resulting changes in the fair value of the Group's forward exchange contracts.

| | 2025 | | 2024 | |
|-----|-----------------------------------|------------------------|-----------------------------------|------------------------|
| | Effect on profit before tax £m | Effect on equity £m | Effect on profit before tax £m | Effect on equity £m |
| USD | 1.7 | 14.1 | 1.3 | 0.6 |
| INR | — | 5.4 | — | 1.3 |
| ZAR | — | 0.4 | — | 1.3 |
| PLN | 0.3 | — | — | 0.3 |

4.2.3 Interest rate risk

The Group manages its interest rate exposure, which arises from the Group's private placement loan notes, cash, deposits and RCF drawings at variable interest rates through cross-currency interest rate swaps and interest rate swaps. The cross currency interest rate swaps are designated in a mix of fair value and cash flow hedges against the fair value changes of the private placement loan notes and variability in future cash flows.

The net level of floating rate interest exposure is managed to arrive at an acceptable overall interest rate risk profile. The interest rate profile of the Group's interest-bearing financial instruments was as follows:

| Nominal amounts | Within 1 year £m | Between 1–2 years £m | Between 2–3 years £m | Between 3–4 years £m | Between 4–5 years £m | More than 5 years £m | Total £m |
|------------------------------|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------|
| At 31 December 2025 | | | | | | | |
| Fixed rate | | | | | | | |
| Private placement loan notes | 118.4 | 40.9 | 77.8 | — | 34.0 | — | 271.1 |
| Floating rate | | | | | | | |
| Cash in hand | (264.1) | — | — | — | — | — | (264.1) |
| Overdraft | 138.8 | — | — | — | — | — | 138.8 |
| At 31 December 2024 | | | | | | | |
| Fixed rate | | | | | | | |
| Private placement loan notes | 75.9 | 118.4 | 40.9 | 17.5 | — | — | 252.7 |
| Floating rate | | | | | | | |
| Cash in hand | (253.6) | — | — | — | — | — | (253.6) |
| Overdraft | 62.2 | — | — | — | — | — | 62.2 |

A sensitivity analysis to changes in interest rates shows that a 0.5% increase or decrease in interest rates, assuming all other variables are held constant, results in a £nil (2024: £nil) increase or decrease to profit before tax, and no impact on the Group's equity.

Notes to the consolidated financial statements *continued*

Section 4: Capital structure and financing costs *continued*

4.2 Financial risk continued

4.2.4 Hedges continued

The cash flow hedges have been assessed to be highly effective. The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of the hedging instruments. The following table provides an analysis of components of equity resulting from cash flow hedge accounting:

| | 2025 £m | 2024 £m |
|---|------------|------------|
| At 1 January | 1.5 | (3.8) |
| Change in fair value recognised in the consolidated statement of other comprehensive income | (14.4) | 9.9 |
| Reclassified to the consolidated income statement: | | |
| recognised in administrative expenses | 9.7 | (2.8) |
| Change in tax | 1.2 | (1.8) |
| At 31 December | (2.0) | 1.5 |

4.2.5 Credit risk

The carrying values of the Group's financial assets and contract assets represent its maximum credit exposure.

The mark-to-market movement on derivatives includes the extent to which the fair value of these instruments has been affected by the perceived change in the creditworthiness of the counterparties (ie the expected credit losses) to those instruments and that of the Group itself (own credit risk). The Group is comfortable that the risk attached to those counterparties is not significant and believes that the swaps continue to act as an effective hedge against the movements in the fair value of the Group's private placement loan notes.

4.3 Finance income and finance costs

The table below shows the composition of finance income and finance costs, including those excluded from adjusted profit:

| | Notes | 2025 £m | 2024 £m |
|--|-------|--------------|--------------|
| Finance income | | | |
| Interest income included in adjusted profit | | | |
| Interest on cash | | (1.8) | (1.5) |
| Interest on finance lease assets | | (5.4) | (5.6) |
| Net interest income on defined benefit pension schemes | 5.2 | (2.3) | (2.1) |
| Total interest income included in adjusted profit | | (9.5) | (9.2) |
| Interest income included in business exits | | | |
| Interest on cash | | (0.9) | (0.8) |
| Total interest income included in business exits | | (0.9) | (0.8) |

Other finance income excluded from adjusted profit

| | | |
|--|---------------|---------------|
| Non-designated foreign exchange forward contracts – change in mark-to-market value | (1.0) | — |
| Fair value hedge ineffectiveness ² | (1.1) | — |
| Total finance income excluded from adjusted profit | (3.0) | (0.8) |
| Total finance income | (12.5) | (10.0) |

Finance costs

Interest expense included in adjusted profit

| | | |
|---|-------------|-------------|
| Private placement loan notes ¹ | 20.0 | 20.0 |
| Bank loans and overdrafts | 5.3 | 8.0 |
| Cost of non-recourse trade receivables financing | 3.1.1 | 2.6 |
| Interest on finance lease liabilities | 20.6 | 21.9 |
| Total interest expense included in adjusted profit | 48.5 | 53.3 |

Interest expense included in business exits

Trading interest expense

| | | |
|---|------------|------------|
| Bank loans and overdrafts | — | 0.5 |
| Interest on finance lease liabilities | 0.2 | 0.8 |
| Discount unwind on provisions | 2.2 | 1.6 |
| Total trading business exit interest expense | 2.4 | 2.9 |

Non-trading interest expense

| | | |
|---|------------|------------|
| Other financing costs | 0.8 | — |
| Total non-trading business exit interest expense | 0.8 | — |
| Total finance costs included in business exits | 3.2 | 2.9 |

Other finance costs excluded from adjusted profits

| | | |
|--|------------|------------|
| Non-designated foreign exchange forward contracts – change in mark-to-market value | — | (0.4) |
| Fair value hedge ineffectiveness ² | 4.2.4 | — |
| Total finance costs excluded from adjusted profit | 3.2 | 3.0 |

| | | |
|----------------------------|-------------|-------------|
| Total finance costs | 51.7 | 56.3 |
|----------------------------|-------------|-------------|

| | | |
|--------------------------------|-------------|-------------|
| Total net finance costs | 39.2 | 46.3 |
|--------------------------------|-------------|-------------|

1. Private placement loan notes comprise US dollar and British pound sterling private placement loan notes.

2. Fair value hedge ineffectiveness arises from changes in currency basis, and the movement in a provision for counterparty risk associated with the swaps.

Section 4: Capital structure and financing costs *continued*

4.4 Leases

AP Accounting policies

The Group leases various assets, comprising land and buildings, equipment and motor vehicles.

The determination whether an arrangement is, or contains, a lease is based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The following sets out the Group's lease accounting policy for all leases with the exception of leases with low value and term of twelve months or less which are expensed to the consolidated income statement.

The Group as a lessee

The accounting policy for right-of-use assets is included in note 3.5.

The Group recognises lease liabilities where a lease contract exists and right-of-use assets representing the right to use the underlying leased assets.

At the commencement of a lease, the Group recognises the lease liability measured at the present value of the lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Incremental borrowing rates are determined monthly and depend on the term, country, currency and commencement date of the lease. The incremental borrowing rate is determined based on a series of inputs including: the risk-free rate based on swap market data; a country-specific risk adjustment; a credit risk adjustment; and an entity-specific adjustment where the entity risk profile is different to that of the Group.

The lease liability is subsequently remeasured (with a corresponding adjustment to the related right-of-use asset) when there is a change in future lease payments due to a renegotiation or market rent review, a change of an index or rate or a reassessment of the lease term.

Lease payments are apportioned between a finance charge and a reduction of the lease liability based on the constant interest rate applied to the remaining balance of the liability. Interest expense is included within net finance costs in the consolidated income statement.

Lease payments comprise fixed payments, including in-substance fixed payments such as service charges and variable lease payments that depend on an index or a rate, initially measured using the minimum index or rate at inception date. The payments also include any lease incentives and any penalty payments for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease term determined comprises the non-cancellable period of the lease contract. Periods covered by an option to extend the lease are included if the Group has reasonable certainty that the option will be exercised, and periods covered by an option to terminate are included if it is reasonably certain that this will not be exercised.

The Group has elected to apply the practical expedient in IFRS 16 *Leases* paragraph 15 not to separate non-lease components such as service charges from lease rental charges.

The Group as a lessor

When the Group acts as a lessor, it determines at lease commencement whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee all of the risks and rewards of ownership in relation to the underlying asset. If this is the case, then the lease is a finance lease. If not, then it is an operating lease.

The Group acts as an intermediate lessor of property assets and equipment. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses whether the sub-lease is a finance or operating lease in the context of the right-of-use asset arising from the head lease.

In instances where the Group is the intermediate lessor and the sub-lease is classified as a finance lease, the Group recognises a net investment in sub-leases for amounts recoverable from the sub-lessees while derecognising the right-of-use asset. The lease liability is retained on the balance sheet. The net investment in sub-leases is classified as current or non-current finance assets in the consolidated balance sheet according to whether or not the amounts will be recovered within twelve months of the balance sheet date. Finance income recognised in respect of net investment in sub-leases is presented within net finance costs in the consolidated income statement and the capital element of lease rental received is presented within investing activities in the consolidated cash flow statement.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. The Group accounts for finance leases as finance lease receivables, using an incremental borrowing rate where the interest rate implicit in sub-lease is not easily determinable.

Notes to the consolidated financial statements *continued*Section 4: Capital structure and financing costs *continued*

4.4 Leases continued

4.4.1 The Group as a lessee

| Amounts recognised on the balance sheet | 2025 £m | 2024 £m | Type of financial instrument |
|---|--------------|------------|---------------------------------|
| Lease liabilities | 318.2 | 348.7 | Financial liabilities |

The lease liability includes £13.5m (2024: £12.0m) of future lease payments (undiscounted) for leases with termination options that could be exercised but are recognised at full term. The potential future cash outflows of £11.4m (2024: £7.2m) (undiscounted) have not been included in the lease liability because the Group is reasonably certain that the leases will not be extended. The total cash outflow for leases was £65.5m (2024: £76.3m) consisting of interest paid of £20.8m (2024: £22.7m) and capital element of £44.7m (2024: £53.6m).

Right-of-use assets are disclosed in note 3.5, the maturity analysis of lease liabilities is included in note 4.2.1 and interest expense in note 4.3.

4.4.2 The Group as a lessor

| Amounts recognised on the balance sheet | 2025 £m | 2024 £m | Type of financial instrument |
|---|-------------|------------|---------------------------------|
| Lease receivables | 96.6 | 95.7 | Financial assets |

The maturity analysis of lease receivables, including the undiscounted lease payments to be received, is as follows:

| | 2025 £m | 2024 £m |
|--|---------------|------------|
| Within 1 year | 10.1 | 9.5 |
| Between 1-2 years | 10.2 | 10.0 |
| Between 2-3 years | 10.2 | 6.4 |
| Between 3-4 years | 10.2 | 6.4 |
| Between 4-5 years | 10.2 | 10.1 |
| More than 5 years | 94.3 | 107.5 |
| Total undiscounted lease payments receivable | 145.2 | 149.9 |
| Unearned finance income | (48.6) | (54.2) |
| Net investment in lease receivables | 96.6 | 95.7 |

| Change in finance lease receivables during the year | 2025 £m | 2024 £m |
|--|--------------|------------|
| At 1 January | 95.7 | 70.3 |
| Payments received | (9.6) | (11.5) |
| Interest accrued (see note 4.3) | 5.4 | 5.6 |
| Transfers from right-of-use assets ¹ (see note 3.5) | — | 31.3 |
| Other movements | 5.1 | — |
| At 31 December | 96.6 | 95.7 |

1. Transfers from right-of-use assets in the year ended 31 December 2024 comprises £31.3m that was transferred at 17 January 2024 on the disposal of Fera.

The expenses related to short-term leases, leases of low-value assets and income from sub-leases are immaterial and therefore there is no separate disclosure.

The Group sublets leased property it no longer utilises for its own operations. Two sub-leases include an option for the lessee to terminate the lease earlier than the Group's lease with its landlord. For both of these sub-leases, management assessed it was reasonably certain that the break clause will not be exercised and, accordingly, determined that the sub-lease is a finance lease. This resulted in the recognition of a finance lease receivable. This judgement was based on a number of factors as prescribed within IFRS 16 such as incentive to lessee, importance of the location to the lessee's operations, shorter non-cancellable period of the lease, and the lessee's modifications to, and customisation of, the property. At 31 December 2025, the combined lease receivable related to these properties was £95.2m and is included in the balance above.

Section 4: Capital structure and financing costs *continued*

4.5 Financial instruments and the fair value hierarchy

AP Accounting policies

Financial instruments – classification of financial instruments

The Group classifies its financial instruments in the following measurement categories:

- those to be measured subsequently at fair value, either through other comprehensive income (FVOCI) or through profit or loss (FVPL); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial instruments

At initial recognition, the Group measures a financial instrument at its fair value plus, in the case of a financial instrument not at FVPL, transaction costs that are directly attributable to the acquisition of the financial instrument. Transaction costs of financial instruments carried at FVPL are expensed in the consolidated income statement.

Financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Purchases and sales of financial instruments are recognised on their trade date (ie the date the Group commits to purchase or sell the instrument). Financial instruments are derecognised when the rights to receive/pay cash flows from the financial instrument have expired or have been transferred such that the Group has transferred substantially all risks and rewards of ownership.

Debt instruments

Debt instruments are initially recognised at fair value less directly attributable transaction costs and are subsequently remeasured depending on the Group's business model for managing the instrument and the cash flow characteristics of the debt instrument. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** instruments that are held for collection/payment of contractual cash flows are measured at amortised cost where those cash flows represent solely payments of principal and interest. Interest income/expense from these financial instruments is included in net finance costs using the effective interest rate method.
- **FVOCI:** instruments that are held for collection/payment of contractual cash flows and for selling the financial instrument are measured at FVOCI where the instrument's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through consolidated Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains/losses, which are recognised in the consolidated income statement. When the financial instrument is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified to the consolidated income statement and recognised in other gains/(losses).
- **FVPL:** instruments that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain/loss on a debt instrument that is measured at FVPL is recognised in the consolidated income statement and presented within net finance costs.

The Group reclassifies debt instruments when, and only when, its business model for managing those instruments changes.

Equity instruments

Investments in equity instruments are initially recognised at fair value and are subsequently remeasured at fair value with the movement recognised through the consolidated income statement, except where an election has been made for the movement to be recognised through OCI. An election can be made on initial recognition of equity instruments that are neither held-for-trading or instruments acquired as part of a business combination. Once an election has been made all movements in fair value, with the exception of dividends, are presented through OCI and there is no subsequent reclassification of fair value gains/losses to the consolidated income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated income statement as other income when the Group's right to receive payment is established.

Impairment

The Group assesses, on a forward looking basis, the expected credit losses associated with its financial instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derivatives

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value at the end of each reporting period with the movement recognised through the consolidated income statement, except where derivatives qualify for cash flow hedge accounting. The effective proportion of cash flow hedges is recognised in OCI and presented in the hedging reserve within equity. The cumulative gain/loss is subsequently reclassified to the consolidated income statement in the same period that the relevant hedged transaction is realised.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

4.5.1 Fair value hierarchy

The Group's financial assets and liabilities are classified based on the following fair value hierarchy:

- **Level-1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level-2:** other techniques for which inputs that have a significant effect on the recorded fair value are based on observable (directly or indirectly) market data. With the exception of current financial instruments (which have a short maturity), the fair value of the Group's level-2 financial instruments were calculated by discounting the expected future cash flows at prevailing interest rates. The valuation models incorporate various inputs including foreign exchange spot and forward rates and interest rate curves. In the case of floating rate borrowings the nominal value approximates to fair value because interest is set at floating rates where payments are reset to market values at intervals of less than one year.
- **Level-3:** other techniques for which inputs that have a significant effect on the recorded fair value are not based on observable market data.

Other financial instruments, where observable market data is not available, are carried at either amortised cost or cost (undiscounted cash flows) as a reasonable approximation of fair value.

During the year ended 31 December 2025, there were no transfers between fair value levels.

Notes to the consolidated financial statements *continued*Section 4: Capital structure and financing costs *continued*

4.5 Financial instruments and the fair value hierarchy continued

4.5.2 Financial instruments and their fair value hierarchy classification

The following table analyses, by classification and category, the carrying value of the Group's financial instruments and identifies the level of the fair value hierarchy for the instruments carried at fair value:

| At 31 December 2025 | Note | Fair value hierarchy | FVPL £m | FVOCI £m | Derivatives used for hedging £m | Amortised cost £m | Total £m | Current £m | Non- current £m |
|--|-------|----------------------|------------|-------------|--|-------------------------|-------------|---------------|-----------------------|
| Financial assets | | | | | | | | | |
| Lease receivables | 4.4.2 | n/a | — | — | — | 96.6 | 96.6 | 4.8 | 91.8 |
| Cash flow hedges – foreign exchange contracts | 4.2.4 | Level-2 | — | — | 3.5 | — | 3.5 | 1.7 | 1.8 |
| Non-designated foreign exchange forwards and swaps | | Level-2 | 0.3 | — | — | — | 0.3 | 0.3 | — |
| Originated loans receivable | | n/a | — | — | — | 0.7 | 0.7 | — | 0.7 |
| Financial assets at fair value through P&L | | Level-3 | 3.1 | — | — | — | 3.1 | — | 3.1 |
| Financial assets at fair value through OCI | | Level-3 | — | 0.7 | — | — | 0.7 | — | 0.7 |
| | | | 3.4 | 0.7 | 3.5 | 97.3 | 104.9 | 6.8 | 98.1 |
| Other financial assets | | | | | | | | | |
| Cash and cash equivalents | 4.5.4 | n/a | — | — | — | 264.1 | 264.1 | 264.1 | — |
| Total financial assets | | | 3.4 | 0.7 | 3.5 | 361.4 | 369.0 | 270.9 | 98.1 |
| Financial liabilities | | | | | | | | | |
| Private placement loan notes | a | n/a | — | — | — | 266.4 | 266.4 | 114.4 | 152.0 |
| Other finance | | n/a | — | — | — | 0.3 | 0.3 | 0.3 | — |
| Cash flow hedges – foreign exchange contracts | 4.2.4 | Level-2 | — | — | 4.9 | — | 4.9 | 1.7 | 3.2 |
| Cash flow hedges – currency swaps | 4.2.4 | Level-2 | — | — | 4.8 | — | 4.8 | 1.1 | 3.7 |
| Cash flow hedges – interest rate swaps | 4.2.4 | Level-2 | — | — | 0.1 | — | 0.1 | 0.1 | — |
| Non-designated foreign exchange forwards and swaps | | Level-2 | 0.8 | — | — | — | 0.8 | 0.6 | 0.2 |
| Cross-currency interest rate swaps | a | Level-2 | — | — | 1.3 | — | 1.3 | 1.3 | — |
| Deferred consideration payable | | n/a | — | — | — | 0.7 | 0.7 | — | 0.7 |
| | | | 0.8 | — | 11.1 | 267.4 | 279.3 | 119.5 | 159.8 |
| Other financial liabilities | | | | | | | | | |
| Overdrafts | 4.5.4 | n/a | — | — | — | 138.8 | 138.8 | 138.8 | — |
| Lease liabilities | 4.4.1 | n/a | — | — | — | 318.2 | 318.2 | 39.5 | 278.7 |
| Total financial liabilities | | | 0.8 | — | 11.1 | 724.4 | 736.3 | 297.8 | 438.5 |

Section 4: Capital structure and financing costs *continued*

4.5 Financial instruments and the fair value hierarchy continued

4.5.2 Financial instruments and their fair value hierarchy classification continued

Financial assets measured at amortised cost consist of cash, lease receivables, originated loans and deferred consideration receivable. The carrying value of cash is a reasonable approximation of its fair value due to the short-term nature of the instruments. Lease receivables, originated loans and deferred consideration receivable are measured at amortised cost using the effective interest rate method. Included in other investments are £0.7m (2024: £0.7m) of strategic investments in unlisted equity securities which are not held-for-trading and the Group elected to recognise at Fair Value through Other Comprehensive Income (FVOCI). During the period no dividends were received from, and no disposals were made of, strategic investments.

