

Saga plc
Annual Report and
Accounts 2026



SAGA
Experience is everything



IN THIS REPORT

STRATEGIC REPORT

- 4 Saga at a glance
- 6 75 years of Saga
- 8 The year in review
- 10 Chairman's Statement
- 12 Group Chief Executive Officer's Strategic Review
- 18 Key performance indicators
- 20 Market review
- 22 Purpose and business model
- 24 Engaging with stakeholders
- 26 Group Chief Financial Officer's Review
- 41 Environmental, Social and Governance
- 49 Risk management
- 51 Principal risks and uncertainties
- 55 Viability Statement
- 56 Key disclosure statements

GOVERNANCE

Corporate Governance Statement

- 58 Governance at a glance
- 59 Key statements and application of the UK Corporate Governance Code
- 60 Chairman's introduction to governance
- 62 Board of Directors
- 64 Board activities
- 69 Board leadership and Company purpose
- 70 Division of responsibilities
- 71 Composition, succession and evaluation
- 72 Nomination Committee Report
- 75 Audit and Risk Committee Report

Directors' Remuneration Report

- 80 Annual Statement
- 83 Remuneration at a glance
- 85 Annual Report on Remuneration
- 97 Directors' Remuneration Policy

108 Directors' Report

- 111 Statements of responsibilities

112 Independent Auditor's Report to the Members of Saga plc

FINANCIAL STATEMENTS

Consolidated financial statements

- 118 Consolidated income statement
- 119 Consolidated statement of comprehensive income
- 120 Consolidated statement of financial position
- 121 Consolidated statement of changes in equity
- 122 Consolidated statement of cash flows
- 123 Notes to the consolidated financial statements

Company financial statements of Saga plc

- 188 Balance sheet
- 189 Statement of changes in equity
- 190 Notes to the Company financial statements

ADDITIONAL INFORMATION

- 194 Alternative Performance Measures Glossary
- 197 Glossary
- 200 Shareholder information



Our 2026 reporting suite

This report, alongside our 2026 Environmental, Social and Governance (ESG) Report, can be accessed digitally by scanning the QR code or visiting our website

www.corporate.saga.co.uk/investors/results-reports-presentations



BUILDING THE MOST-TRUSTED BRAND FOR PEOPLE OVER 50

Our purpose is to provide exceptional products and services to meet the needs of people over 50.

We are committed to continually enhancing our understanding of customers, allowing us to deliver experiences they deserve and trust.

from Pat

“

I'd recommend Saga to anyone over 50 because it's so important that there is an organisation who genuinely cares, genuinely supports us. Saga is embracing all of us, and it's constantly developing in order to make things even better for us.”

Financial highlights

£654.6m

Underlying Revenue¹
from continuing operations
2024/25 – £588.6m

£660.0m

Revenue
2024/25 – £588.3m

£44.2m

Underlying Profit Before Tax¹
from continuing operations
2024/25 – £37.2m

£2.1m

Profit/(loss) before tax
from continuing operations
2024/25 – (£160.2m)

£134.9m

Trading EBITDA¹
from continuing operations
2024/25 – £116.0m

£205.9m

Available Operating Cash Flow¹
2024/25 – £109.6m

£499.5m

Net Debt¹
31 January 2025 – £592.8m²

3.7x

Leverage Ratio¹
31 January 2025 – 4.4x²

1 Alternative Performance Measures

In addition to statutory measures, the Group also measures performance using Alternative Performance Measures. These are reconciled to statutory measures of performance on pages 194-196 of the Alternative Performance Measures Glossary

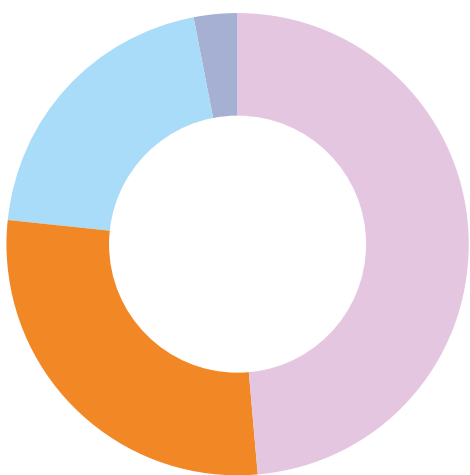
2 Following the Group's corporate refinancing and subsequent revised covenant definition, Net Debt and the Leverage Ratio have been re-presented at 31 January 2025

LEVERAGING OUR CORE STRENGTHS

We are building the most-trusted brand for people over 50 and our business is built on that trust.