The financial assets at Fair Value through Profit and Loss (FVPL) relate to the Group's minority shareholdings in companies as part of the Capita Scaling Partner business. As disclosed in note 2.8, during the first half of 2024 the Group decided to exit the Capita Scaling Partner business as a whole, while seeking to maximise value from the remaining investments. Following the decision to exit the business and subsequent losses realised on disposals in the second half of 2024, the Group evolved its revaluation approach for these assets to take into account recent experiences, and to better reflect expected disposal proceeds.

Financial liabilities measured at amortised cost consist of private placement loan notes, overdrafts, lease liabilities, credit facilities and deferred consideration payable. With the exception of certain series within the fixed rate private placement loan notes, the carrying value of financial liabilities are a reasonable approximation of their fair value. This is because either the interest payable is close to market rates or the liability is short-term in nature. The private placement loan note series, for which this approximation does not apply, are those that are subject to longer term fixed rate of interest – these have an underlying carrying value of £233.5m (2024: £175.0m) and a fair value of £234.1m (2024: £168.8m), which is considered to fall into level-2. Lease liabilities and deferred consideration payable are measured at amortised cost using the effective interest rate method.

The Group's key financial liabilities are set out below:

a. Private placement loan notes

The private placement loan notes were issued in USD and GBP. The Group manages its exposure to foreign exchange and interest rate movements through cross-currency interest rate swaps, interest rate swaps, and cross currency swaps. USD and GBP private placement loan notes totalling USD74.3m and £22.3m were repaid, as per their contractual values, on their maturities in January 2025 and April 2025. In April 2025, the Group issued £94.2m equivalent of US private placement loan notes across three tranches: £50m maturing 24 April 2028, USD13m maturing 24 April 2028 and USD43m maturing 24 April 2030, with an average interest rate of 7.4%. The notes rank pari passu with the existing indebtedness of the Group and include financial covenants at the same level as those under the revolving credit facility (RCF) and existing US private placement loan notes.

b. Bank facilities

At 31 December 2025, the total value of committed facilities was £250.0m, of which none was drawn (2024: total facilities of £250.0m of which none was drawn). Details of the Group's bank facilities are provided for in note 4.2.1.

Notes to the consolidated financial statements *continued*Section 4: Capital structure and financing costs *continued*4.5 Financial instruments and the fair value hierarchy *continued*4.5.2 Financial instruments and their fair value hierarchy classification *continued*

| At 31 December 2024 | Note | Fair value hierarchy | FVPL £m | FVOCI £m | Derivatives used for hedging £m | Amortised cost £m | Total £m | Current £m | Non- current £m |
|--|-------|----------------------|------------|-------------|--|-------------------------|-------------|---------------|-----------------------|
| Financial assets | | | | | | | | | |
| Lease receivables | 4.4.2 | n/a | — | — | — | 95.7 | 95.7 | 4.2 | 91.5 |
| Cash flow hedges – foreign exchange contracts | 4.2.4 | Level-2 | — | — | 1.8 | — | 1.8 | 0.4 | 1.4 |
| Cash flow hedges – currency swaps | 4.2.4 | Level-2 | — | — | 2.7 | — | 2.7 | 1.8 | 0.9 |
| Cash flow hedges – interest rate swaps | 4.2.4 | Level-2 | — | — | 0.2 | — | 0.2 | 0.2 | — |
| Non-designated foreign exchange forwards and swaps | | Level-2 | 0.7 | — | — | — | 0.7 | 0.6 | 0.1 |
| Cross-currency interest rate swaps | a | Level-2 | — | — | 13.0 | — | 13.0 | 13.0 | — |
| Originated loans receivable | | n/a | — | — | — | 0.7 | 0.7 | — | 0.7 |
| Financial assets at fair value through P&L | | Level-3 | 4.1 | — | — | — | 4.1 | 0.4 | 3.7 |
| Financial assets at fair value through OCI | | Level-3 | — | 0.7 | — | — | 0.7 | — | 0.7 |
| | | | 4.8 | 0.7 | 17.7 | 96.4 | 119.6 | 20.6 | 99.0 |
| Other financial assets | | | | | | | | | |
| Cash and cash equivalents | 4.5.4 | n/a | — | — | — | 253.6 | 253.6 | 253.6 | — |
| Total financial assets | | | 4.8 | 0.7 | 17.7 | 350.0 | 373.2 | 274.2 | 99.0 |
| Financial liabilities | | | | | | | | | |
| Private placement loan notes | a | n/a | — | — | — | 269.3 | 269.3 | 87.6 | 181.7 |
| Other finance | | n/a | — | — | — | 0.1 | 0.1 | 0.1 | — |
| Cash flow hedges – interest rate swaps | 4.2.4 | Level-2 | — | — | 0.3 | — | 0.3 | 0.3 | — |
| Non-designated foreign exchange forwards and swaps | | Level-2 | 0.2 | — | — | — | 0.2 | 0.2 | — |
| Cross-currency interest rate swaps | a | Level-2 | — | — | 0.8 | — | 0.8 | — | 0.8 |
| Deferred consideration payable | | n/a | — | — | — | 0.7 | 0.7 | — | 0.7 |
| | | | 0.2 | — | 1.1 | 270.1 | 271.4 | 88.2 | 183.2 |
| Other financial liabilities | | | | | | | | | |
| Overdrafts | 4.5.4 | n/a | — | — | — | 62.2 | 62.2 | 62.2 | — |
| Lease liabilities | 4.4.1 | n/a | — | — | — | 348.7 | 348.7 | 42.9 | 305.8 |
| Total financial liabilities | | | 0.2 | — | 1.1 | 681.0 | 682.3 | 193.3 | 489.0 |

Section 4: Capital structure and financing costs *continued*

4.5 Financial instruments and the fair value hierarchy continued

4.5.2 Financial instruments and their fair value hierarchy classification continued

The following table shows the movement from the opening balances to the closing balances for Level-3 fair values.

| | Put options of non-controlling interests £m | Investments FVPL and FVOCI £m |
|--|--|--|
| At 1 January 2024 | 8.5 | 17.6 |
| Change in put-options recognised in other comprehensive income | (8.5) | — |
| Disposals | — | (8.2) |
| Gain in fair value recognised in income statement | — | (4.6) |
| At 31 December 2024 | — | 4.8 |
| Disposals | — | (0.5) |
| Loss in fair value recognised in income statement | — | (0.5) |
| At 31 December 2025 | — | 3.8 |

4.5.3 Borrowings

Details of the Group's current RCF facility are provided for in note 4.2.1.

Borrowing costs of £1.5m were capitalised in the year (2024: £nil). At 31 December 2025, the Group's private placement loan note series had a GBP equivalent underlying carrying value of £267.8m (2024: £257.1m) (see note 4.5.2a) analysed as follows:

| Maturity | Denomination | Interest rate % | Nominal value Ccy/m |
|--|--------------|--------------------|------------------------|
| 25 July 2026 | GBP | 9.350 | 50.0 |
| 27 October 2026 | GBP | 2.770 | 18.6 |
| 22 January 2027 | GBP | 3.580 | 23.8 |
| 24 April 2028 | GBP | 7.300 | 50.0 |
| Total GBP denominated | GBP | | 142.4 |
| 25 July 2026 | USD | 8.000 | 45.0 |
| 27 October 2026 | USD | 3.590 | 19.3 |
| 22 January 2027 | USD | 3.800 | 27.5 |
| 25 July 2028 | USD | 8.210 | 23.0 |
| 24 April 2028 | USD | 6.940 | 13.0 |
| 24 April 2030 | USD | 7.090 | 43.0 |
| Total USD denominated¹ | USD | | 170.8 |

1. USD denominated loan notes have a GBP equivalent underlying carrying value of £127.2m. The Group has entered into a combination of cross currency and interest rate swaps to achieve a GBP fixed rate of interest. Further disclosure on the Group's use of hedges is included in note 4.2.

4.5.4 Cash, cash equivalents and overdrafts

The Group has a notional cash pool with its bank under which the bank is able to net overdrafts against cash balances held by other Group companies within the same notional pool. The overdraft balances shown below are fully offset by cash balances within the same notional pool. Since the pool is notional, the Group's gross cash and overdraft position is presented below:

| | 2025 £m | 2024 £m |
|--|--------------|--------------|
| Cash and cash equivalents | 264.1 | 253.6 |
| Overdrafts | (138.8) | (62.2) |
| Total cash, cash equivalents and overdrafts | 125.3 | 191.4 |

Within total cash, cash equivalents and overdrafts, £45.9m (2024: £44.2m) is restricted cash, which includes cash required to be held under FCA regulations, cash held in foreign bank accounts, and cash represented by non-controlling interests.

Notes to the consolidated financial statements *continued*Section 4: Capital structure and financing costs *continued*

4.6 Issued share capital

| | 2025 thousands | 2024 thousands | 2025 £m | 2024 £m |
|---|-------------------|-------------------|------------|------------|
| Allotted, called up and fully paid | | | | |
| Ordinary shares of 2 1/15p each | | | | |
| At 1 January | 1,701,274 | 1,701,274 | 35.2 | 35.2 |
| Share consolidation | (1,587,856) | — | — | — |
| Ordinary shares of 31p each post share consolidation | 113,418 | 1,701,274 | 35.2 | 35.2 |
| Issue of share capital to the Employee benefit trust | 942 | — | 0.3 | — |
| Issue of share capital to Royal London (note 2.8) | 5,671 | — | 1.7 | — |
| At 31 December | 120,031 | 1,701,274 | 37.2 | 35.2 |
| Share premium | | | 2025 £m | 2024 £m |
| Ordinary shares of 2 1/15p each | | | | |
| At 1 January | | | 1,145.5 | 1,145.5 |
| Share premium cancellation | | | (1,145.5) | — |
| Issue of share capital to Royal London (note 2.8) | | | 20.7 | — |
| At 31 December | | | 20.7 | 1,145.5 |
| Employee benefit trust shares | 2025 thousands | 2024 thousands | 2025 £m | 2024 £m |
| Ordinary shares of 2 1/15p | | | | |
| At 1 January | 7,328 | 16,804 | (0.3) | (0.7) |
| Share consolidation | (6,840) | — | — | — |
| Ordinary shares of 31p each post share consolidation | 488 | 16,804 | (0.3) | (0.7) |
| Issue of share capital by Capita plc | 942 | — | (0.3) | — |
| Shares purchased by the Employee benefit trust | 322 | 2,510 | (0.8) | (0.6) |
| Share purchased on behalf of the Employee benefit trust by an external bank | 343 | — | (1.4) | — |
| Issued on exercise of share options | (1,485) | (11,986) | 1.2 | 1.0 |
| At 31 December | 610 | 7,328 | (1.6) | (0.3) |

The Group uses shares held in the Employee benefit trust (EBT) to satisfy future requirements for shares under the Group's share option and long-term incentive plans. During the year to 31 December 2025, 1,484,435 (31 December 2024: 799,076 post consolidation) shares with a value of £1.2m (31 December 2024: £1.0m) were transferred out of the EBT to satisfy exercises under the Group's share option and long term incentive plans. The total consideration received in respect of these shares was £nil (31 December 2024: £nil). During March, April and July 2025 the EBT purchased 321,506 (post consolidation) ordinary shares in the open market for £857,686 to satisfy exercises under the Group's share plans. During April and July 2025, 941,524 ordinary 31 pence shares (31 December 2024: nil) were allotted to the EBT for an aggregate nominal value of £291,872 to satisfy exercises under the Group's share plans.

Following shareholder approval at the Company's 2025 Annual General Meeting held on 28 April 2025 (the '2025 AGM'), the Company completed a share consolidation at a ratio of 15 for 1, whereby every 15 ordinary shares of 2 1/15 pence were consolidated into one ordinary share of 31 pence. As at 31 December 2025 the Company had 120,031 thousand shares of 31 pence each in issue. Basic and diluted earnings per share, both on a reported and adjusted basis (refer to note 2.7) have been retrospectively adjusted to reflect the share consolidation in both the current and comparative periods.

Also, following shareholder approval at the 2025 AGM and subsequent sanctioning by the High Court of England and Wales on 10 June 2025, the Company completed the cancellation of its share premium account, with the balance of £1,145.5m credited to retained earnings.

To eliminate the risk of share price changes in respect of the anticipated need to purchase shares in the open market to satisfy the exercise of share options granted under the Group's long term incentive plan, the Employee benefit trust entered a forward purchase agreement with an external bank for the acquisition of its shares. The liability under this agreement is included within other payables (note 3.1.2) and the corresponding debit is charged to equity.

The Group has an unexpired authority to repurchase up to 9.45% of its issued share capital.

4.7 Group composition and non-controlling interests

The Group's subsidiaries are listed in note 6.4 on pages 227 to 229.

The Group holds a majority of the voting rights in all of its subsidiaries and the directors have determined that, other than the entity commented on below, in each case the Group exercises de facto control.

On 23 September 2014, the Secretary of State for the Department for Energy and Climate Change granted Smart DCC Limited (DCC), a wholly-owned subsidiary of the Group, a licence to establish and manage the smart metering communications infrastructure, governed by the Smart Energy Code. Each year the Group reassesses whether it has control over DCC as required under IFRS 10 *Consolidated Financial Statements*. The Group's ability to control the relevant activities of DCC is restricted by DCC's operating licence. The power that the Group has over DCC's relevant activities by virtue of owning it is limited (given the restrictions in the licence). That power is held by the board of DCC where the Group has minority representation in compliance with the licence. Consequently, the Group has not consolidated DCC in its Group financial statements. The disclosure of related party transactions with DCC is included in note 6.1.

Section 5: Employee benefits

This section details employee related items that are not explained elsewhere in the financial statements.

- 5.1 Share-based payment plans
- 5.2 Pensions
- 5.3 Employee benefit expense

AP

Denotes accounting policies

J

Denotes significant accounting judgements

E

Denotes significant accounting estimates and assumptions

Key highlights

Additional funding into the Group's main defined benefit scheme

£nil

(2024: £20.8m)

Outstanding deficit contributions to the Group's main defined benefit scheme

£nil

(2024: £nil)

Net defined benefit pension accounting surplus

£29.1m

(2024: surplus £37.9m)

Employee benefit expense

£1,292.3m

(2024: £1,399.6m)

| | 2025 £m | 2024 £m | Movement £m |
|--|-------------|------------|----------------|
| Net defined benefit pension asset | | | |
| Defined benefit obligation | (1,049.6) | (1,048.2) | (1.4) |
| Fair value of plan assets | 1,078.7 | 1,086.1 | (7.4) |
| Net defined pension asset after effect of asset ceiling limit | 29.1 | 37.9 | (8.8) |

The net defined benefit pension asset decreased to £29.1m at 31 December 2025 (2024: £37.9m).

The main reason for the movement in the net defined benefit pension position is a slight improvement in assumed life expectancy and actual inflation being slightly higher than assumed over the year. The change in market conditions (which impacted both the assets and liabilities over the year), broadly cancelled each other out and did not have a material impact on the net position.

The valuation of liabilities for funding purposes differs from the valuation for accounting purposes due to the different requirements. Management estimate that at 31 December 2025 the surplus of the HPS was around £80m on a funding basis (ie the funding assumption principles adopted for the full actuarial valuation at 31 March 2023), compared to a surplus of £30m on an accounting basis.

Given the healthy funding position of HPS as at 31 March 2023, and the Group having paid all outstanding deficit contributions in 2024, there are no further agreed deficit contributions to be paid at this time. The reduction in the employee benefit expense reflects the reduction in the average number of employees during the year.

Notes to the consolidated financial statements *continued*

Section 5: Employee benefits *continued*

5.1 Share-based payment plans

The Group operates a number of executive and employee equity-settled share schemes.

AP Accounting policies

The fair value of the equity instrument granted under these schemes is measured at its grant date and is recognised as an expense over its vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an option pricing model, only taking into account vesting conditions linked to the price of the shares of the Company (market conditions).

No expense is recognised for awards that do not ultimately vest as a result of not meeting performance or service conditions. Where all service and performance vesting conditions have been met, the awards are treated as vesting, irrespective of whether or not the market condition is satisfied, since market conditions were reflected in the fair value of the equity instruments.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the consolidated income statement, with a corresponding adjustment to equity.

Where the terms of an award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period adjusted for the incremental fair value of any modification ie the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the consolidated income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over the fair value being treated as an expense in the consolidated income statement.

The expense recognised for share-based payments (before tax) in respect of employee services received during the year to 31 December 2025 was £5.0m (2024: £6.0m), all of which arises from equity-settled share based payment transactions. Details of the schemes are as follows:

Deferred annual bonus plan

This scheme is applicable to executive directors. Under this scheme, awards are made annually consisting of only deferred shares, which are linked to the payout under the annual bonus scheme (details of which are contained in the directors' remuneration report on page 119 to 137).

The value of deferred shares is determined by the pay-out under the annual bonus scheme: half of the annual bonus is paid in cash and the remainder is deferred into shares under the deferred annual bonus plan or the Capita executive plan. Directors have the option to defer up to 100% of their annual bonus into deferred shares or net bonus into a restricted share award. The deferred/restricted shares are held for a period of three years from the date of award, during which they are not forfeitable, except in the case of dismissal for gross misconduct.

The weighted average share price of options at the date of exercise in 2025 was £1.88 (2024: £1.80). The weighted average share price during the year was £2.41 (2024: £2.55).

The total cash value of the deferred shares awarded during the year was £0.3m (2024: £nil).

Capita Executive Plan

The Capita Executive Plan was approved by shareholders at the 2021 AGM. Under this plan, restricted share awards (RSAs) are granted to executives.

With the exception of the executive directors, RSAs granted in 2023 and 2024 are split into three equal tranches that vest on the first, second and third anniversary of the grant date. RSAs granted in 2025 vest on the third anniversary of the grant date.

The 2023 and 2024 awards are not subject to specific performance conditions, however there is a general underpin regarding Remuneration Committee satisfaction with underlying financial and operational performance of Capita over the performance period. The 2025 award is subject to the above general underpin, and an additional, preceding underpin: Capita's share price (adjusted for the value of dividends as appropriate) must be 280p or above as at 31 December 2027. The Remuneration Committee may apply discretion to vesting levels if this underpin is not met.

Details of the Capita Executive Plan RSAs made to executive directors and the associated underpins are set out in the directors' remuneration report, on page 132

| | 2025 thousands | 2024 thousands |
|---|-------------------|-------------------|
| Outstanding at 1 January | 70,293 | 41,185 |
| Share consolidation | (65,607) | — |
| Outstanding at 1 January - post share consolidation | 4,686 | 41,185 |
| Awarded during the year | 1,973 | 49,967 |
| Exercised | (1,485) | (11,986) |
| Lapses | (653) | (8,873) |
| Outstanding at 31 December | 4,521 | 70,293 |

The weighted average remaining contractual life of the above shares outstanding at 31 December 2025 was 1.5 years (2024: 1.2 years).

All schemes

The fair value of the options granted/awarded during the year taking into consideration the impact of the share consolidation was £3.11 per share (2024: £2.25 per share). None of the existing option schemes have exercise prices.

The fair value for current share scheme issues is effectively the market price of a Capita share at the date of grant. Accordingly, no assumptions have been disclosed.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Section 5: Employee benefits *continued*

5.2 Pensions

AP Accounting policies

Defined contribution pension schemes

The Group maintains a number of defined contribution pension schemes and for these schemes the Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the consolidated income statement when the related service is provided and as they fall due.

Defined benefit pension schemes

In addition, the Group operates two defined benefit pension schemes and participates in a number of other defined benefit pension schemes, all of which require contributions to be made to separate trustee-administered funds. The costs of providing benefits under these schemes are determined separately for each scheme using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of the defined benefit obligation) and is based on actuarial advice. Past service costs are recognised immediately in the consolidated income statement.

When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain/loss recognised in the consolidated income statement during the period in which the settlement or curtailment occurs.

Remeasurements of the net defined benefit asset/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income and will not be reclassified to the consolidated income statement. The Group generally determines the net interest expense/income on the net defined benefit asset/liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the then net defined benefit asset/liability, taking into account any changes in the net defined benefit asset/liability during the year as a result of contributions and benefit payments. However, due consideration is given to events which require the net interest expense/income on the net defined benefit asset/liability to be remeasured over the course of the year.

Current and past service costs are charged to operating profit/(loss) while the net interest expense/income is included within finance income and finance costs.

The net asset/(liability) in the consolidated balance sheet with respect to the defined benefit pension schemes comprises the total for each scheme, or group of schemes, of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of assets out of which the obligations are to be settled directly. The policy to determine fair value of assets is detailed in the note below. Where applicable the value of a net pension benefit asset is restricted to the present value of any amount the Group expects to recover by way of refunds or reductions in future contributions.

E Significant accounting estimates and assumptions

Measurement of defined benefit obligations – the accounting cost of these benefits and the present value of pension liabilities involve judgements about uncertain events including such factors as the life expectancy of members, the salary progression of current employees, price inflation and the discount rate used to calculate the net present value of the future pension payments. The Group uses estimates for all of these factors in determining the pension costs and liabilities incorporated in the consolidated financial statements. The assumptions reflect historical experience and judgement regarding future expectations.

The Group continued to set Retail Price Inflation (RPI) in accordance with the market break-even expectations less an inflation risk premium (IRP), which has remained at 0.30%. For Consumer Price Inflation (CPI), the Group reduced the assumed difference between RPI and CPI to an average of 0.50% per annum (2024: 0.55% per annum).

The longer-term implications of the Covid-19 pandemic on future life expectancy remain uncertain. In June 2025, the Continuous Mortality Investigation (CMI) published a new model (CMI 2024) that includes population experience up to 2024. The CMI 2024 model introduced significant changes to mortality projections, aiming for a more data-driven approach that reflects recent mortality trends and the impact of the Covid-19 pandemic. Overall, the proposed changes are expected to lead to slightly longer assumed life expectancies.

The Group remains aware of the 2023 high court case (and subsequent appeal in 2024) that considered the validity of deeds where no Section 37 certificate (confirming that the minimum level of benefits had not been breached) was attached to the deed. The UK Government announced in 2025 that they will introduce legislation to enable schemes to retrospectively obtain the necessary actuarial confirmations required where these are not currently available. It is expected that this will resolve the issue in the majority of cases.

Notes to the consolidated financial statements *continued*

Section 5: Employee benefits *continued*

5.2 Pensions *continued*

Pension expense included in the consolidated income statement

| | 2025 £m | 2024 £m |
|--|-------------|------------|
| Defined contribution scheme | 42.9 | 45.6 |
| Defined benefit schemes | | |
| Current service cost | 2.4 | 2.7 |
| Administration costs | 4.9 | 5.7 |
| Termination benefits | 0.2 | 0.1 |
| Interest cost | (2.3) | (2.1) |
| Total defined benefit schemes | 5.2 | 6.4 |
| Total charged to profit before tax in the consolidated income statement | 48.1 | 52.0 |

At 31 December 2025, retirement obligations were disclosed in relation to eight (2024: eight) defined benefit pension schemes.

The Group's main defined benefit scheme (HPS)

The Group's main defined benefit scheme closed to future accrual for most members in 2017 (with around 100 members continuing to accrue benefits – out of a total membership of around 16,500 members). Details of the HPS and other schemes net surplus/(deficit) position are given at the bottom of the table below which shows the movements from the opening to the closing balance of the net defined benefit asset/(liability).

Responsibility for the operation and governance of the HPS lies with a corporate Trustee which is independent of the Group. The Trustee of the HPS is required by law to act in the interest of the HPS's beneficiaries in accordance with the rules of the HPS and relevant legislation (which includes the Pension Schemes Act 1993, the Pensions Act 1995 and the Pensions Act 2004). The nature of the relationship between the Group and the Trustee of the HPS is also governed by the rules of the HPS and relevant legislation. The Trustee of the HPS is chaired by an independent Trustee.

The assets of the HPS are held in a separate fund (administered by the Trustee of the HPS) to meet long-term pension liabilities to beneficiaries. The Trustee of the HPS invests the assets in accordance with its Statement of Investment Principles, which is regularly reviewed. The Trustee of the HPS maintains oversight of the investment strategy, however, the trustee has delegated investment decisions to a fiduciary manager.

A full actuarial valuation of the scheme is carried out every three years by an independent actuary for the Trustee of the HPS, with the last full actuarial valuation carried out at 31 March 2023. The purpose of that valuation is to design a funding plan to ensure that the HPS has sufficient assets available to meet future benefit payments, based on assumptions agreed between the Trustee of the HPS and the Group. The 31 March 2023 actuarial valuation showed a funding surplus of £51.4m (31 March 2020: £182.2m deficit). This equates to a funding level of 105% (31 March 2020: 89%).

Given the funding position of the HPS, the Group and the Trustee of the HPS agreed that no further deficit recovery contributions from the Group are required other than those already committed¹ as part of the 31 March 2020 actuarial valuation. The Group paid all the outstanding deficit contributions in 2024. There are no further agreed deficit contributions to be paid at this time.

The next full actuarial valuation is due to be carried out with an effective date of 31 March 2026 and as part of that valuation the contribution requirements will be reviewed, and if necessary, amended. For the purpose of these consolidated financial statements, an independent qualified actuary projected the results of the 31 March 2023 actuarial valuation to 31 December 2025 taking account of the relevant accounting requirements.

Approximate funding updates are produced at each scheme anniversary when a full actuarial valuation is not being undertaken. The most recent funding update as at 31 March 2025 showed a funding surplus of £77.1m (equating to a funding level of 108%).

The valuation of liabilities for funding purposes (the actuarial valuation) differs from the valuation for accounting purposes (which is shown in these consolidated financial statements) due to different assumptions used and different market conditions at the different valuation dates (the effective date for the actuarial valuation of the HPS is 31 March). The assumptions used for funding purposes are scheme specific and allow for an appropriate amount of prudence, with the discount rate being based on the actual assets of the pension scheme. While for accounting purposes the assumptions are determined on a best estimate basis in accordance with IAS 19 *Employee Benefits*, with the discount rate being based on the yields available on high quality corporate bonds of appropriate currencies and terms. Management estimate that at 31 December 2025 the net assets of the HPS were around £50m higher on a funding basis (ie the funding assumption principles adopted for the full actuarial valuation at 31 March 2023) than on an accounting basis.

The Group contributed £4.9m to the HPS during 2025. This includes the ongoing cost of benefit accrual and contributions towards running the pension scheme. As mentioned above, no deficit contribution (including those accelerated on a pound for pound basis due to disposal proceeds being used to fund mandatory prepayments of debt) or other contributions as a result of disposal activities were due to be paid during 2025.

1. These include additional, non-statutory, contributions to meet a secondary funding target with the objective of having sufficient assets to invest in a portfolio of low-risk assets with a low dependency covenant that will generate income to pay members' benefits as they fall due.

Section 5: Employee benefits *continued*

5.2 Pensions continued

Other defined benefit schemes

The total employer contributions to the 'Other' schemes during 2025 were £3.2m.

Other UK schemes

- Three segregated sections in an industry-wide scheme under which defined benefits are not continuing to accrue. The latest full actuarial valuations (at 31 December 2021) showed that one of these sections was in surplus and therefore no deficit contributions were required. One section showed a small deficit resulting in the Group being required to pay £13,000 during 2025. The third section showed a deficit of £3.45m resulting in the Group being required to pay £0.8m pa until 2026. The next actuarial valuations are currently in progress as at 31 December 2024 and as part of those valuations the contribution requirements will be reviewed, and if necessary, amended. There is no cross subsidy with other employer sections.
- Participation in a non-associated multi-employer scheme under which defined benefits are not continuing to accrue. The latest full actuarial valuation (at 30 September 2023) resulted in the Group being required to pay deficit contributions of initially £0.54m pa with effect from 1 April 2025 (which increase by 2% pa) until 2028. The next full actuarial valuation is due to be carried out with an effective date of 30 September 2026 and as part of that valuation the contribution requirements will be reviewed, and if necessary, amended. If the Group were to cease to be a participating employer in this scheme there would be an exit debt payable. At 30 September 2024, this was estimated at £3.8m.

Overseas defined benefit schemes

The Group is responsible for an Irish defined benefit scheme which is classed as a cross-border scheme where the beneficiaries of the scheme have their liabilities, and the trustees hold assets, denominated in euro. The scheme is governed under UK regulations and subject to further requirements applying to cross-border schemes. There are two segregated sections in the scheme. The latest full actuarial valuation (at 31 March 2024) showed a funding surplus for both the main section and the other section, and consequently, no deficit contributions are required for either section. The next actuarial valuation is currently in progress as at 31 March 2025. There are no members left accruing benefits.

The Group is also responsible for two Swiss schemes that provide defined contribution benefits but with certain guarantees (and are therefore reported as defined benefit schemes under IAS 19). They are administered and governed through collective foundations which are separate legal entities. Benefits are continuing to accrue in these schemes.

Additional defined benefit schemes

There are a further 29 (2024: 32) defined benefit pension arrangements in which various Capita businesses participated during 2025. Of these arrangements 25 (2024: 28) relate to participation in funded and unfunded public sector schemes (referred to as Admitted Body Arrangements), however, contractual protections are in place allowing actuarial and investment risk to be passed to the end customer via recoveries for contributions paid. The nature of these arrangements vary from contract to contract but typically allow for the majority of contributions payable to the schemes in excess of an initial rate agreed at the inception to be recovered from the end customer, as well as exit payments (for funded schemes) payable to the schemes at the cessation of the contract, such that the Group's net exposure to actuarial and investment risk is immaterial.

During the year, approximately £7.5m (2024: £8m) of employer contributions were paid into these 29 (2024: 32) schemes.

Risks associated with the Group's pension schemes

The defined benefit pension schemes expose the Group to various risks, with the key risks set out below:

Investment risk: the schemes invest in a wide range of assets with a view to provide long-term investment returns at particular levels. There is a risk that investment returns are lower than expected which, in isolation, could result in a worsening of the funding position of the schemes.

Interest rate risk: the IAS 19 discount rate is derived based on the yields available on good quality corporate bonds of suitable duration. If these yields decrease then, in isolation, this would increase the value placed on the IAS 19 obligation and result in a worsening of the funding position of the schemes.

Inflation risk: the liabilities of the schemes are linked to future levels of inflation. If future inflation is higher than expected then this would result in the cost of providing the benefits increasing and thereby worsening the funding position of the schemes.

Longevity risk: if members live longer than expected, then pensions will be paid for a longer time which will increase the value placed on the liabilities and therefore worsen the funding position of the schemes.

Environmental, Social and Governance (ESG) risk: ESG risk relates to these issues having a detrimental impact on financial returns. The fiduciary manager has policies in place to reduce this risk, although there is a higher risk in older externally held assets.

To manage these risks, the Group and the trustees carry out regular assessments of them. For HPS, the main defined benefit scheme, the following actions have been taken:

- The Trustee of the HPS has entered into two bulk annuity contracts with an insurer in respect of a small number of high individual liability pensioner members with total value included in the assets at 31 December 2025 of £40.1m (2024: £41.8m).
- The Trustee of the HPS has entered into a Liability Driven Investment programme. The level of risk that is managed by this programme is set by various market-related and funding trigger points.

Together, these actions have led to the Trustee of the HPS hedging (interest rate and inflation) a high proportion of the HPS's liabilities. At 31 December 2025 HPS's liabilities measured on the Trustee of the HPS's long-term funding basis were broadly fully hedged.

The hedging aims to match the value of the assets to the movement in liabilities (on a funding basis) arising from changes in market expectations of future inflation rates and future gilt yields. This is to help protect and reduce volatility in funding valuations which are used to determine the cash contribution requirements to the scheme. Since these accounting disclosures use the yields available on corporate bonds to determine the accounting liabilities, the hedging may not have the same impact for accounting purposes as it does for a funding valuation. Credit spreads (the difference between the yields available on long-dated corporate bonds and long-dated government bonds) remained broadly the same during the year meaning that the hedge had a broadly similar impact on the funding position of the scheme and the accounting disclosures at the year-end.

Notes to the consolidated financial statements *continued*Section 5: Employee benefits *continued*5.2 Pensions *continued*

To illustrate how sensitive the value of the defined benefit obligations is to different market conditions, the table below shows what the resulting defined benefit obligation would be if the assumptions were changed as shown (assuming all other assumptions remain constant):

| Change in assumptions compared with 31 December 2025 actuarial assumptions | Group total £m |
|---|-------------------|
| Base defined benefit obligation | 1,049.6 |
| 0.5% pa decrease in discount rate | 1,118.3 |
| 0.5% pa increase in salary increases | 1,050.7 |
| 0.5% pa increase in inflation (and related assumption, eg salary and pension increases) | 1,082.9 |
| 1 year increase in life expectancy | 1,080.5 |

Assets and liabilities

Under IAS 19, pension scheme assets must be valued at their fair value at the balance sheet date. The scheme assets are made up of quoted and unquoted investments, and asset valuations have been sourced from the respective scheme's investment managers and custodians, based on their pricing sources and methodologies. Unquoted investments require more judgement because their values are not directly observable. The assumptions used in valuing unquoted investments are affected by current market conditions which could result in changes in fair value after the measurement date.

For the main asset categories:

- Equities listed on recognised stock exchanges are valued at closing bid prices.
- Bonds are measured using a combination of broker quotes and pricing models making assumptions for credit and market risks and market yield curves.
- Properties are valued on the basis of an open market value or are valued using models based on discounted cash flow techniques.
- Assets in investment funds are valued at fair value which is typically the net asset value provided by the investment manager.
- Certain unlisted investments are valued using a model based valuation such as discounted cash flow.
- The value of bulk annuity contracts has been assessed by discounting the projected cash flows payable under the contracts (projected by an actuary, consistent with the terms of the contract) and is equal to the corresponding liability calculated by reference to the IAS 19 assumptions.

The assets and liabilities of all of the defined benefit pension schemes (excluding additional voluntary contributions) at 31 December are:

| | 2025 | | | 2024 | | |
|---|--------------|-----------------|----------------|--------------|-----------------|-------------|
| | Quoted £m | Unquoted* £m | Total £m | Quoted £m | Unquoted* £m | Total £m |
| Scheme assets at fair value: | | | | | | |
| Equities: | | | | | | |
| – UK | 0.1 | 1.0 | 1.1 | 0.1 | 0.7 | 0.8 |
| – Overseas | 2.0 | 45.0 | 47.0 | 2.0 | 44.3 | 46.3 |
| – Private | 0.1 | — | 0.1 | 0.1 | — | 0.1 |
| | 2.2 | 46.0 | 48.2 | 2.2 | 45.0 | 47.2 |
| Debt securities: | | | | | | |
| – UK Government | 504.4 | 4.6 | 509.0 | 432.6 | 7.2 | 439.8 |
| – UK Corporate | 0.1 | 41.5 | 41.6 | 0.1 | 36.2 | 36.3 |
| – Overseas Government | 8.1 | 9.9 | 18.0 | 8.3 | 13.6 | 21.9 |
| – Overseas Corporate | 0.3 | 192.6 | 192.9 | 0.3 | 213.0 | 213.3 |
| – Emerging Markets | 0.2 | 2.0 | 2.2 | 0.5 | 2.6 | 3.1 |
| – Private Debt | — | 49.7 | 49.7 | — | 79.3 | 79.3 |
| | 513.1 | 300.3 | 813.4 | 441.8 | 351.9 | 793.7 |
| Property | 1.5 | 35.4 | 36.9 | 2.1 | 33.4 | 35.5 |
| Infrastructure | 1.2 | — | 1.2 | 1.1 | — | 1.1 |
| Credit Funds | 2.6 | — | 2.6 | 2.2 | — | 2.2 |
| Hedge Funds | — | — | — | — | 0.4 | 0.4 |
| Absolute Return Funds | — | 0.3 | 0.3 | — | — | — |
| Insurance Contracts | — | 67.0 | 67.0 | — | 66.5 | 66.5 |
| Cash | 90.3 | 18.0 | 108.3 | 110.8 | 24.3 | 135.1 |
| Other | (0.9) | 1.7 | 0.8 | — | 4.4 | 4.4 |
| | 94.7 | 122.4 | 217.1 | 116.2 | 129.0 | 245.2 |
| Total | 610.0 | 468.7 | 1,078.7 | 560.2 | 525.9 | 1,086.1 |
| Present value of scheme liabilities (before effect of asset ceiling limit) | | | (1,049.6) | | | (1,047.9) |
| Net surplus (before effect of asset ceiling limit) | | | 29.1 | | | 38.2 |
| Effect of asset ceiling limit | | | — | | | (0.3) |
| Present value of scheme liabilities (after effect of asset ceiling limit) | | | (1,049.6) | | | (1,048.2) |
| Net surplus (after effect of asset ceiling limit) | | | 29.1 | | | 37.9 |

* Some investments are in funds which are in themselves not traded in active markets.

Section 5: Employee benefits *continued*

5.2 Pensions *continued*

The Trustee of the HPS invests in Liability Driven Investments (LDIs) as part of a risk hedging strategy. The aim of the strategy is to match the value of the assets to the movement in liabilities (on a funding basis) arising from changes in market expectations of future inflation rates and future gilt yields. To achieve this, LDIs invest in a variety of instruments including gilts, synthetic gilts (combination of repurchase agreement, reverse repurchase agreements and total return swaps) and cash. In the table above, the LDI at 31 December 2025 (approximately £539.6m) has been mapped as 90.6% Quoted UK Government Bonds, 1.3% Quoted Overseas Government Bonds, 8.3% Quoted Cash and (0.2)% Quoted Other.

The assets do not include any directly owned financial instruments issued by the Group.

Within the Private Debt allocation above, approximately £38.0m relates to adjusted lagged valuations at 31 December 2025. In arriving at this figure, allowance has been made for broad market movements and distributions between 30 September 2025 (the most recent valuation of these assets) and 31 December 2025.

In accordance with the Trustee of the HPS's focus on financially material considerations, it is acknowledged that Environment, Social and Governance (ESG) factors can impact security prices. The Trustee of the HPS has discussed their views on ESG factors, and considered the Group's perspective, and developed responsible investment beliefs. These can be found in the HPS's Statement of Investment Principles (on its website at <https://www.horizonpensionscheme.com/library>).

IFRIC 14

The Group has considered the impact of IFRIC 14 IAS 19 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* on the various schemes (in relation to either recognising a surplus or allowing for the impact of any funding commitments made) and has concluded, based on its interpretation of the rules for each of the schemes, that IFRIC 14 does not impact the balance sheet position for any of the pension schemes at 31 December 2025. For clarity the HPS, the Group's main defined benefit scheme, IFRIC 14 would not limit the surplus or increase the deficits shown at the reporting date because the Group has an unconditional right to a refund assuming the gradual settlement of the scheme liabilities over time until all members have left the scheme.