Contribution to Group Underlying Revenue¹



	Underlying Revenue ¹ by business unit ²	Contribution by business unit ²
● Cruise	£319.0m	48.7%
● Holidays	£185.1m	28.3%
● Insurance ³	£131.6m	20.1%
● Other Businesses ⁴	£18.9m	2.9%

1 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation
 2 These are our businesses which are focussed on the specific needs and wishes of our unique customer group
 3 Excludes discontinued operations
 4 Other Businesses includes Money, Publishing and CustomerKNECT, in addition to our Central Cost base

Travel



Cruise

Our award-winning Cruise business offers a wide range of luxury experiences on board:

- our two boutique Ocean Cruise ships, Spirit of Discovery and Spirit of Adventure, exploring a host of destinations further afield; and
- our fleet of smaller River Cruise ships, exploring Europe's beautiful waterways, including our brand-new boutique ship, Spirit of the Moselle.

£67.3m

Ocean Cruise Underlying Profit Before Tax⁵
2024/25 – £48.9m

£5.9m

River Cruise Underlying Profit Before Tax⁵
2024/25 – £4.0m

- ⊕ Find out more in our Group Chief Executive Officer's Review on page 14



Holidays

Our award-winning Holidays business takes customers all over the world, offering:

- hosted holidays to an ever-growing range of specially selected European hotels, delivering not only the highest standards but also including our new nationwide shared chauffeur service;
- escorted tours, showcasing each destination's history, culture and character, with excursions tailored to our customer base; and
- special interest holidays designed to pique the appetite of each and every customer.

£14.0m

Underlying Profit Before Tax⁵
2024/25 – £10.7m

- ⊕ Find out more in our Group Chief Executive Officer's Review on page 15



Insurance

Our Insurance Broking business provides tailored insurance products and services, utilising partnership models in:

- motor and home, through our 20-year Affinity Partnership with Ageas⁶; and
- travel and private medical insurance, with Collinson and Bupa respectively.

£16.9m

Insurance Broking Underlying Profit Before Tax⁵ from continuing operations
2024/25 – £14.5m

- ⊕ Find out more in our Group Chief Executive Officer's Review on page 16



Other Businesses

The Group's Other Businesses comprise:

- Money, offering savings products, equity release, legal services, mortgages and investment solutions;
- Publishing, delivering insightful and engaging content to our unique audience through our award-winning Saga Magazine, digital newsletters and our newly launched podcast, 'Experience is Everything'; and
- CustomerKNECT, our in-house mailing and printing business.

14.7m

Saga Magazine website visits
2024/25 – 7.4m

- ⊕ Find out more in our Group Chief Executive Officer's Review on page 17

⁵ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

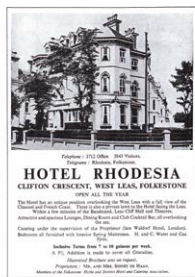
⁶ Wholly owned UK subsidiaries of Ageas SA/NV

A REMARKABLE JOURNEY

In 2026, we are proudly celebrating 75 years of Saga – a remarkable journey built on trust, innovation and dedication to enriching the lives of people over 50.

1951

Sidney and Margery De Haan launched a travel company offering affordable off-peak holidays exclusively to retired people



1980s



1985

The Saga Magazine launched, with Prince Charles and Princess Diana appearing on the cover

1987

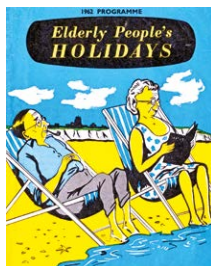
We began selling Money and Insurance products



1960s

1965

We offered our first overseas holiday – the destination was Ostend, Belgium



1970s

1973

We sold our first chartered cruise, marking the beginning of Saga's journey into the cruise market



1975

Through offering holidays in partnership with British Rail, we became their largest customer by the 1970s



1990s



1996

We purchased our first Ocean Cruise ship, Saga Rose

1999

Our headquarters in Folkestone, Enbrook Park, was built



2010s



2012

Saga Pearl II and Saga Sapphire replaced our first Ocean Cruise ship, Saga Rose



2019

Our very first purpose-built Ocean Cruise ship, Spirit of Discovery was delivered

CELEBRATING

75

YEARS OF SAGA



2000s



2001

The first Saga radio station was launched in the West Midlands

2020s



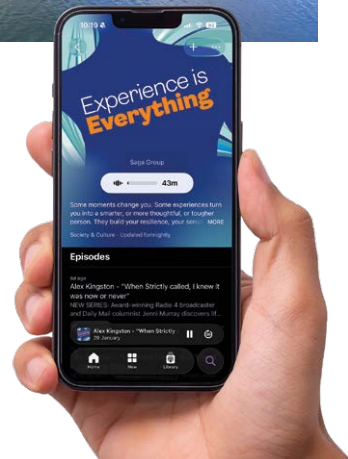
2021

Our first purpose-built River Cruise ship, Spirit of the Rhine, was delivered



2025

We launched our new podcast, 'Experience is Everything'



SIGNIFICANT STRATEGIC PROGRESS

The last year has been momentous for Saga, marked by significant strategic progress and transformation across the Group.