Reconciliation of retirement benefits

Explanation of constituents of the consolidated income statement.

The cost of providing the retirement benefits during the year is broken down as follows, with due consideration being made for events which require the income statement charges to be re-measured over the course of the year:

- Service cost is the cost to the Group of future benefits earned by contributing members over the current financial period.
- Past service cost represents the change in the present value of scheme liabilities in the current period in relation to prior years' service.
- Administration costs are those entailed by the pension schemes over the current period.
- Interest expense/(income) is made up of the interest on pension liabilities and assets over the current period generally based on the discount rate adopted at the start of the period. An allowance for interest on the asset ceiling is recognised where applicable.
- Termination benefits are employee benefits payable as a result of either: (a) the Group's decision to terminate an employee's employment before the normal retirement date; or, (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

All schemes are partly or wholly funded, and the following table shows the components of the movements from the opening to the closing balances for the net defined benefit asset:

| | Defined benefit obligation | | Fair value of plan assets | | Net defined benefit asset | |
|--|----------------------------|------------|---------------------------|------------|---------------------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| At 1 January | (1,048.2) | (1,178.3) | 1,086.1 | 1,205.1 | 37.9 | 26.8 |
| Included in the consolidated income statement: | | | | | | |
| Current service cost | (2.4) | (2.7) | — | — | (2.4) | (2.7) |
| Administration costs | (4.9) | (5.7) | — | — | (4.9) | (5.7) |
| Termination benefits | (0.2) | (0.1) | — | — | (0.2) | (0.1) |
| Interest (expense)/income* | (55.1) | (51.8) | 57.4 | 53.9 | 2.3 | 2.1 |
| Sub-total in consolidated income statement | (62.6) | (60.3) | 57.4 | 53.9 | (5.2) | (6.4) |
| Included in other comprehensive income: | | | | | | |
| Actuarial gain/(loss) arising from: | | | | | | |
| – demographic assumptions | (5.0) | 2.1 | — | — | (5.0) | 2.1 |
| – financial assumptions | 19.5 | 141.2 | — | — | 19.5 | 141.2 |
| – experience adjustments | (5.4) | (2.5) | — | — | (5.4) | (2.5) |
| – changes in asset ceiling/ minimum liability | 0.3 | (0.3) | — | — | 0.3 | (0.3) |
| Return on plan assets excluding interest | — | — | (20.9) | (152.3) | (20.9) | (152.3) |
| Sub-total in other comprehensive income | 9.4 | 140.5 | (20.9) | (152.3) | (11.5) | (11.8) |
| Employer contributions | — | — | 8.1 | 29.2 | 8.1 | 29.2 |
| Contributions by employees | (1.9) | (2.0) | 1.9 | 2.0 | — | — |
| Benefits paid | 55.6 | 50.4 | (55.6) | (50.4) | — | — |
| Exchange movement - recognised in other comprehensive income | (1.9) | 1.5 | 1.7 | (1.4) | (0.2) | 0.1 |
| At 31 December | (1,049.6) | (1,048.2) | 1,078.7 | 1,086.1 | 29.1 | 37.9 |

Notes to the consolidated financial statements *continued*Section 5: Employee benefits *continued*

5.2 Pensions continued

| | Group total | | | | | |
|--------------------------|----------------------------|------------------|---------------------------|----------------|---------------------------|-------------|
| | Defined benefit obligation | | Fair value of plan assets | | Net defined benefit asset | |
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Schemes in a net surplus | | | | | | |
| HPS | (994.5) | (995.1) | 1,024.6 | 1,034.4 | 30.1 | 39.3 |
| Other schemes | (14.1) | (13.9) | 17.7 | 17.5 | 3.6 | 3.6 |
| | (1,008.6) | (1,009.0) | 1,042.3 | 1,051.9 | 33.7 | 42.9 |
| Schemes in a net deficit | | | | | | |
| Other schemes | (41.0) | (39.2) | 36.4 | 34.2 | (4.6) | (5.0) |
| At 31 December | (1,049.6) | (1,048.2) | 1,078.7 | 1,086.1 | 29.1 | 37.9 |

* Includes impact of asset ceiling on net interest of £0.3m in 2025 (2024: £(0.3)m).

Of the total pension cost of £5.2m (2024: £6.4m), £2.6m (2024: £2.8m) was included in cost of sales, £4.9m (2024: £5.7m) was included in administrative expenses, and £2.3m of net interest income (2024: £2.1m of net interest income) was included in finance income.

Breakdown of liabilities for the HPS

Information about the defined benefit obligation for the HPS:

| | Proportion of overall liability % | | Duration (years) | |
|--|-----------------------------------|-------------|------------------|-------------|
| | 2025 | 2025 | 2024 | 2024 |
| | | | | |
| Active members | 5 | 14.8 | 5 | 15.5 |
| Deferred members | 54 | 15.8 | 53 | 16.5 |
| Pensioners | 41 | 9.6 | 42 | 9.9 |
| Total percentage / average duration | 100 | 13.2 | 100 | 13.7 |

Duration is a weighted average of when benefits are expected to be paid from a pension scheme. It is sensitive to the interest rate used to calculate it. The increase in yields in recent years has acted to reduce the duration of the HPS (because less weight is placed on the pension cash flows stretching far out into the future).

Financial and demographic assumptions

| Main assumptions ¹ : | 2025 % | 2024 % |
|--|-----------|-----------|
| Rate of price inflation – RPI | 2.90 | 3.10 |
| Rate of price inflation – CPI | 2.40 | 2.55 |
| Rate of salary increase | 2.90 | 3.10 |
| Rate of increase of pensions in payment ² : | | |
| – RPI inflation capped at 5% per annum | 2.80 | 2.95 |
| – RPI inflation capped at 2.5% per annum | 1.95 | 2.00 |
| – CPI inflation capped at 5% per annum | 2.40 | 2.55 |
| Discount rate | 5.55 | 5.50 |
| Expected take up maximum available tax free cash | 85.00 | 85.00 |

1. Different assumptions apply to non-UK schemes, for example: the discount rate for the Irish Schemes is 4.5% pa, and for the Swiss schemes it is 1.2% pa in 2025.
2. There are other levels of pension increase which apply to particular periods of membership.

The average future life expectancy (in years) from age 65 for mortality tables used to determine scheme liabilities for the various schemes at 31 December 2025 and 31 December 2024 are as follows:

| | Member currently aged 65 (current life expectancy) | | | |
|------------------|--|--------------|--------------|--------------|
| | Male | | Female | |
| | 2025 | 2024 | 2025 | 2024 |
| HPS ¹ | 22.2 | 21.9 | 24.0 | 24.0 |
| Other Schemes | 20.5 to 23.1 | 20.5 to 23.0 | 23.0 to 24.8 | 23.0 to 24.7 |
| | Member currently aged 45 (life expectancy at 65) | | | |
| | Male | | Female | |
| | 2025 | 2024 | 2025 | 2024 |
| HPS ¹ | 22.8 | 22.6 | 25.3 | 25.3 |
| Other Schemes | 21.7 to 25.3 | 21.8 to 25.2 | 24.5 to 26.8 | 24.4 to 26.7 |

1. The assumptions used for the HPS are tailored for each member. The assumptions adopted make allowance for an increase in the longevity in the future (CMI 2024 model) with a long-term rate of improvement of 1.25% pa, an 'A' parameter of 0.25% for both males and females and a non-core adjustment to strip out 'overlay' (to avoid double counting adjustment for excess deaths from Covid-19 which are already factored into the base tables). The rate for members currently aged 65 is derived from the pensioner membership and the rate for members reaching age 65 in 20 years' time is derived from non-pensioner membership.

Section 5: Employee benefits *continued*

5.3 Employee benefit expense

| | Notes | 2025 £m | 2024 £m |
|-----------------------|-------|----------------|------------|
| Wages and salaries | | 1,108.8 | 1,216.9 |
| Social security costs | | 128.1 | 122.6 |
| Pension costs | | 50.4 | 54.1 |
| Share-based payments | 5.1 | 5.0 | 6.0 |
| | | 1,292.3 | 1,399.6 |

The aggregate amount of directors' remuneration (salary, bonus and benefits) is shown on page 130 of the directors' remuneration report.

| The average number of employees during the year was made up as follows: | 2025 Number | 2024 Number |
|---|----------------|----------------|
| Sales | 193 | 218 |
| Administration | 1,777 | 1,962 |
| Operations | 29,538 | 36,328 |
| | 31,508 | 38,508 |

Notes to the consolidated financial statements *continued*

Section 6: Other supporting notes

This section includes disclosures of those items that are not explained elsewhere in the financial statements.

- 6.1 Related-party transactions
- 6.2 Contingent liabilities
- 6.3 Post balance sheet events
- 6.4 Related companies

AP Denotes accounting policies

6.1 Related-party transactions

Compensation of key management personnel

| | 2025 £m | 2024 £m |
|--------------------------------|------------|------------|
| Short-term employment benefits | 7.5 | 8.2 |
| Pension | 0.1 | — |
| Share-based payments | 1.7 | 3.9 |
| | 9.3 | 12.1 |

The key management personnel comprise the Executive Directors, Non-Executive Directors and members of the Executive Team.

Gains on share options exercised in the year by Capita plc executive directors were £nil (2024: £20,193) and by key management personnel £424,329 (2024: £109,647), totalling £424,329 (2024: £129,840).

During the year, the Group rendered administrative services to Smart DCC Limited (DCC), a wholly-owned subsidiary which is not consolidated (refer to note 4.7). The Group received £117.6m (2024: £117.1m) of revenue for these services and at the balance sheet date had receivables of £7.2m (2024: £9.0m) from DCC. The services are procured by DCC on an arm's length basis under the DCC licence. The services are subject to review by Ofgem to ensure that all costs are economically and efficiently incurred by DCC.

HPS (Capita's main defined benefit pension scheme) is a related party of the Group. Transactions with the Scheme are disclosed in note 5.2.

6.2 Contingent liabilities

Contingent liabilities represent potential future cash outflows which are either not probable or cannot be measured reliably.

The Group has provided, through the normal course of its business, sureties and bank guarantees of £52.9m (2024: £24.7m). On adoption of IFRS 17 *Insurance Contracts* the Group had the option to apply either IFRS 17 or IFRS 9 *Financial Instruments* for external debt guarantees, of which the Group elected to apply IFRS 9. The Group accounts for performance guarantees under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* because they do not meet the criteria to be recognised as an insurance contract.

The Group's entities are parties to legal actions and claims which arise in the normal course of business. The Group needs to apply judgement in determining the merit of litigation against it and the chances of a claim successfully being made. It needs to determine the likelihood of an outflow of economic benefits occurring and whether there is a need to disclose a contingent liability or whether a provision might be required due to the probability assessment.

At any time there are a number of claims or notifications that need to be assessed across the Group. The disparate nature of the Group's entities heightens the risk that not all potential claims are known at any point in time.

6.3 Post balance sheet events

The following events occurred after 31 December 2025, and before the approval of these consolidated financial statements, but have not resulted in adjustment to the 2025 financial results:

Additional committed financing facility

In February 2026, the Group entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing revolving credit facility. The additional facility expires eighteen months from signing.

Section 6: Other supporting notes *continued*

6.4 Related companies

The stated address relates to the place of incorporation of the entity, which is the same as its tax residence in all cases other than Capita Group Insurance PCC Limited which is incorporated in Guernsey, but which is tax resident in the UK.

Unless otherwise indicated, all shareholdings are owned indirectly by the company and represent 100% of the issued share capital of the subsidiary. Dormant companies are marked (D).

| Company name | Share class | Company name | Share class |
|--|---|--|--|
| Capita (210568) Limited (in liquidation) ¹⁰ | €0.0012 Ordinary | Capita Justice & Secure Services Holdings Limited (in liquidation) ¹ | £1.00 Ordinary |
| Capita (Polska) Spółka z ograniczoną odpowiedzialnością ⁹ | PLZ50.00 Ordinary | Capita Life & Pensions Regulated Services Limited ^{11*} | £1.00 Ordinary |
| Capita (South Africa) (Pty) Limited ¹⁷ | ZAR1.00 Ordinary | Capita Life & Pensions Services Limited ^{11*} | £1.00 Ordinary |
| Capita (USA) Holdings Inc. ⁷ | US\$1.00 Ordinary | Capita Life and Pensions International Limited ¹¹ | £1.00 Ordinary |
| Capita Business Services Ltd ¹¹ | £1.00 Ordinary | Capita Life and Pensions Services (Isle of Man) Limited (in liquidation) ¹⁸ | £1.00 Ordinary |
| Capita Business Support Services Ireland Limited ²³ | €1.00 Ordinary | Capita Managed IT Solutions Limited ¹⁴ | £1.00 Ordinary |
| Capita Corporate Director Limited (D) ¹¹ | £1.00 Ordinary | Capita Mortgage Administration Limited (in liquidation) ¹ | £1.00 Ordinary |
| Capita Customer Management Limited ¹¹ | £1.00 Ordinary | Capita Norman + Dawbarn Limited (in liquidation) ^{3 □} | NGN1.00 Ordinary |
| Capita Customer Services (Germany) GmbH ²¹ | €1.00 Ordinary | Capita Offshore Services Private Limited (in liquidation) ²⁰ | INR10.00 Ordinary |
| Capita Customer Services AG ¹⁶ | CHF1.00 Ordinary | Capita Pension Solutions Limited ^{11*} | £1.00 Ordinary |
| Capita Customer Solutions (UK) Limited (in liquidation) ¹ | £1.00 Ordinary | Capita Property and Infrastructure (Structures) Limited (D) ¹¹ | £1.00 Ordinary |
| Capita Customer Solutions Limited ²³ | €1.00 Ordinary | Capita Property and Infrastructure Consultants LLC (in liquidation) ^{2*} | AED1,000.00 Ordinary |
| Capita Cyprus Holdings Limited (in liquidation) ⁵ | £1.00 Ordinary | Capita Property and Infrastructure Holdings Limited (in liquidation) ¹ | £1.00 Ordinary |
| Capita Dubai Limited ¹¹ | £1.00 Ordinary | Capita Property and Infrastructure International Holdings Limited (D) ¹¹ | £1.00 Ordinary |
| Capita Employee Benefits Holdings Limited ^{11*} | £1.00 Ordinary | Capita Property and Infrastructure International Limited (D) ¹¹ | £1.00 Ordinary |
| Capita Energie Services GmbH ^{12 ▶} | €1.00 Ordinary | Capita Property and Infrastructure Limited ¹¹ | £1.00 Ordinary |
| Capita Financial Services Holdings Limited (in liquidation) ^{1*} | £1.00 Ordinary | Capita Retail Financial Services Limited (in liquidation) ¹ | £1.00 Ordinary |
| Capita GMPS Trustees Limited (D) ¹¹ | £1.00 Ordinary | Capita Secure Information Solutions Limited ¹¹ | £1.00 Ordinary |
| Capita Group Insurance PCC Limited ^{19*} | £1.00 CG1 £1.00 CIC2 £1.00 Ordinary | Capita Shared Services Limited ^{11*} | £1.00 Ordinary |
| Capita Group Secretary Limited (D) ¹¹ | £1.00 Ordinary | Capita Symonds Saudi Arabia Limited (D) ^{15 ▲} | N/A |
| Capita HCH Limited ¹¹ | £1.00 Ordinary | Capita Technology GmbH ²¹ | €1.00 Ordinary |
| Capita Health Holdings Limited ¹¹ | £1.00 Ordinary | Capita West GmbH ²¹ | €25,000.00 Ordinary |
| Capita Holdings Limited ^{11*} | £1.00 Ordinary | Computerland UK Limited ¹¹ | £1.00 Ordinary |
| Capita India Private Limited ²⁴ | INR10.00 Ordinary | Contact Associates Limited ¹¹ | £1.00 Ordinary |
| Capita Insurance Services Holdings Limited ¹¹ | £1.00 Ordinary | CPLAS Trustees Limited (D) ¹¹ | £1.00 Ordinary |
| Capita Insurance Services Limited ¹¹ | £1.00 Ordinary | Debt Solutions (Holdings) Limited (in liquidation) ¹ | £1.00 Ordinary |
| Capita International Limited ^{11*} | £1.00 Ordinary | Dragonfly Technology Solutions Ltd ^{11 ○} | £0.000001 Ordinary £0.000001 A Ordinary |
| Capita International Retirement Benefit Scheme Trustees Limited (D) ^{11*} | £1.00 Ordinary | Duke 2021 Topco Limited ^{4 ▶} | £1.00 B Ordinary |
| Capita Ireland Limited ^{23*} | €1.00 Ordinary | E.B. Consultants Limited (D) ¹¹ | £1.00 Ordinary |
| Capita IT Services Holdings Limited ¹¹ | £1.00 Ordinary | Electra-Net (UK) Limited ¹¹ | £1.00 Ordinary |
| Capita IT Services Limited (in liquidation) ⁸ | £1.00 Ordinary | Entrust Support Services Limited ^{22 ▼} | £1.00 Ordinary X |
| | | Fire Service College Limited ¹¹ | £1.00 Ordinary |

Notes to the consolidated financial statements *continued*Section 6: Other supporting notes *continued*

6.4 Related companies continued

| Company name | Share class |
|---|----------------------|
| Full Circle Contact Centre Services (Proprietary) Limited ¹⁷ | ZAR0.01 Ordinary |
| Grosvenor Career Services Limited (D) ¹¹ | £1.00 Ordinary |
| RE (Regional Enterprise) Limited ¹¹ | £1.00 Ordinary |
| Retain International (Holdings) Limited ¹¹ | £1.00 Ordinary |
| Retain International Limited ¹¹ | £1.00 Ordinary |
| SBJ Benefit Consultants Limited (D) ¹¹ | £1.00 Ordinary |
| SBJ Professional Trustees Limited (in liquidation) ¹ | £1.00 Ordinary |
| Smart DCC Limited ¹¹ | £1.00 Ordinary |
| Tascor Services Limited ¹¹ | £1.00 Ordinary |
| TELAG AG ¹³ | CHF1,000.00 Ordinary |
| ThirtyThree APAC Limited (D) ⁶ | HKD1.00 Ordinary |
| Urban Vision Partnership Limited ¹¹ ▶ | £1.00 Ordinary B |
| Ventura (India) Private Limited ²⁵ | INR10.00 Ordinary |
| Ventura (UK) India Limited ¹¹ | £1.00 Ordinary |
| Western Mortgage Services Limited ¹¹ | £1.00 Ordinary |
| WN Udata Communications Ltd ²⁶ ▲ | £1.00 Ordinary B |
| Woolf Limited ¹¹ | £1.00 Ordinary |

Registered office address

1. 1 More London Place, London, SE1 2AF
2. 1004 Bin Hamoodah Building, Khalifa St., PO Box 113 740, Abu Dhabi, United Arab Emirates
3. 10th Floor, UBA House, No 57, Marina Street, Lagos Island, Lagos, Nigeria
4. 22 Grenville Street, St. Helier, JE4 8PX, Jersey
5. 46, Kyriakou Matsi, Office 101, 1082 Nicosia, Cyprus
6. 803 Manning House, 38 Queen's Road Central, Hong Kong
7. 850 New Burton Road, Suite 201, Dover, DE, 19904, United States
8. Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
9. Centrum Biurowe Lubicz ul. Lubicz 23, 31-503 Krakow, Polska
10. EY, Harcourt Centre, Harcourt Street, Dublin, Ireland
11. First Floor, 2 Kingdom Street, Paddington, London, England, W2 6BD
12. Gatherhofstraße 8, 47804, Krefeld, Germany
13. Hardturmstrasse101, Zürich, 8005, Switzerland
14. Hillview House, 61 Church Road, Newtownabbey, Co Antrim, BT36 7LQ, Northern Ireland
15. King Abdul Aziz Street, PO Box 7052, Dammam, Saudi Arabia
16. Konstanzerstrasse 17, Tägerwilen, 8274, Switzerland
17. Mutual Park, Jan Smuts Drive, Pinelands, Cape Town, Western Cape, 7405, South Africa
18. P O Box 227, Peveril Buildings, Peveril Square, Douglas, Isle of Man, IM99 1RZ
19. P O Box 33, Dorey Court, Admiral Park, St. Peter Port, GY1 4AT, Guernsey
20. Plant 6, Gate No. 2, Godrej and Boyce Complex, LBS Marg, Pirojshahnagar, Vikhroli (West), Mumbai, 400079, India
21. Rudower Chaussee 4, Berlin, 12489, Germany
22. The Riverway Centre, Riverway, Stafford, United Kingdom, ST16 3TH
23. Unit B, West Cork Business & Technology Park, Clonakilty, Co. Cork, P85 YH98, Ireland
24. Unit No. 401, 4th Floor, Godrej Two, Pirojshahnagar, Eastern Express Highway, Vikhroli East, Mumbai - 400079, Maharashtra, India
25. Upper Ground Level, Level 1, Level 2, & Level 3, Tower B1, Margapatta City SEZ, Margapatta City, Hadapsar, Pune, 411013, India
26. Wavenet Group, Second Floor One Central Boulevard Central Boulevard, Blythe Valley Park, Shirley, Solihull, England, B90 8BG

Footnotes

- * Companies directly held by Capita plc.
- > Shareholdings owned indirectly by the company and represent 0.24% of the issued share capital of subsidiary.
- Shareholdings owned indirectly by the company and represent 1.40% of the issued share capital of subsidiary.
- ✦ Shareholdings owned indirectly by the company and represent 49% of the issued share capital of subsidiary.
- ▲ Shareholdings owned indirectly by the company and represent 50% of the issued share capital of subsidiary.
- ▶ Shareholdings owned indirectly by the company and represent 50.1% of the issued share capital of subsidiary.
- ▼ Shareholdings owned indirectly by the company and represent 51% of the issued share capital of subsidiary.
- Shareholdings owned indirectly by the company and represent 97.3% of the issued share capital of subsidiary.

Section 6: Other supporting notes *continued*

6.4 Related companies continued

Certain subsidiaries of the Group have opted to take advantage of a statutory exemption from having an audit in respect of their individual statutory accounts. Strict criteria must be met for this exemption to be taken and the exemption has been agreed to by the directors of those subsidiary entities.

To facilitate the adoption of this exemption, Capita plc, the parent company of the subsidiaries concerned, undertakes to provide a guarantee under Section 479C of the Companies Act 2006 in respect of those subsidiaries. Listed below are subsidiaries controlled and consolidated by the Group, where the directors have taken the exemption in accordance with Section 479A from having an audit of its financial statements for the year ended 31 December 2025.

| Company name | Company registration |
|---|----------------------|
| Capita Dubai Limited | 10908066 |
| Capita Employee Benefits Holdings Limited | 06722404 |
| Capita HCH Limited | 02384029 |
| Capita Health Holdings Limited | 06413394 |
| Capita Insurance Services Holdings Limited | 06041965 |
| Capita Insurance Services Limited | 01396443 |
| Capita International Limited | 02683437 |
| Capita IT Services Holdings Limited | 06002593 |
| Capita Life and Pensions International Limited | 05952054 |
| Capita Life and Pensions Services Limited | 04359665 |
| Capita Managed IT Solutions Limited | NI032979 |
| Capita Property and Infrastructure (Structures) Limited | 02082106 |
| Capita Property and Infrastructure International Limited | 02752154 |
| Capita Property and Infrastructure International Holdings Limited | 03860653 |
| Capita Property and Infrastructure Limited | 02018542 |
| Capita Secure Information Solutions Limited | 01593831 |
| Computerland UK Limited | 02275625 |
| Contact Associates Limited | 05601393 |
| E.B. Consultants Limited | 01106104 |
| Electra-Net (UK) Limited | 03419833 |
| Fire Service College Limited | 08102633 |
| Grosvenor Career Services Limited | 03119327 |
| RE (Regional Enterprise) Limited | 08615172 |
| Retain International (Holdings) Limited | 07871708 |
| Retain International Limited | 03061744 |
| SBJ Benefit Consultants Limited | 01834757 |
| Tascor Services Limited | 02057887 |
| Urban Vision Partnership Limited | 05292634 |
| Ventura (UK) India Limited | 05131185 |
| Woolf Limited | 01564535 |

Company financial statements

Section 7: Company financial statements

This section presents the company only financial statements for Capita plc (the Company).

- 7.1 Company balance sheet
- 7.2 Company statement of changes in equity
- 7.3 Notes to the Company financial statements

- AP** Denotes accounting policies
- J** Denotes significant accounting judgements
- E** Denotes significant accounting estimates and assumptions

7.1 Company balance sheet

| | Notes | 2025 £m | 2024 £m |
|--------------------------------------|-------|----------------|------------|
| Non-current assets | | | |
| Property, plant and equipment | 7.3.2 | — | 0.5 |
| Investments | 7.3.3 | 1,177.3 | 978.2 |
| Financial assets | 7.3.4 | 1.8 | 2.3 |
| Deferred tax assets | 7.3.5 | 9.8 | 10.0 |
| Amounts receivable from subsidiaries | 7.3.6 | 1,764.2 | 98.3 |
| | | 2,953.1 | 1,089.3 |
| Current assets | | | |
| Financial assets | 7.3.4 | 2.2 | 16.1 |
| Income tax receivable | | — | — |
| Trade and other receivables | 7.3.7 | 2.9 | 2.7 |
| Amounts receivable from subsidiaries | 7.3.6 | 11.8 | 1,927.0 |
| Cash and cash equivalents | | 32.5 | 62.9 |
| | | 49.4 | 2,008.7 |
| Total assets | | 3,002.5 | 3,098.0 |

| | Notes | 2025 £m | 2024 £m |
|---------------------------------|--------|----------------|----------------|
| Current liabilities | | | |
| Overdrafts | | 86.0 | 7.8 |
| Trade and other payables | 7.3.8 | 7.1 | 4.0 |
| Amounts payable to subsidiaries | 7.3.6 | 1,362.4 | 1,628.9 |
| Accruals and deferred income | | 15.2 | 9.6 |
| Financial liabilities | 7.3.4 | 5.1 | 0.5 |
| Income tax payable | | 26.3 | 40.5 |
| Borrowings | 7.3.10 | 82.0 | — |
| Provisions | 7.3.9 | 0.2 | 4.1 |
| | | 1,584.3 | 1,695.4 |
| Non-current liabilities | | | |
| Trade and other payables | 7.3.8 | 0.7 | 0.2 |
| Amounts payable to subsidiaries | 7.3.6 | 27.0 | — |
| Borrowings | 7.3.10 | 107.9 | 102.0 |
| Financial liabilities | 7.3.4 | 7.0 | 0.8 |
| Provisions | 7.3.9 | 23.5 | — |
| | | 166.1 | 103.0 |
| Total liabilities | | 1,750.4 | 1,798.4 |
| Net assets | | 1,252.1 | 1,299.6 |
| Capital and reserves | | | |
| Issued share capital | 7.3.11 | 37.2 | 35.2 |
| Share premium | 7.3.11 | 20.7 | 1,145.5 |
| Employee benefit trust shares | 7.3.11 | (1.6) | (0.3) |
| Capital redemption reserve | | 1.8 | 1.8 |
| Retained earnings | | 1,194.6 | 117.1 |
| Cash flow hedging reserve | | (0.6) | 0.3 |
| Total equity | | 1,252.1 | 1,299.6 |

The Company's loss after taxation was £71.9m (2024: £10.2m profit).

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of directors on 9 March 2026 and signed on its behalf by:

Adolfo Hernandez **Pablo Andres**
 Chief Executive Officer Chief Financial Officer Company registration number: 02081330

Section 7: Company financial statements *continued*

7.2 Company statement of changes in equity

| | Share capital £m | Share premium £m | Employee benefit trust shares £m | Capital redemption reserve £m | Retained earnings £m | Cash flow hedging reserve £m | Merger reserve £m | Total £m |
|---|---------------------|---------------------|-------------------------------------|----------------------------------|-------------------------|---------------------------------|----------------------|-------------|
| At 1 January 2024 | 35.2 | 1,145.5 | (0.7) | 1.8 | 57.3 | (2.0) | 44.6 | 1,281.7 |
| Profit for the year | — | — | — | — | 10.2 | — | — | 10.2 |
| Other comprehensive income | — | — | — | — | — | 2.3 | — | 2.3 |
| Total comprehensive income for the year | — | — | — | — | 10.2 | 2.3 | — | 12.5 |
| Share-based payment (note 2.6; note 5.1) | — | — | — | — | 6.0 | — | — | 6.0 |
| Transfer of merger reserve | — | — | — | — | 44.6 | — | (44.6) | — |
| Exercise of share options under employee long-term incentive plans (note 4.6; note 5.1) | — | — | 1.0 | — | (1.0) | — | — | — |
| Company shares purchased (note 4.6) | — | — | (0.6) | — | — | — | — | (0.6) |
| At 1 January 2025 | 35.2 | 1,145.5 | (0.3) | 1.8 | 117.1 | 0.3 | — | 1,299.6 |
| Loss for the year | — | — | — | — | (71.9) | — | — | (71.9) |
| Other comprehensive expense | — | — | — | — | — | (0.9) | — | (0.9) |
| Total comprehensive expense for the year | — | — | — | — | (71.9) | (0.9) | — | (72.8) |
| Share-based payment (note 5.1) | — | — | — | — | 5.0 | — | — | 5.0 |
| Tax effect of share based payment (note 2.6) | — | — | — | — | 0.1 | — | — | 0.1 |
| Share premium cancellation ² (note 4.6) | — | (1,145.5) | — | — | 1,145.5 | — | — | — |
| Shares issued (note 4.6) | 2.0 | 20.7 | (0.3) | — | — | — | — | 22.4 |
| Exercise of share options under employee long-term incentive plans (note 4.6; note 5.1) | — | — | 1.2 | — | (1.2) | — | — | — |
| Company shares purchased (note 4.6) | — | — | (2.2) | — | — | — | — | (2.2) |
| At 31 December 2025 | 37.2 | 20.7 | (1.6) | 1.8 | 1,194.6 | (0.6) | — | 1,252.1 |

1. No dividends were declared, paid or proposed in 2025 or 2024 on the Company's ordinary shares.

2. Following shareholder approval at the Company's 2025 Annual General Meeting on 28 April 2025 and subsequent sanctioning by the High Court of England and Wales on 10 June 2025, the Company cancelled its share premium account. The effect of this capital reduction was to increase the distributable reserves of the Company through a transfer to retained earnings (refer to note 4.6).

Share capital – The balance classified as share capital is the nominal proceeds on issue of the Company's equity share capital, comprising 31 pence ordinary shares.

Employee benefit trust shares – Shares held in the Employee benefit trust have no voting rights and no entitlement to a dividend.

Share premium – The amount paid to the Company by shareholders, in cash or other consideration, over and above the nominal value of shares issued to them less issuance costs.

Capital redemption reserve – The Company can redeem shares by repaying the market value to shareholders, whereupon the shares are cancelled. Redemption must be from distributable profits. The Capital redemption reserve represents the nominal value of the shares redeemed.

Merger reserve – The merger reserve arose from the adoption of the exemption under section 131 of the Companies Act 1985 not to set up a share premium account in respect of shares issued for the acquisition of entities. The amounts attributed to the shares issued for these acquisitions that exceeded their nominal value was transferred to the merger reserve. Following a review undertaken in the previous year, it was assessed that the underlying businesses acquired between 1989 and 2003 which resulted in the creation of this merger reserve have since been exited by the Group either by way of disposal or closure. It was no longer deemed necessary to present the merger reserve as a separate component of equity, and it was transferred in full to the Company's retained earnings.

Cash flow hedging reserves – This reserve records the portion of the gain or loss on hedging instruments that are determined to be an effective cash flow hedge.

Retained earnings – Net profits/(losses) accumulated in the Company after dividends are paid.

The accompanying notes are an integral part of these financial statements.

Company financial statements *continued*

Section 7: Company financial statements *continued*

7.3 Notes to the Company financial statements

7.3.1 Accounting policies

AP Accounting policies

Basis of preparation

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards (UK-IFRS), but makes amendments where necessary to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) as issued by the Financial Reporting Council. The Company has not presented its own income statement as permitted by Section 408 of the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available in relation to share based payments, financial instruments, capital management, the presentation of comparative information in respect of certain assets, the presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared on the historical cost basis and on the going concern basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are the same as those set out in Sections 1 to 6 of the consolidated financial statements, except as noted below.

(a) Investments in subsidiaries

The Company has investments in subsidiaries which are shown at cost, less provisions for impairment. Investments in subsidiaries are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

The Company determines whether investments in subsidiaries are impaired based on impairment indicators. If an indicator is identified, an impairment test is performed. This involves estimation of the enterprise value of the investee which is calculated based on the discounted present value of estimated future cash flows, including the recoverable value of any subsidiaries held by the direct investment. The enterprise value of each investment is also adjusted for cash and other debt like items, including intercompany balances. The Company also assesses whether there are indicators to reverse previously recognised impairment losses. Reversals of impairment are only recognised where there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognised.

(b) Pension schemes

The Company participates in a defined contribution pension scheme where contributions are charged to the income statement in the year in which they are due. The scheme is funded and the payment of contributions is made to a separately administered trust fund. The assets of the scheme are held separately from the Company. The Company remits monthly pension contributions to Capita Business Services Ltd, a subsidiary, which pays the Group liability centrally. Any unpaid contributions at the year-end are accrued in the accounts of that subsidiary.

Note 5.2 of the Group's consolidated financial statements sets out more detail about the Group's pension obligations.

(c) Share-based payments

The Company's subsidiaries reimburse it through the intercompany account for charges attributable to their employees participating in the Company's share option schemes.

(d) Amounts receivable from and/or payable to subsidiaries

The amounts receivable from and/or payable to subsidiaries are shown at cost plus accrued interest less any provision for impairment. Amounts receivable from subsidiaries are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Company determines whether amounts receivable from subsidiaries are impaired by considering if there is an indicator of increased credit risk. The key assumption considered is the probability of a subsidiary going into default at the balance sheet date.

The definition of default used by the Company is that the counterparty is in a net liability position. In this case credit risk at the balance sheet date is captured by the definition of default and the probability of default occurring on the next day (reflecting the contractual period of an on-demand loan). The policy is to assess the net asset/liability position of each investee and then to conclude on the probability of default, and quantum of any impairment, by reference to the future discounted cash flows. The key assumptions underpinning these cash flows are set out in note 7.3.3. With the contractual arrangements based on repayment on-demand the future credit risk had a very limited impact on the calculation of expected credit losses at the balance sheet date.

The cash shortfalls arising when an amount receivable from a subsidiary is in default are assessed by discounting the expected future cash flows at the original effective interest rate of the instrument. Where it is expected that the principal and all associated interest can be recovered at some point in the future, no material expected credit loss is recognised.

Section 7: Company financial statements *continued*

7.3.2 Property, plant and equipment

| | Short-term leasehold improvements £m | Registered office | Proportion of nominal value of issued shares held by the Company |
|------------------------------------|---|-------------------|--|
| Cost | | | |
| At 1 January 2025 | 1.1 | | |
| Asset retirements | (1.1) | | |
| At 31 December 2025 | — | | |
| Depreciation and Impairment | | | |
| At 1 January 2025 | 0.6 | | |
| Charge for the year | 0.1 | | |
| Impairment | 0.4 | | |
| Asset retirements | (1.1) | | |
| At 31 December 2025 | — | | |
| Net book value: | | | |
| At 1 January 2025 | 0.5 | | |
| At 31 December 2025 | — | | |

7.3.3 Investments

| | Shares in subsidiaries £m | Registered office | Proportion of nominal value of issued shares held by the Company |
|-----------------------|------------------------------|-------------------|--|
| Net book value | | | |
| At 1 January 2025 | 978.2 | | |
| Additions | 295.9 | | |
| Impairment | (97.8) | | |
| Impairment reversals | 1.0 | | |
| At 31 December 2025 | 1,177.3 | | |

| Direct investments | Registered office | Proportion of nominal value of issued shares held by the Company |
|--|---|--|
| Capita Pension Solutions Limited ² | First Floor, 2 Kingdom Street, Paddington, London, England, W2 6BD | 100% |
| Capita Employee Benefits Holdings Limited ¹ | First Floor, 2 Kingdom Street, Paddington, London, England, W2 6BD | 100% |
| Capita Financial Services Holdings Limited ⁶ | 1 More London Place, London, SE12AF | 100% |
| Capita Group Insurance PCC Limited ³ | Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 4AT, Guernsey | 100% |
| Capita Holdings Limited ¹ | First Floor, 2 Kingdom Street, Paddington, London, England, W2 6BD | 100% |
| Capita International Limited ² | First Floor, 2 Kingdom Street, Paddington, London, England, W2 6BD | 100% |
| Capita Life & Pensions Regulated Services Limited ² | First Floor, 2 Kingdom Street, Paddington, London, England, W2 6BD | 100% |
| Capita International Retirement Benefit Scheme Trustees Limited (D) ⁴ | First Floor, 2 Kingdom Street, Paddington, London, England, W2 6BD | 100% |
| Capita Ireland Limited ² | Unit B, West Cork Business & Technology Park, Clonakilty, Co. Cork, Republic of Ireland, P85 YH98 | 100% |
| Capita Life & Pensions Services Limited ² | First Floor, 2 Kingdom Street, Paddington, London, England, W2 6BD | 100% |
| Capita Shared Services Limited ⁵ | First Floor, 2 Kingdom Street, Paddington, London, England, W2 6BD | 100% |

1. Investing holding company
2. Outsourcing services company
3. Insurance captive
4. Trustee company for the pension schemes
5. Internal services company
6. In liquidation

Company financial statements *continued*

Section 7: Company financial statements *continued*

7.3.3 Investments continued

Additions

During the year the Company made a capital contribution of £250.0m to its subsidiary, Capita Holdings Limited, by waiving a portion of the intercompany loan balance.

Additionally, the Company made a capital contribution of £45.9m to its subsidiary, Capita Life and Pensions Regulated Services Limited (CLPRS). In December 2025, the Company and CLPRS reached a transition agreement for the remaining two legacy evergreen contracts with CLPRS's last customer, Royal London (refer to notes 2.8 and 3.6 for further details). Under the transition agreement, the Company is required to make an upfront payment of £22.4m, followed by three additional payments of £10m each, payable on the first, second and third anniversaries of the migration completion. The upfront payment of £22.4m (refer to note 4.6) was settled through a share-based payment arrangement involving the issue of the Company's own shares to Royal London, and the remaining deferred payments were recognised at a discounted amount of £23.5m within provisions (refer to note 7.3.9).

Impairment

During the year, the Company recognised an impairment loss of £38.0m, against its investment in Capita Employee Benefits Holdings Limited, and £1.1m against its investment in Capita Financial Services Holdings Limited, due to the return of capital from its subsidiaries in advance of their liquidation, with impairment offset by dividend income received from the subsidiaries.

The Company considered whether there was an indicator of impairment of investments in subsidiaries at 31 December 2025, and due to the Company's market capitalisation being below the carrying value of the Company's net assets, concluded a trigger existed and performed an impairment test.