Sale of Insurance Underwriting

We successfully completed the sale of our Insurance Underwriting business, Acromas Insurance Company Limited, to Ageas¹ for £67.5m. The net proceeds generated £56.9m, £11.4m above our initial guidance, in addition to the receipt of £10.0m of pre-completion dividends. This transaction simplified our operations, removed underwriting risk and supported our strategic Affinity Partnership with Ageas¹.



Ageas¹ Affinity Partnership

We launched our 20-year Affinity Partnership with Ageas¹, representing another major milestone in the simplification of our business. Following motor new business going live, we received £60.0m of the total upfront £80.0m cash consideration, with the remainder to be settled in 2026/27. The partnership combines our brand and customer base with Ageas's¹ insurance expertise to deliver best-in-class motor and home insurance.



Consolidation of Travel leadership

We consolidated our previously separate Cruise and Holidays leadership teams into a single, customer-centric operation, that more efficiently delivers a consistent customer experience across all our Travel products.



Spirit of the Moselle

In July 2025, we welcomed Spirit of the Moselle to our River Cruise fleet, further enhancing our premium travel offering. Its addition strengthens our position in river cruising, delivering unforgettable, high-quality experiences.



1 Wholly owned UK subsidiaries of Ageas SA/NV



NatWest Boxed partnership

In December 2025, Money launched a seven-year partnership with NatWest Boxed, NatWest Group's banking-as-a-service business, to deliver innovative savings products tailored for people over 50. This collaboration combines our deep customer insight with NatWest's scale and NatWest Boxed technology, opening up new savings options for our customers and building on our existing portfolio of differentiated personal finance solutions for people over 50.



Launch of new podcast

We recently expanded our media reach with the successful launch of our new podcast, 'Experience is Everything'. Designed to deepen engagement with our audience, the podcast brings fresh perspectives, real stories and expert insights, strengthening our position as a trusted voice for our listeners.



Corporate debt refinancing

We successfully completed our corporate debt refinancing to strengthen our financial position and support future growth. The new credit facilities include a £335.0m term loan and a £116.6m delayed-draw term loan with HPS Funds², alongside a £33.4m Revolving Credit Facility (RCF) syndicated between Barclays and NatWest. The interest rate exposure is fully hedged, providing stability as we execute our strategic plans. These facilities materially enhanced liquidity, increased covenant headroom and provided funding certainty, while offering improved flexibility. The funds drawn in February 2025 enabled the full repayment and cancellation of the £250.0m bond. The £75.0m drawings under the £85.0m loan facility provided by Roger De Haan were repaid and this facility, and the existing RCF, were also cancelled.



Transformation of the year

Awarded 'Transformation of the Year' at the plc awards, reflecting the significant progress made in reshaping the business.



2 Certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries

EXECUTING OUR STRATEGIC PLAN

“We have delivered an excellent set of financial results this year, alongside significant progress in embedding our new strategic plan.”

Sir Roger De Haan
Non-Executive Chairman



In summary

- **Travel growth continues, driving increases in Underlying Revenue¹ and Underlying Profit Before Tax¹.**
- **We completed the sale of our Insurance Underwriting business to Ageas².**
- **We also launched our insurance partnership with Ageas², a major step in simplifying our operations and reducing complexity.**
- **Net Debt¹ significantly reduced, when compared with the prior year, and continues to be a key strategic priority.**

My parents started operating holidays for older people in the early 1950s when they wanted to try and fill their seaside hotel in Folkestone in the off-peak season. The holidays were an immediate success, and the idea of Saga was born.

I became Saga's 11th employee in 1965, its Managing Director in 1978 and Chief Executive Officer (CEO) and Chairman six years later. So, I know Saga well.

This year is our 75th birthday and it is particularly fitting that this is also the year in which we returned to the FTSE 250. Saga is a business with a great heritage and the progress we have made this year has been built on the enduring principles that have long defined us. We have always worked hard to understand older people better than anyone else and, over the years, that understanding has allowed us to design products and services successfully to meet the needs of our customers.

We have delivered an excellent set of financial results this year, reflecting significant progress in embedding our new strategic plan. Underlying Profit Before Tax¹ grew by 19% when compared with last year, revenues were up 12% and the Leverage Ratio¹ fell to 3.7x.

Implementation of the plan was carried out at pace and resulted in a year of significant transformation for Saga. The ability to change has always been central to Saga's long-term success. Regularly reinventing ourselves, in order to compete effectively and to stay relevant to each new generation of older people entering our market, has always been essential.