The impairment test

The enterprise value of each investment is calculated based on the present value of estimated future cash flows discounted at the current market rate of return. For non-trading subsidiaries this is based on the net asset value of the entity as at 31 December 2025, which is considered to not be materially different to the value derived by other means. For all other entities, recoverable amount is estimated on a discounted cash flow basis. Recoverable amounts also factor in the recoverable amount of an entity's direct and indirect subsidiaries.

For discounted cash flow calculations, the cash flow projections used for the impairment test are derived from the 2026-2028 business plan approved by the Board of Directors. Key assumptions in the business plan include the delivery of planned revenue growth. In accordance with goodwill impairment testing for the Group (refer to note 3.4 of the consolidated financial statements), for the purposes of the impairment test the business plan cash flow projections for the Contact Centre business were risk adjusted from 2026 onwards to reflect future risks from the perspective of a market participant, and to take into account the historical performance of the segment and inherent uncertainty in forecasting. These risk adjustments have been allocated to the relevant legal entity cash flow projections under Contact Centre segment of the Group. The enterprise value is then calculated based on the present value of estimated future cash flows discounted at the current market rate of return.

The long-term growth rate is based on economic growth forecasts by recognised bodies and this has been applied to the forecast cash flows for the terminal period. The 2025 long-term growth rate is 1.5% (2024: 1.6%).

Management estimates discount rates using nominal post-tax rates of comparator companies. The discount rates reflect the latest market assumptions for the risk-free rate, the equity risk premium and the cost of debt, which are all based on publicly available external sources.

The table below presents the pre-tax discount rates applied to the cash flows for 2025.

| | Capita Public Service | Capita Experience | | |
|------|-----------------------|-------------------|-------------------|--------------------|
| | | Contact Centre | Pension Solutions | Regulated Services |
| 2025 | 10.2% | 10.6% | 8.9% | 12.1% |
| 2024 | 10.5% | 11.2% | 10.6% | 12.4% |

The Company has reversed the impairment charge of £1.0m against its investment in Capita Life & Pensions Services Limited due to an improvement in the recoverable value of these investments.

As of 31 December 2025, the Company held an investment in Capita Life & Pensions Regulated Services Limited (CLPRS) against which it recognised an impairment loss of £58.7m. The impairment was recorded following the additional capital contribution made during the year and reflects a reduction in the carrying value of the investments to align with the recoverable amount determined through the impairment assessment performed. No impairment or reversal of impairment has been identified in respect of other investments.

Sensitivity analysis

The impairment testing as described is reliant on the accuracy of management's forecasts and the assumptions that underlie them; and on the selection of the discount and growth rates applied. To gauge the sensitivity of the result to a change in any one, or combination of the assumptions that underlie the model, a number of scenarios were developed to identify the range of reasonably possible alternatives and measure which investments are the most susceptible to an impairment should the assumptions used be varied. This sensitivity analysis is only applicable to those investments which have not already been fully impaired.

The sensitivity scenarios applies estimated potential additional impairments required (with all other variables being equal) through: an increase in discount rate of 1%, or a decrease of 1% in the long-term growth rate (for the terminal period) for each of the investments; or, through the severe but plausible downsides applied to the base-case projections for assessing going concern and viability, without mitigations, for 2026 to 2028, and the long-term growth rate 1.5% applied to the 2028 downside cash flows to generate projected cash flows for 2029, 2030, and the terminal period. The impact of all of the scenarios together has also been considered, which is also a reasonable possible alternative.

Other than for CLPRS (see below), no additional impairments were identified under any of the sensitivity scenarios, including the combination sensitivity scenario. Management continues to monitor closely the performance of all subsidiaries and consider the impact of any changes to the key assumptions.

The recoverable amount of CLPRS is impacted by judgements applied in the calculation of provisions related to the exit of the Group's closed book Life & Pensions business. As discussed in note 3.6, if there are delays in the migration, the party at fault will bear the cost of the overrun. This could require a material adjustment to the amount of related provision recognised by the Group. Any change in provision will have an equivalent impact on the recoverable amount of CLPRS, and therefore on the impairment recognised by the Company at 31 December 2025.

Section 7: Company financial statements *continued*

7.3.4 Financial instruments

| | Financial assets 2025 £m | Financial liabilities 2025 £m | Financial assets 2024 £m | Financial liabilities 2024 £m |
|--|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|
| Cash flow hedges | 0.3 | 6.1 | 2.7 | — |
| Non-designated foreign exchange forwards and swaps | 3.7 | 5.9 | 2.7 | 0.5 |
| Cross-currency interest rate swaps | — | 0.1 | 13.0 | 0.8 |
| | 4.0 | 12.1 | 18.4 | 1.3 |
| Analysed as: | | | | |
| Current | 2.2 | 5.1 | 16.1 | 0.5 |
| Non-current | 1.8 | 7.0 | 2.3 | 0.8 |
| | 4.0 | 12.1 | 18.4 | 1.3 |

7.3.5 Deferred tax

| | 2025 £m | 2024 £m |
|---|------------|-------------|
| Deferred tax included in the balance sheet is as follows: | | |
| Accelerated capital allowances | 3.3 | 2.8 |
| Tax losses | 6.3 | 7.3 |
| Other short-term timing differences | 0.2 | (0.1) |
| | 9.8 | 10.0 |

7.3.6 Amounts receivable from and/or payable to subsidiary companies

| | Current | | Non-current | |
|--------------------------------------|-------------|------------|----------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Amounts receivable from subsidiaries | 11.8 | 1,927.0 | 1,764.2 | 98.3 |

As set out in note 4.6, following shareholder approval at the 2025 AGM and subsequent sanctioning by the High Court of England and Wales on 10 June 2025, the Company completed the cancellation of its share premium account, with the balance of £1,145.5m credited to retained earnings.

Following the capital reduction, a review of the funding structure of the Group's key subsidiaries was undertaken. As a result of this exercise:

- the Company waived a receivable of £250m due from its subsidiary Capita Holdings Limited;
- intra-Group payables of £300m owed to Capita Business Services Ltd were settled by the Company by the assignment of intra-Group receivables of £300m due from Capita Holdings Limited, thereby reducing the Company's gross intra-Group receivable and payable position, with no gain or loss recognised at the point of offset; and
- £1,764.2m of the remaining amounts receivable from subsidiaries were reclassified from current to non-current. These amounts are repayable on demand along with any accrued interest. Following the above mentioned capital reduction, review of the funding structure, loan waiver, and loan offset undertaken by the Company in the year, there is no longer the expectation that the Company will realise these remaining receivable balances within 12 months of the balance sheet date.

As at 31 December 2025, the balances due within one year of £11.8m primarily represent intercompany trading balances.

| | Current | | Non-current | |
|---------------------------------|----------------|------------|-------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Amounts payable to subsidiaries | 1,362.4 | 1,628.9 | 27.0 | — |

As at 31 December 2025, amounts payable after more than one year primarily includes subordinated loans of £26.5m and £0.5m, borrowed from its subsidiaries Capita Holdings Limited and Capita Business Services Ltd respectively.

The remaining amounts payable to subsidiaries are repayable on demand, together with any accrued interest.

Company financial statements *continued*Section 7: Company financial statements *continued*

7.3.7 Trade and other receivables

| | Current | | Non-current | |
|---------------------------------|------------|------------|-------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Other debtors | — | 0.4 | — | — |
| Other taxes and social security | 2.3 | 1.9 | — | — |
| Prepayments | 0.6 | 0.4 | — | — |
| | 2.9 | 2.7 | — | — |

7.3.8 Trade and other payables

| | Current | | Non-current | |
|-----------------|------------|------------|-------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Trade creditors | 5.2 | 3.5 | — | — |
| Other creditors | 1.9 | 0.5 | 0.7 | 0.2 |
| | 7.1 | 4.0 | 0.7 | 0.2 |

7.3.9 Provisions

| | Business exit provision £m | Claims and litigation provision £m | Cost reduction provision £m | Closed book Life & Pensions business exit provision £m | Total £m |
|------------------------|----------------------------------|--|-----------------------------------|--|-------------|
| At 1 January | 0.1 | 4.0 | — | — | 4.1 |
| Provisions in the year | — | 8.0 | 0.1 | 23.5 | 31.6 |
| Releases in the year | — | (4.0) | — | — | (4.0) |
| Utilisation | — | (8.0) | — | — | (8.0) |
| At 31 December | 0.1 | — | 0.1 | 23.5 | 23.7 |

| | 2025 £m | 2024 £m |
|-------------|------------|------------|
| Current | 0.2 | 4.1 |
| Non-current | 23.5 | — |
| | 23.7 | 4.1 |

Closed book Life & Pensions business exit provision: The provision is in respect of customer contracts in the closed book Life & Pensions business which the Company's subsidiary, Capita Life & Pensions Regulated Services Limited (CLPRS), is in the process of exiting (refer to notes 2.8 and 3.6).

In December 2025, the exit of the one remaining customer, Royal London, was agreed and the provision represents the contribution the Company will make towards Royal London's costs, consisting of three £10m payments on the first, second and third anniversary of the migration completion. The migration is expected to take five years, so these payments are expected to take place in 2031, 2032 and 2033. The provision is therefore forecast to unwind over the periods until 2033 and has been discounted on recognition.

The Company has recognised the above as a capital contribution, and as such an increase in its investment in CLPRS (refer to note 7.3.3).

7.3.10 Borrowings

| | 2025 £m | 2024 £m |
|--|------------|------------|
| Private placement loan notes - principal | 192.2 | 104.3 |
| Unamortised transaction costs on debt issuance | (2.3) | (2.3) |
| Total borrowings | 189.9 | 102.0 |

Maturity analysis is as follows:

| | 2025 £m | 2024 £m |
|--|------------|------------|
| Falling due within a year | 82.0 | — |
| In more than 1 years but not more than 5 years | 107.9 | 102.0 |
| Total borrowings | 189.9 | 102.0 |

The Company has guaranteed unsecured private placement loan notes as follows:

| | Interest rate (%) | Denomination | Principal amounts (m) | Maturity |
|------------------------------|----------------------|--------------|-----------------------------|---------------|
| Private placement loan notes | 8.000 | USD | 45.0 | 25 July 2026 |
| Private placement loan notes | 9.350 | GBP | 50.0 | 25 July 2026 |
| Private placement loan notes | 8.210 | USD | 23.0 | 25 July 2028 |
| Private placement loan notes | 7.300 | GBP | 50.0 | 24 April 2028 |
| Private placement loan notes | 6.940 | USD | 13.0 | 24 April 2028 |
| Private placement loan notes | 7.090 | USD | 43.0 | 24 April 2030 |

In July 2025, the Group extended its £250m revolving credit facility (RCF) by a further twelve months to December 2027. The RCF includes a £50m accordion option, whilst all other terms remain substantially unchanged. The RCF was undrawn at 31 December 2025 (2024: undrawn).

Further detail on these facilities can be found in note 4.2 to the Group's consolidated financial statements.

Section 7: Company financial statements *continued*

7.3.11 Share capital

Disclosures about the share capital, share premium, and Employee benefit trust shares of the Company have been included in note 4.6 to the Group's consolidated financial statements.

7.3.12 Contingent liabilities

The Group has provided, through the normal course of its business, sureties and bank guarantees totalling £52.9m of which the Company has provided £38.5m (2024: £24.7m; Company £8.1m). On adoption of IFRS 17 the Group had the option to apply either IFRS 17 or IFRS 9 for external debt guarantees, of which the Group elected to apply IFRS 9 for both the Group and the Company. The Group and the Company accounts for performance guarantees under IAS 37 because they do not meet the criteria to be recognised as an insurance contract.

7.3.13 Related-party transactions

The details of the remuneration of directors are set out in note 6.1 of the Group's consolidated financial statements.

In the following, amounts for purchases and sales are for transactions invoiced during the year inclusive of VAT where applicable. All transactions are undertaken at arm's length prices.

During the year, the Company sold goods/services in the normal course of business to Entrust Support Services Limited ('Entrust') for £0.1m (2024: £0.1m), and purchased goods/services in the normal course of business from Entrust for £nil (2024: £nil). At the balance sheet date, the net amount receivable from Entrust was £nil (2024: £nil).

7.3.14 Pension costs

The Company operates a defined contribution pension scheme. The pension charge for this scheme for the year was £0.7m (2024: £0.6m).

7.3.15 Share-based payments

The Company operates several share-based payment plans and details of the schemes are disclosed in note 5.1 of the Group's consolidated financial statements.

The Group consolidated income statement recognised an expense for share-based payments in respect of employee services received during the year to 31 December 2025 of £5.0m (2024: £6.0m), all of which arose from equity-settled share-based payment transactions. After recharging subsidiaries for their participation in these transactions, the total Company expense in its income statement in respect of share-based payments was £3.6m (2024: £4.3m).

Additional information

Section 8: Additional information

8.1 Shareholder information

In this section we have provided you with some key information to manage your shareholding in Capita plc.

Useful websites

Capita (www.capita.com/investors)

Our corporate site is our main external communication channel where we showcase our services, solutions and innovations from across the Group. It also contains an investor section, where institutional and private shareholders can access the latest announcements, financial and statutory information and reports.

Contact us (www.capita.com/about-us/contact-us)

Shareholder portal (www.capitashares.co.uk)

Capita's register of shareholders is maintained by MUFG Corporate Markets. Our shareholder portal is a secure online site where you can manage your shareholding quickly and easily. You can manage many aspects, such as viewing your holding, updating contact details, managing dividend payments, and requesting shareholder communications by email. To register you will need your investor code, which can be found on your share certificate.

e-communications

Help us communicate with you in a greener, more efficient and cost-effective way by switching from postal to email communications, which means that we will notify you by email every time a new shareholder communication has been placed on the Capita website.

Registering for e-communications is straightforward. Go to our shareholder portal www.capitashares.co.uk.

Managing your shareholding

We aim to communicate effectively with our shareholders, via our website www.capita.com/investors.

Shareholders who have questions relating to the Group's business or wish to receive further hard copies of annual reports should contact Capita's investor relations team via email: IRTeam@capita.com.

If you have any queries about your shareholding please contact the Company's registrar, MUFG Corporate Markets:

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds LS1 4DL

Email: shareholderenquiries@cm.mpms.mufg.com

Tel: +44 (0)371 664 0300 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate.)

Lines are open 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales.

Company contact details

Registered office

Capita plc
First Floor,
2 Kingdom Street,
Paddington, London, W2 6BD
Registered in England and Wales with registration number: 02081330

Investor Relations

IRTeam@capita.com
Director of Investor Relations – Helen Parris

Company Secretariat

secretariat@capita.com
Chief General Counsel and Group Company Secretary – Claire Denton

Company advisers

Independent auditor KPMG LLP

Corporate brokers
Barclays Bank plc
RBC Capital Markets

Bankers
Barclays Bank plc
Lloyds Bank plc
National Westminster Bank plc
Citibank, N.A., London Branch
ING Bank N.V., London Branch
Goldman Sachs International Bank
Royal Bank of Canada
ABN AMRO Bank N.V.

Corporate communications
Brunswick Group LLP

Registrars
MUFG Corporate Markets

Section 8: Additional information *continued*



New APM in the year



Definition updated in the year



Comparatives re-presented

8.2 Alternative performance measures

The Group presents various alternative performance measures (APMs) because internally the performance of the Group is reported and measured on this basis. This includes key performance indicators (KPIs) such as adjusted revenue, adjusted profit before tax, adjusted basic/diluted earnings per share, free cash flow excluding business exits, and gearing ratios. In general, the Board believes that the APMs are useful for investors because they provide further clarity and transparency of the Group's financial performance and are closely monitored by management to evaluate the Group's operating performance to facilitate financial, strategic and operating decisions.

These APMs should not be viewed as a complete picture of the Group's financial performance which is presented in the reported results. The exclusion of certain items may result in a more favourable view when costs such as acquired intangible amortisation, costs relating to the cyber incident in March 2023, expenses associated with the cost reduction programme and impairments of goodwill are excluded. These measures may not be comparable when reviewing similar measures reported by other companies.

| APM | Closest equivalent IFRS measure | Definition, Purpose and Reconciliation | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---------------------------------|---|-----------|------------------|-----------|---|------------------|-----------|--|------------------|-----------|------------------|------------------|-----------|----------------------------|---------------|------------------|-----------|-----------------------------|---|------------------|---------|----------------|--------|------------------|-----|---------------|--------|--------------|-------|
| Income statement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adjusted revenue | Revenue | <p>Calculated as total revenue less revenue relating to businesses that have been sold, or exited during the year or prior year; or, are in the process of being sold, or exited. This measure of revenue is used internally in respect of the Group's continuing business (being the Group's continuing activities, which exclude business exits) and the Board believes it is a good indication of ongoing performance.</p> <p>The table below shows a reconciliation between reported and adjusted revenue; and, the change in adjusted revenue:</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Total reported revenue per the income statement</td> <td>£2,312.3m</td> <td>£2,421.6m</td> </tr> <tr> <td>Deduct: business exit revenue (note 2.2.1)</td> <td>£(112.8)m</td> <td>£(195.9)m</td> </tr> <tr> <td>Adjusted revenue</td> <td>£2,199.5m</td> <td>£2,225.7m</td> </tr> <tr> <td>Change in adjusted revenue</td> <td>(1.2)%</td> <td>(6.8)%</td> </tr> </tbody> </table> | | 2025 | 2024 | Total reported revenue per the income statement | £2,312.3m | £2,421.6m | Deduct: business exit revenue (note 2.2.1) | £(112.8)m | £(195.9)m | Adjusted revenue | £2,199.5m | £2,225.7m | Change in adjusted revenue | (1.2)% | (6.8)% | | | | | | | | | | | | | |
| | 2025 | 2024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total reported revenue per the income statement | £2,312.3m | £2,421.6m | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deduct: business exit revenue (note 2.2.1) | £(112.8)m | £(195.9)m | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adjusted revenue | £2,199.5m | £2,225.7m | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Change in adjusted revenue | (1.2)% | (6.8)% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adjusted operating profit | Operating profit | <p>Calculated as reported operating profit excluding items determined by the Board to be outside underlying operations. These items are detailed in note 2.4. A reconciliation of reported to adjusted operating profit is provided in note 2.4.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reported / adjusted operating margin | No direct equivalent | <p>Calculated as the reported / adjusted operating profit divided by reported / adjusted revenue. This measure is an indicator of the Group's operating efficiency.</p> <p>The table below shows the components, and calculation, of reported / adjusted operating profit margin:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2"></th> <th colspan="2">Reported</th> <th colspan="2">Adjusted</th> </tr> <tr> <th>2025</th> <th>2024</th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>a</td> <td>£2,312.3m</td> <td>£2,421.6m</td> <td>£2,199.5m</td> <td>£2,225.7m</td> </tr> <tr> <td>Operating profit (note 2.4)</td> <td>b</td> <td>£(129.6)m</td> <td>(£9.9m)</td> <td>£113.5m</td> <td>£84.6m</td> </tr> <tr> <td>Operating margin</td> <td>b/a</td> <td>(5.6)%</td> <td>(0.4)%</td> <td>5.2 %</td> <td>3.8 %</td> </tr> </tbody> </table> | | | Reported | | Adjusted | | 2025 | 2024 | 2025 | 2024 | Revenue | a | £2,312.3m | £2,421.6m | £2,199.5m | £2,225.7m | Operating profit (note 2.4) | b | £(129.6)m | (£9.9m) | £113.5m | £84.6m | Operating margin | b/a | (5.6)% | (0.4)% | 5.2 % | 3.8 % |
| | | Reported | | | Adjusted | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2025 | 2024 | 2025 | 2024 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue | a | £2,312.3m | £2,421.6m | £2,199.5m | £2,225.7m | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating profit (note 2.4) | b | £(129.6)m | (£9.9m) | £113.5m | £84.6m | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating margin | b/a | (5.6)% | (0.4)% | 5.2 % | 3.8 % | | | | | | | | | | | | | | | | | | | | | | | | | |

Additional information *continued*Section 8: Additional information *continued*

8.2 Alternative performance measures continued

| APM | Closest equivalent IFRS measure | Definition, Purpose and Reconciliation | | |
|-----------------------------------|---------------------------------|--|--------------|-------------|
| Income statement continued | | | | |
| Reported EBITDA | No direct equivalent | <p>Calculated as reported profit/(loss) before tax prior to: depreciation, amortisation and impairment of property, plant and equipment, intangible assets, goodwill and right-of-use assets; net finance costs; the share of results in associates and losses on financial assets and gain/loss on business disposal.</p> <p>The directors believe that reported Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) is a useful measure for investors because it is closely monitored by management to evaluate Group and divisional operating performance.</p> <p>The table below shows the calculation of reported EBITDA:</p> | | |
| | | | 2025 | 2024 |
| | | Reported (loss)/profit before tax | £(170.9)m | £116.6m |
| | | Add back: net finance costs (note 4.3) | £39.2m | £46.3m |
| | | Add back: depreciation and impairment of property, plant and equipment (note 3.2) | £19.6m | £26.0m |
| | | Add back: depreciation and impairment of right-of-use assets (note 3.5) | £36.2m | £42.5m |
| | | Add back: amortisation and impairment of intangibles (note 3.3) | £22.2m | £32.5m |
| | | Add back: goodwill impairment (note 3.4) | £73.7m | £75.1m |
| | | Add back: loss/(gain) on business disposal (note 2.8) | £1.6m | £(184.6)m |
| | | Add back: share of results in associates and losses on financial assets (note 2.8) | £0.5m | £11.8m |
| | | Reported EBITDA | £22.1m | £166.2m |
| | | Reported EBITDA margin | 1.0 % | 6.9 % |
| Adjusted EBITDA | No direct equivalent | <p>Calculated as adjusted profit before tax prior to: depreciation, amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets; net finance costs; and the share of results in associates and losses on financial assets (other than those already excluded from adjusted operating profit).</p> <p>The directors believe that adjusted Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) is a useful measure for investors because it is closely monitored by management to evaluate Group and divisional operating performance.</p> <p>This measure has been calculated pre- and post- the impact of IFRS 16 to enable investors to understand the impact of the Group's lease portfolio on adjusted EBITDA.</p> <p>The table below shows the calculation of adjusted EBITDA:</p> | | |
| | | | Post IFRS 16 | Pre IFRS 16 |
| | | | 2025 | 2024 |
| | | Adjusted profit before tax | £74.5m | £40.5m |
| | | Add back: adjusted net finance costs (note 4.3) | £39.0m | £44.1m |
| | | Add back: adjusted depreciation and impairment of property, plant and equipment (note 3.2) | £19.2m | £24.2m |
| | | Add back: depreciation and impairment of right-of-use assets (note 3.5) | £35.3m | £41.2m |
| | | Add back: adjusted amortisation and impairment of intangibles (note 3.3) | £20.0m | £19.0m |
| | | Adjusted EBITDA | £188.0m | £169.0m |
| | | Adjusted EBITDA margin | 8.5 % | 7.6 % |
| | | | 2025 | 2024 |
| | | | 6.6 % | 5.4 % |

Section 8: Additional information *continued*

8.2 Alternative performance measures continued

| APM | Closest equivalent IFRS measure | Definition, Purpose and Reconciliation | | | | | | | | | | | | |
|--|---|---|--|------|------|---------------------------------------|--------|--------|---|----------|----------|---------------------------|--------|-------|
| Income statement continued | | | | | | | | | | | | | | |
| Adjusted profit/(loss) before tax R | Profit/(loss) before tax | <p>Calculated as profit/(loss) before tax excluding the items detailed in note 2.4, which include: business exits (trading results, non-trading expenses, and any gain/(loss) on business disposal); acquired intangible amortisation; impairment of goodwill and acquired intangibles; costs of the cyber incident in March 2023; and expenses associated with the cost reduction programme.</p> <p>A reconciliation of reported to adjusted profit before tax is provided in note 2.4.</p> | | | | | | | | | | | | |
| Adjusted profit/(loss) after tax R | Profit/(loss) after tax | <p>Calculated as the above adjusted profit/(loss) before tax, less the tax expense on adjusted profit/(loss).</p> <p>The table below shows a reconciliation:</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Adjusted profit before tax (note 2.4)</td> <td>£74.5m</td> <td>£40.5m</td> </tr> <tr> <td>Tax expense on adjusted profit (note 2.6.1)</td> <td>£(19.0)m</td> <td>£(34.6)m</td> </tr> <tr> <td>Adjusted profit after tax</td> <td>£55.5m</td> <td>£5.9m</td> </tr> </tbody> </table> | | 2025 | 2024 | Adjusted profit before tax (note 2.4) | £74.5m | £40.5m | Tax expense on adjusted profit (note 2.6.1) | £(19.0)m | £(34.6)m | Adjusted profit after tax | £55.5m | £5.9m |
| | 2025 | 2024 | | | | | | | | | | | | |
| Adjusted profit before tax (note 2.4) | £74.5m | £40.5m | | | | | | | | | | | | |
| Tax expense on adjusted profit (note 2.6.1) | £(19.0)m | £(34.6)m | | | | | | | | | | | | |
| Adjusted profit after tax | £55.5m | £5.9m | | | | | | | | | | | | |
| Adjusted basic earnings per share R | Basic earnings per share | <p>Calculated as the adjusted profit/(loss) after tax less non-controlling interests divided by the weighted average number of ordinary shares outstanding during the year.</p> <p>The Board believes that this provides an indication of basic earnings per share of the Group on adjusted profit after tax.</p> <p>For the calculation of adjusted basic earnings per share refer to note 2.7.</p> | | | | | | | | | | | | |
| Adjusted diluted earnings per share R | Diluted earnings per share | <p>Calculated as the adjusted profit/(loss) after tax less non-controlling interests divided by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would have been issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.</p> <p>The Board believes that this provides an indication of diluted earnings per share of the Group on adjusted profit after tax.</p> <p>For the calculation of adjusted diluted earnings per share refer to note 2.7.</p> | | | | | | | | | | | | |
| Cash flows and net debt | | | | | | | | | | | | | | |
| Cash flows generated/(used) by operations excluding business exits R | Cash generated/(used) by operations | <p>Calculated as the cash flows generated from operations excluding the items detailed in note 2.9.2 which includes: business exits (trading results, non-trading expenses) and pension deficit contributions triggered by business disposals.</p> <p>A reconciliation of reported to cash generated from/(used by) operations excluding business exits is provided in note 2.9.2.</p> | | | | | | | | | | | | |
| Free cash flow and free cash flow excluding business exits R | Net cash flows from operating activities | <p>Free cash flow is calculated as cash generated from operations after: capital expenditure; income tax and interest; and the proceeds from the sale of property, plant and equipment and intangible assets; and the capital element of lease payments and receipts. Free cash flow excluding business exits has the same calculation but excludes the impact of business exits.</p> <p>Free cash flow and free cash flow excluding business exits are measures used to show how effective the Group is at generating cash and the Board believes they are useful for investors and management to measure whether the Group is generating sufficient cash flow to fund operations, capital expenditure, non-lease debt obligations, and dividends.</p> <p>A reconciliation of net cash flows from operating activities to free cash flow and free cash flow excluding business exits and a reconciliation of free cash flow to free cash flow excluding business exits are provided in note 2.9.2.</p> | | | | | | | | | | | | |

Additional information *continued*Section 8: Additional information *continued*

8.2 Alternative performance measures continued

| APM | Closest equivalent IFRS measure | Definition, Purpose and Reconciliation | Reported | | Excluding business exit | |
|--|---------------------------------|--|------------------|----------|-------------------------|----------|
| Cash flows and net debt continued | | | 2025 | 2024 | 2025 | 2024 |
| Operating cash flow and operating cash conversion | No direct equivalent | Operating cash flow calculated as adjusted EBITDA less working capital and non-cash and other adjustments excluding business exits, pension deficit contributions, cyber incident and cost reduction programme. Operating cash conversion calculated as operating cash flow divided by adjusted EBITDA. The Board believes that this measure is useful for investors because it is closely monitored by management to evaluate the Group's operating performance and to make financial, strategic and operating decisions. | | | | |
| R | | | | | | |
| | | Reported/Adjusted Operating (loss)/profit | £(129.6)m | £(9.9)m | £113.5m | £84.6m |
| | | Depreciation (note 2.9) | £55.0m | £66.5m | £53.8m | £64.1m |
| | | Amortisation of intangible assets | £21.6m | £23.4m | £19.5m | £18.7m |
| | | Impairment of non-current assets | £75.1m | £86.2m | £1.2m | £1.6m |
| | | Reported/Adjusted EBITDA | £22.1m | £166.2m | £188.0m | £169.0m |
| | | Add back: EBITDA element of cyber incident and cost reduction programme | £71.9m | £28.7m | £—m | £—m |
| | | Trade and other receivables (note 2.9) | £(19.6)m | £16.4m | £(29.0)m | £21.5m |
| | | Non-recourse trade receivables financing (note 2.9) | £1.2m | £(11.8)m | £1.2m | £(11.8)m |
| | | Trade and other payables (note 2.9) | £54.3m | £(65.2)m | £47.6m | £(60.4)m |
| | | Deferred income (note 2.9) | £(86.7)m | £(33.2)m | £(70.9)m | £(28.0)m |
| | | Contract fulfilment assets (non-current) (note 2.9) | £24.3m | £(5.4)m | £24.3m | £(5.9)m |
| | | Add back: Working capital element of cyber incident and cost reduction programme | £(4.0)m | £0.4m | £(4.0)m | £0.4m |
| | | Working capital | £41.4m | £(70.1)m | £(30.8)m | £(84.2)m |
| | | Share-based payment expense (note 2.9) | £27.4m | £6.0m | £5.0m | £6.0m |
| | | Employee benefits (note 2.9) | £7.5m | £8.5m | £7.5m | £8.5m |
| | | (Gain)/loss on sale of property, plant and equipment and intangible assets (note 2.9) | £(0.3)m | £1.7m | £(0.3)m | £1.7m |
| | | Amendments and early terminations of leases (note 2.9) | £(4.8)m | £(6.8)m | £(4.7)m | £(6.8)m |
| | | Movement in provisions (note 2.9) | £30.5m | £(31.2)m | £(15.8)m | £(23.4)m |
| | | Other contributions into pension schemes (note 2.9) | £(8.1)m | £(8.4)m | £(8.1)m | £(8.4)m |
| | | Non-cash element of cyber incident and cost reduction programme | £(1.1)m | £20.4m | £(1.1)m | £20.4m |
| | | Non-cash and other adjustments | £51.1m | £(9.8)m | £(17.5)m | £(2.0)m |
| | | Operating cash flow | £114.6m | £86.3m | £139.7m | £82.8m |
| | | Operating cash conversion | b/a | | 74.3 % | 49.0 % |

Section 8: Additional information *continued*

8.2 Alternative performance measures continued

| APM | Closest equivalent IFRS measure | Definition, Purpose and Reconciliation | | |
|---|--|--|---------------------|--------------------|
| Cash flows and net debt continued | | | | |
| Available liquidity | No direct equivalent | Calculated as the sum of any undrawn committed facilities and the net cash, cash equivalents net of overdrafts, less any restricted cash. Restricted cash is defined as any cash held that is not capable of being applied against consolidated total borrowings (inclusive of cash required to be held under FCA regulations and cash represented by non-controlling interests). | | |
| | | | 2025 | 2024 |
| | | Revolving credit facility (RCF) (note 4.5.2b) | £250.0m | £250.0m |
| | | Less: drawing on committed facilities (note 4.5.2b) | £—m | £—m |
| | | Undrawn committed facilities | £250.0m | £250.0m |
| | | Cash and cash equivalents net of overdrafts (note 4.5.4) | £125.3m | £191.4m |
| | | Less: restricted cash (note 4.5.4) | £(45.9)m | £(44.2)m |
| | | Available liquidity | £329.4m | £397.2m |
| Net debt | Borrowings, cash, derivatives, lease liabilities and deferred consideration | Calculated as the net of the Group's: cash, cash equivalents and overdrafts; private placement loan notes; other finance; currency and interest rate swaps; lease liabilities; and deferred consideration. The Board believes that net debt enables investors to see the economic effect of debt, related hedges and cash and cash equivalents in total and shows the indebtedness of the Group. The calculation of net debt is provided in notes 2.9.3 and 4.1.1 | | |
| Net financial debt (pre-IFRS 16) | No direct equivalent | Calculated as the sum of the Group's: cash, cash equivalents and overdrafts; the fair value of the Group's private placement loan notes; other loan notes; and deferred consideration. The Board believes that this measure of net debt allows investors to see the Group's net debt position excluding its IFRS 16 lease liabilities. | | |
| | | | 2025 | 2024 |
| | | Net debt (note 4.1.1) | £461.6m | £415.2m |
| | | Remove: IFRS 16 impact (note 4.4) | £(318.2)m | £(348.7)m |
| | | Net financial debt (pre-IFRS 16) | £143.4m | £66.5m |
| Gearing: net debt to adjusted EBITDA ratio | No direct equivalent | This ratio is calculated as net debt divided by adjusted EBITDA including business exits not yet completed at the balance sheet date. The Board believes that this ratio is useful because it shows how significant net debt is relative to adjusted EBITDA. This measure has been calculated including and excluding the impact of IFRS 16 leases on EBITDA and net debt because the Board believes this provides useful information to enable investors to understand the impact of the Group's lease portfolio on its gearing ratio. The table below shows the components, and calculation, of the net debt / net financial debt (post- and pre-IFRS 16) to adjusted EBITDA ratio: | | |
| | | | Post-IFRS 16 | Pre-IFRS 16 |
| | | | 2025 | 2024 ¹ |
| | | Adjusted EBITDA | £188.0m | £186.1m |
| | | EBITDA in respect of business exits not yet completed | £(0.2)m | £(7.7)m |
| | | Adjusted EBITDA (including business exits not yet completed) | £187.8m | £178.4m |
| | | Net debt/net financial debt | £461.6m | £415.2m |
| | | Net debt/net financial debt to adjusted EBITDA ratio | 2.5x | 2.3x |
| | | | 1.0x | 0.5x |

1. To ensure consistent presentation of the ratios between years, the 2024 comparatives have not been represented.

Additional information *continued*Section 8: Additional information *continued*

8.3 Covenants

The below measures are submitted to the Group's lenders and the directors believe these measures provide a useful insight to investors. The 31 December 2024 comparatives have not been represented because they are not required to be represented for covenant purposes.

| | | 2025 | 2024 | Source |
|---|-------|-------------|-------------|---|
| Covenants | | | | |
| Adjusted operating profit ¹ | | £113.5m | £95.9m | Line information in note 2.4 |
| Add back: covenant adjustments ² and amortisation | | £(2.8)m | £54.1m | |
| Adjusted EBITA | a1 | £110.7m | £150.0m | |
| Less: IFRS 16 EBITA impact and covenant adjustments ⁶ | | £8.9m | £(8.8)m | |
| Adjusted EBITA (excluding IFRS 16) | a2 | £119.6m | £141.2m | |
| Adjusted EBITA | | £110.7m | £150.0m | |
| Add back: covenant adjustments ³ and depreciation | | £56.7m | £55.8m | |
| Covenant calculation – adjusted EBITDA | b1 | £167.4m | £205.8m | |
| Less: IFRS 16 EBITDA impact and covenant adjustments ⁶ | | £(27.2)m | £(51.1)m | |
| Covenant calculation – adjusted EBITDA (excluding IFRS 16) | b2 | £140.2m | £154.7m | |
| Adjusted EBITA (US PP covenants) | a3 | £110.7m | £150.0m | Adjusted for difference in exceptional items treatment |
| Adjusted EBITDA (US PP covenants) | b3 | £167.4m | £205.8m | Adjusted for difference in exceptional items treatment |
| Adjusted interest charge | | £(39.0)m | £(45.9)m | Line information in note 4.3 |
| Add back: covenant adjustments ⁴ | | £(1.1)m | £2.0m | |
| Borrowing costs | c1 | £(40.1)m | £(43.9)m | |
| Less: IFRS 16 impact | | £15.2m | £16.8m | |
| Borrowing costs (excluding IFRS 16) | c2 | £(24.9)m | £(27.1)m | |
| 5.1 Interest cover (US PP covenant) | a3/c2 | 4.4x | 5.5x | Adjusted EBITA/Borrowing costs with adjusted EBITA including the impact of IFRS 16 and the borrowing costs excluding the impact of IFRS 16. Minimum permitted value of 4.0 in 2024 has been reduced to 3.0 in 2025 - see section 4.1.2 for further details. |
| 5.2 Interest cover (other financing agreements) | a2/c2 | 4.8x | 5.2x | Adjusted EBITA/Borrowing costs with both variables excluding IFRS 16. Minimum permitted value of 4.0 |
| Net debt | | £461.6m | £415.2m | Line information in note 2.9.3 |
| Add back: covenant adjustments ⁵ | | £45.9m | £44.2m | |
| Less: IFRS 16 impact | | £(318.2)m | £(348.7)m | |
| Covenant calculation - adjusted net debt (excluding IFRS 16) | d1 | £189.3m | £110.7m | |
| 6.1 Adjusted net debt to post IFRS 16 adjusted EBITDA ratio (US PP covenant) | d1/b3 | 1.1x | 0.5x | Adjusted net debt/adjusted EBITDA with adjusted net debt excluding the impact of IFRS 16 and adjusted EBITDA including the impact of IFRS 16. Maximum permitted value of 3.0 |
| 6.2 Adjusted net debt to adjusted EBITDA ratio (other financing agreements) | d1/b2 | 1.4x | 0.7x | Adjusted net debt/adjusted EBITDA with both variables excluding IFRS 16. Maximum permitted value of 3.0 |

1. Adjusted operating profit excludes items that are separately disclosed and considered to be outside the underlying operating results for the year under review and against which the Group's performance is assessed.

2. Covenant adjustments include adjustments for business exits, exceptional costs, share-based payment and pension adjustments, and removal of profits owned by minority interests.

3. Covenant adjustments include adjustments for depreciation and earnings related to disposed entities.

4. Covenant adjustments include adjustments for interest income and interest expense.

5. Covenant adjustments include adjustments relating to restricted cash and cash in businesses held-for-sale.

6. Covenant adjustments include adjustments relating to items which are required to be included in the other financing agreement covenant calculation.

Glossary

Financial, operational and governance

| | |
|--------------------------------|---|
| APMs | means alternative performance measures |
| BPO | means business process outsourcer, Capita's vision is to be the leading AI-enabled BPO |
| BPS | means business process services |
| Committees of the Board | Audit and Risk Committee (ARC) Remuneration Committee (RemCo) Nomination Committee (NomCo) Responsible Business (RB) Committee |
| FRC | means Financial Reporting Council |
| KPI | means key performance indicator |
| PCSE | means Primary Care Support England |
| RCF | means revolving credit facility |
| SID | means Senior Independent Director |
| TCV | means total contract value |

Sustainability

| | |
|-------------|---|
| ABC | means anti-bribery and corruption |
| ASR | means annual salary review |
| BiTC | means Business in the Community |
| C500 | means Capita's top 500 leadership cohort |
| CAN | means Capita ability network, one of our ENGs |

| | |
|---------------|---|
| CASPER | means Capita's system for recording and managing HSE incidents, inspections, and compliance |
| cNPS | means customer net promoter score |
| CPF | means career path framework |
| CSRD | means the Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464) |
| DEI | means diversity, equity and inclusion |
| DMA | means double materiality assessment |
| EAP | means employee assistance programmes |
| ENGs | means employee network groups |
| eNPS | means employee net promoter score |
| ER | means employee relations |
| ERM | means enterprise risk management framework |
| ESG | means environment, social and governance |
| ESRS | means the European Sustainability Reporting Standards |
| GHG | means greenhouse gas |
| GRI | means Global Reporting Initiative, more information is available on our website |
| GSI | means Global Slavery Index |

| | |
|-------------------------|--|
| IRO | means impacts, risks and opportunities, part of the DMA assessment |
| LCTP | means low carbon transition plan |
| MSAT | means the Government's Modern Slavery Assessment Tool |
| RB | means responsible business |
| SBTs/SBTi | means Science-Based Targets/ Science Based Target initiative |
| tCO₂e | means tonnes of carbon dioxide equivalent |
| TIDE | means Talent Inclusion and Diversity Evaluation - Onvero's industry recognised benchmark |
| VCSEs | means voluntary, community, and social enterprises |

Commonly used abbreviations/terms

| | |
|---------------|--|
| HR | means human resources |
| HSE | means health, safety and environment |
| SME | means small and medium sized enterprises |
| UNSDGs | means UN Sustainable Development Goals |

Additional information › NFSIS

NFSIS

This section of the report constitutes Capita's non-financial and sustainability information statement (NFSIS), produced to comply with sections 414CA and 414CB of the Companies Act 2006.

The table below, and information it refers to, is intended to help stakeholders understand our position on key non-financial and sustainability matters. This builds on reporting that we do under the following frameworks: CDP, S&P Global Corporate Sustainability Assessment and the EcoVadis Assessment.

| Reporting requirement | Policies and standards which govern our approach | Where is this referenced in this report? |
|---|---|---|
| Environmental matters | <ul style="list-style-type: none"> Health, safety and environmental policy (E) Health, safety & environmental standard (I) Supplier Charter (E) Procurement policy (E) | <ul style="list-style-type: none"> Responsible business: our planet, pages 64 to 78 Task Force on Climate-related Financial Disclosures (TCFD), pages 68 to 78 Streamlined Energy and Carbon Reporting Regulation (SECR), page 66 Responsible business: our business – supplier engagement, page 57 |
| Employees | <ul style="list-style-type: none"> Code of conduct (E) Health, safety and environmental policy (E) Health, safety and environmental standard (I) Diversity, equity and inclusion policy (E) | <ul style="list-style-type: none"> Responsible business: our people, pages 45 to 53 Responsible business: our people – representing the diversity of the communities in which we live and work, page 47 Responsible business: our people – diversity data, page 49 |
| Human rights | <ul style="list-style-type: none"> Human rights and Modern Slavery policy (E) Supplier charter (E) Modern slavery statement (E) Modern Slavery Toolkit (I) Procurement policy (E) Information and cyber security policy (E) | <ul style="list-style-type: none"> Responsible business: our business – supplier engagement, page 57 Responsible business: our communities, page 54 Responsible business: our business – upholding human rights, page 57 |
| Social matters | <ul style="list-style-type: none"> Code of Conduct (E) Supplier charter (E) Charity and community policy (E) Charity and community standard (I) Volunteering Toolkit (I) | <ul style="list-style-type: none"> Responsible business: our communities, page 54 and 55 |
| Anti-corruption and anti-bribery | <ul style="list-style-type: none"> Code of Conduct (E) Gifts and hospitality standard (I) Financial crime policy (E) | <ul style="list-style-type: none"> Responsible business: our business – targeting bribery and corruption, page 57 |
| Due diligence and outcome | <ul style="list-style-type: none"> Risk management policy (E) Risk management framework standard (I) Risk management framework (I) | <ul style="list-style-type: none"> Risk management framework, pages 69 and 86 Audit and Risk Committee report, pages 110 to 118 |
| Business model | | <ul style="list-style-type: none"> Business model page 7 |
| Non-financial KPIs | | <ul style="list-style-type: none"> Non-financial KPIs page 3 Responsible business pages 37 to 78 |
| Risk management | | <ul style="list-style-type: none"> Risk management and internal control pages 79 to 85 |

I – Group policies, guidance and standards published internally; E – Group policies, statement and reports published externally.

Directors' report and other disclosures

The information required to be presented in the Directors' report under the Companies Act 2006 is set out in this section and, where permitted, is incorporated by cross reference from the Strategic report and the Corporate governance report. The table on page 251 identifies where each statutory disclosure can be found.

Group activities

Capita is a modern, AI enabled outsourcer that helps public and private sector clients run complex business processes more efficiently. We combine people based services with market leading technology and advanced AI capabilities to create better consumer experiences. A review of the development of the Group and its business activities during the year is included in the Strategic Report on pages 2 to 87. The operational and financial performance of the Group's divisions is set out on pages 22 to 28.

Results and dividends

The Group's reported loss before tax amounted to £170.9m from continued operations (2024 profit before tax: £116.6m). As previously announced, the directors do not recommend the payment of a final dividend (2024: nil). The total dividend for the year was nil (2024: nil). The employee benefit trust, which holds shares for the purpose of satisfying employee share scheme awards, has waived its right to receive future dividends on shares held within the trust.

Share capital

Following shareholder approval at the Company's 2025 AGM, the Company completed a share consolidation at a ratio of 15 for 1, whereby every 15 ordinary shares of 2 1/15 pence were consolidated into one ordinary share of 31 pence (the 2025 Share Consolidation).

On 12 December 2025, Capita announced that it had reached a transition agreement for the remaining two legacy evergreen closed book Life & Pensions contracts, with its last client, Royal London's legacy business.

Under the agreement Capita agreed to pay Royal London an initial payment of approximately £22.47m. The agreement provided for an option, exercisable by either Royal London or Capita, for that initial payment to be settled through the issue to Royal London of 5,670,909 ordinary shares, representing approximately 4.96% of the Group's issued share capital on the date of the agreement. The option was exercised on 15 December 2025, and the new ordinary shares were issued to Royal London on 19 December 2025.

As at 31 December 2025 the Company had 120,030,667 ordinary shares of 31 pence in issue.

At 6 March 2026 (being the latest practicable date prior to approval), the number of ordinary shares of 31 pence each (the Ordinary Shares) in issue, fully paid up and quoted on the London Stock Exchange is detailed in the following table:

| | Number of shares | % of issued share capital |
|--|------------------|---------------------------|
| Issued shares | 120,030,667 | 100% |
| Treasury shares | 0 | 0% |
| Total voting rights | 120,030,667 | 100% |
| Employee Benefit Trust (EBT) shares ¹ | 250,339 | 0.21% |

1. Shares held in the EBT are used for satisfying employee share options.

The Trustees of the Capita plc Employee Benefit Trust (the EBT) hold Capita plc shares in trust to satisfy awards under the Company's share plans. As at 31 December 2025, 267,094 ordinary shares were held in trust. Details of the Ordinary Shares held in the EBT during the year, including new shares allotted to the EBT, shares purchased by the EBT and shares transferred to satisfy vesting of share awards is provided in note 4.6 to the financial statements.

The share price at close on 31 December 2025 was £4.055. The highest share price in the year was £4.065 and the lowest was £1.728 (on a post 2025 Share Consolidation basis).

The Company was authorised by shareholders at the 2025 AGM to replace the existing authority (as granted by shareholders at the Annual General Meeting held on 21 May 2024) for directors to allot new shares that represent not more than one third of the issued share capital of the Company. No shares were allotted under that authority during the financial year. The Company is seeking to renew the authority at the forthcoming AGM, within the limits set out in the notice of that meeting and in line with the recommendations of the Pre-Emption Group.

On 28 April 2025, shareholders granted authority for the Company to purchase up to 11,341,800 Ordinary Shares (representing approximately 10% of the Company's issued ordinary share capital at the point at which the 2025 Share Consolidation took effect). This authority will expire at the conclusion of the 2026 AGM, and the Board will seek approval to renew this authority at the 2026 AGM. No shares were purchased during 2025.

Share premium cancellation

Following shareholder approval at the 2025 AGM and subsequent sanctioning by the High Court of England and Wales on 10 June 2025, the Company completed the cancellation of its share premium account, with the balance of £1,145.5m credited to retained earnings.

Additional information › Directors' report and other disclosures *continued*

Rights and restrictions attaching to shares

Under the Company's Articles, holders of ordinary shares are entitled to participate in the receipt of dividends pro rata to their holding. The Board may propose and pay an interim dividend and recommend a final dividend in respect of any accounting period out of the profits available for distribution under English law. A final dividend may be declared by the shareholders in general meeting by ordinary resolution, but no dividend may be declared in excess of the amount recommended by the Board.

At any general meeting, a resolution put to vote shall be decided on a poll, and every member who is present in person or by proxy shall have one vote for every share of which they are the holder.

No person holds securities in the Company carrying special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

Restrictions on transfer of shares

The Company's Articles allow directors, in their absolute discretion, to refuse to register the transfer of a share in certificated form unless the instrument of transfer is lodged, duly stamped, at the registered office of the Company, or at such other place as the directors may appoint and (except in the case of a transfer by a recognised person where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer. They may also refuse to register any such transfer where it is in favour of more than four transferees or in respect of more than one class of shares.

The directors may refuse to register a transfer of a share in uncertificated form in any case where the Company is entitled to refuse (or is exempted from the requirement) under the Uncertificated Securities Regulations to register the transfer.

Major shareholders

Information provided to the Company by major shareholders pursuant to the FCA's Disclosure Guidance and Transparency Rules (DTR) are published via a Regulatory Information Service. At 31 December 2025, the Company had received notification of the following interests in voting rights pursuant to Chapter 5 of the DTR.

| Shareholder | Number of shares | % of voting rights at 31 December 2025 ¹ | Number of shares direct | Number of shares indirect | Number of voting rights through financial instruments |
|---|------------------|---|-------------------------|---------------------------|---|
| Schroders plc | 17,332,130 | 14.44 | - | 17,332,130 | - |
| Oasis Management Company Ltd. | - | 10.81 | - | - | 12,969,641 |
| RWC Asset Management LLP | 12,509,836 | 10.42 | - | 12,509,836 | - |
| UBS Group AG – Investment Bank & Global Wealth Management | 6,724,971 | 5.60 | - | 6,724,971 | 4,351 |
| The Royal London Mutual Insurance Society Limited | 5,670,909 | 4.73 | 5,670,909 | - | - |
| Lombard Odier Asset Management (Europe) Limited | 5,370,619 | 4.71 | - | 5,370,619 | - |
| Harwood Capital LLP along with Rockwood Strategic Plc | 3,460,000 | 3.03 | 3,460,000 | - | - |

- Percentages are shown as a percentage of the Company's total voting rights as at the date the Company was notified of the change in holding.
- Notification received prior to the 2025 Share Consolidation taking effect. The number of shares details is shown on a post-consolidation basis.

The following notifications were received from 1 January 2026 to 6 March 2026.

| Shareholder | Number of shares | % of voting rights at 31 December 2025 ¹ | Number of shares direct | Number of shares indirect | Number of voting rights through financial instruments |
|-------------------------------|------------------|---|-------------------------|---------------------------|---|
| Schroders plc | 16,319,023 | 13.60 | - | 16,319,023 | - |
| Oasis Management Company Ltd. | - | 12.07 | - | - | 14,487,676 |
| RWC Asset Management LLP | 11,874,728 | 9.89 | - | 11,874,728 | - |

- Percentages are shown as a percentage of the Company's total voting rights as at the date the Company was notified of the change in holding.

At 6 March 2026, no further notifications had been received under the DTRs in relation to interests in the Company's shares.

Change of control

All the Company's share schemes contain provisions in relation to a change of control. Outstanding options and awards would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions at that time.

Capita has borrowing facilities provided by banks and has issued loan notes to financial investors. The borrowing facilities contain change of control provisions under which the banks may require immediate repayment in full on a change of control of Capita plc. The loan notes issued by Capita contain similar change of control provisions which are likely to require the Group to offer to prepay the notes in full if there is a change in control of Capita plc.

There are a number of significant client agreements which contain provisions relating to change of control, which in some cases could present a right of termination of the contract.

Powers of directors

The business of the Company is managed by the directors who are subject to the provisions of the Companies Act 2006, the Articles of the Company and any directions given by special resolution, including the Company's power to repurchase its own shares.

The Company's Articles may only be amended by a special resolution of the Company's shareholders.

Appointment, reappointment, and retirement of directors

Directors are appointed and may be removed in accordance with the Articles of Association (Articles) of the Company and the provisions of the Companies Act 2006. All directors are subject to election at the first AGM after their appointment and, in accordance with provision 18 of the Code, to annual re-election thereafter. A resolution to elect or re-elect each director will therefore be proposed at the AGM on 18 May 2026.

No person, other than a director retiring at the meeting, shall be appointed or reappointed a director of the Company at any general meeting unless they are recommended by the directors.

No person, other than a director retiring at a general meeting as set out above, shall be appointed or reappointed unless between seven and 35 days' notice, executed by a member qualified to vote on the appointment or reappointment, has been given to the Company of the intention to propose that person for appointment or reappointment, together with notice executed by that person of their willingness to be appointed or reappointed.

Directors' indemnities

As permitted by its Articles, the Company has indemnified each director in respect of certain liabilities and costs they might incur in the execution of their duties as a director. Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) were in force during the year and continue to remain in force. The directors' indemnities will be available for inspection at the AGM together with directors' service contracts.

Conflicts of interests

Under the Companies Act 2006, directors are under an obligation to avoid situations in which their interests can or do conflict, or may possibly conflict, with those of the Company. A policy and procedures are in place for identifying, disclosing, evaluating and managing conflicts so that Board decisions are not compromised by a conflicted director. The Company's Articles give the Board power to authorise matters that give rise to actual or potential conflicts.

All conflicts of interest are reviewed annually by the Board and included in year-end attestations by the directors. None of the directors of the Company has a material interest in any contract with the Company or its subsidiary undertakings, other than their contracts of employment.

Employment policies, employee development and engagement

Information on the Group's employment policies, including for disabled persons, and information on employee development, consultation and engagement is included in the responsible business section on pages 45 to 53 and the engaging with our stakeholders section on pages 59 to 63.

Political donations

The Group did not make any political donations or incur any political expenditure during the year (2024: nil).

Greenhouse gas emissions

Details of the Group's greenhouse gas (GHG) emissions, including metrics and methodology, are set out on pages 64 to 78 of the strategic report.

Going concern and viability statement

The viability statement is detailed in full on pages 86 and 87. The directors have assessed the viability of the Group over the three-year period to 31 December 2028, taking into account the Group's current position and the potential impact of the principal risks set out in the strategic report. Based on this assessment, the directors have a reasonable expectation that the Group and Parent Company will be able to continue in operation and meet their liabilities as they fall due over the period of the viability assessment.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 2 to 87. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 30 to 36. In addition, section 4 in the financial statements on pages 204 to 215 includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

In determining the appropriate basis of preparation of the financial statements for the year ending 31 December 2025, the directors are required to consider whether the Group can continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

Additional information › Directors' report and other disclosures *continued*

The Board monitors closely the Group's funding position throughout the year, including monitoring compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations. In addition, to support the going concern assumption, the Board conducts a robust assessment of the Group's financial projections for the foreseeable future, considering also the committed facilities available to the Group. The Board has considered risks to the projections under a severe but plausible downside. This includes the potential adverse financial impacts resulting from the following risks: revenue growth falling materially short of plan; unforeseen operational issues leading to contract losses and cash outflows, sustained interest rates at current levels; non-availability of the Group's non-recourse trade receivables financing facility; and unexpected financial costs linked to unexpected one-off incidents.

The Board has considered the mitigations, under the direct control of the Group, that could be implemented to address the financial impact should these risks materialise. These mitigations include, but are not limited to, substantially reducing (or removing in full) bonus and incentive payments, reducing discretionary spend and reductions or delays in capital investment.

The Board has concluded that the Group and Parent Company will continue in operation and meet their liabilities as they fall due over the period to 30 June 2027.

Accordingly, the directors have formed the judgement that it is appropriate to prepare the consolidated financial statements on the going concern basis. The Board's assessment is set out in more detail in Section 1 of the consolidated financial statements.

Directors' statement of disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order 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 the provisions of section 418 of the Companies Act 2006.

Anti-bribery and corruption

Capita has a Group-wide anti-bribery and corruption policy, which complies with the Bribery Act 2010. Procedures are reviewed periodically to ensure continued effective compliance in Group businesses around the world.

Election to apply FRS 101 – reduced disclosure framework

The Parent Company continues to apply UK GAAP in the preparation of its individual financial statements in accordance with FRS 101 and these are contained in section 7 of the financial statements on pages 230 to 237. FRS 101 applies IFRS as adopted by the UK with certain disclosure exemptions. No objections have been received from shareholders.

Management report

For the purposes of Rule 4.1.5R(2) and Rule 4.1.8R of the DTRs, this directors' report and the strategic report on pages 2 to 87 and the Directors' report on pages 248 to 252 comprise the management report.

Strategic report

The Company is required to prepare a fair review of the business of the Group during the financial year ended 31 December 2025 and of the position of the Group at the end of the financial year, and a description of the principal risks and uncertainties facing the Group (known as a strategic report).

The purpose of the strategic report is to enable shareholders to assess how the directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the Company). The Company has chosen, in accordance with section 414C (11) of the Companies Act 2006, and as noted in this Directors' report, to include certain matters in its strategic report that would otherwise be required to be disclosed in this Directors' report.

The information that fulfils the requirements of the strategic report can be found on pages 2 to 87 and includes an indication of future likely developments in the Company, details of important events and the Company's business goals, strategy and business model.

Additional disclosures

Other information that is relevant to the Directors' report, and which is incorporated by reference into this report, can be located as follows:

| | Pages |
|--|-------------------|
| Events after the balance sheet date | 226 |
| Future developments | 12, 24, 27 and 28 |
| Research and development | 17 to 21 |
| Financial instruments and financial risk management | 211 to 215 |
| Greenhouse gas emissions | 64 to 78 |
| Corporate governance report, including the corporate governance statement as required by Rule 7.2.1 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules. | 96 to 103 |
| Colleague engagement | 59 |
| Stakeholder engagement | 59 to 62 |
| Section 172 statement | 59 to 63 |

For the purposes of LR 6.6.1R, and 6.6.6R the following information is located as set out below:

| Listing Rule | Subject | Pages |
|---------------|--|----------|
| 6.6.1 (1) | Capitalisation of interest | 211 |
| 6.6.1 (11–12) | Shareholder waiver of dividends | 247 |
| 6.6.6 (8) | Climate-related financial disclosures consistent with TCFD | 68 to 78 |

Statement of Directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report and Accounts and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable and, in respect of the Parent Company financial statements only, prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and corporate governance statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule (DTR) 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

Claire Denton,
Chief General Counsel and Company Secretary

9 March 2026

Designed and produced by Black Sun Global.
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This report is printed on Arctic Volume paper and board.

The paper is Forest Stewardship Council® (FSC®) certified from well managed forests and other controlled sources.

The paper is Carbon Balanced with World Land Trust, an international conservation charity, which offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked in that would otherwise be released. These protected forests are then able to continue absorbing carbon from the atmosphere, referred to as REDD (Reduced Emissions from Deforestation and forest Degradation).

This is now recognised as one of the most cost-effective and swiftest ways to arrest the rise in atmospheric CO₂ and global warming effects. Additional to the carbon benefits is the flora and fauna this land preserves, including a number of species identified at risk of extinction on the IUCN Red List of Threatened Species.

Printed in the UK by Pureprint Group, a CarbonNeutral® company with FSC®





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