Mike Hazell, our Group CEO, together with Mark Watkins, our Group Chief Financial Officer, and the senior management team have been superb in refining and implementing our business model in a way that allows us to meet our customers' needs simply and effectively. Our partnership strategy is a fundamental part of that simplification. By accessing the skills and infrastructure of high-quality business partners to complement the core skills we have in designing and marketing products for older people, we are unlocking uniquely compelling customer propositions that neither partner could deliver alone.

As a result of the teams' disciplined execution of our plan in 2025/26, I am confident in our future. All our businesses are performing well and we have secured our long-term funding. Our lower-risk, more simplified business model sets us up well to deliver our growth plan and significantly reduce our debt.

¹ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

² Wholly owned UK subsidiaries of Ageas SA/NV

Our Insurance business has had a very successful year. The sale of our Insurance Underwriting business in July 2025, together with the launch of our Ageas³ motor and home Affinity Partnership in December 2025, meant that we ended the year taking no underwriting risk and with our Insurance operations significantly simplified. This new commission-based business model means that we now have greater certainty of earnings, lower volatility and a less capital-intensive path to growth, supported by one of the largest insurers in Europe.

Our stronger balance sheet, together with the new partnership, gave us the confidence to invest in pricing and marketing. As a result, both revenue and Underlying Profit Before Tax⁴ returned to growth after a number of challenging years.

Travel is now the largest generator of profits in the Group. Implementing a series of operational improvements and changes to our management structure led to increased customer numbers and improved customer satisfaction. As we head towards our 30th year of cruising, our Ocean and River Cruise businesses continue to grow. Holidays are also continuing to grow. It is excellent that, after a number of years, we have started offering holidays in the UK again, the place our journey began 75 years ago.

2025/26 was a year in which we set out to grow our profits, reduce our debt and re-engineer our business, to focus on a more simple, low risk, less capital-intensive way of doing business. We have succeeded in achieving these objectives and have gone into the new year confident in the delivery of our medium-term targets. None of this would have been possible without the exceptional commitment, expertise and sustained effort from all of Saga's colleagues.



Sir Roger De Haan
Non-Executive Chairman
20 April 2026

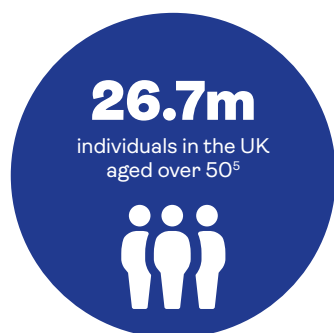
P.S. I am delighted that, during the last year, Saga won many awards. Among them: Best British Insurance Company, Best Customer Centric Culture, Editor of the Year, Newsletter of the Year, Best Cruise Line for Luxury Holidays, Best Travel Company for Luxury Holidays, Which? Recommended Provider for Ocean Cruises and Transformation of the Year, plc awards. This, again, is testament to the great team we have at Saga.

Reasons to invest in Saga

Our investment case is designed to create value for shareholders through the delivery of sustainable long-term, capital-light growth, alongside continued debt reduction.

How we are different

Saga stands apart through the strength of its brand and its long-standing relationship with people over 50. Our deep knowledge of this community allows us to tailor products and services that meet their needs, supported by high-quality service that reinforces trust at every interaction. As we simplify and strengthen our operating model, these advantages uniquely position Saga to deliver sustainable, capital-light growth and long-term value for shareholders.



The model works

Our model brings together a trusted brand, deep customer insight and disciplined financial management. Its cash-generative nature allows us to balance investment in growth with continued debt reduction, giving us the resilience to navigate market conditions and deliver strong, long-term returns.

£205.9m

Available Operating Cash Flow⁴

Confidence in future delivery

We have a clear and compelling strategy centred on maximising the growth of our existing businesses, driving incremental growth through new business lines and products, and growing our customer base and deepening those relationships. Alongside this, we remain focussed on reducing debt and simplifying our operations. Together, these priorities give us confidence in our ability to deliver our future plans and support our ambition to build the most-trusted brand for older people.



3 Wholly owned UK subsidiaries of Ageas SA/NV

4 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

5 Office for National Statistics – 2022-based national population projections for 2025

TRANSFORMING OUR BUSINESS FOR GROWTH

“As we head into our new year, we are in a good position. Our businesses are all performing well and we continue the delivery of our plans that are transforming the outlook for the Group.”

Mike Hazell
Group Chief Executive Officer



In summary

- As a result of the strategic progress made, we have transitioned to a significantly lower risk, simpler and less volatile business model.
- Alongside this, we delivered strong trading performance across both Travel and Insurance, with both exceeding our initial expectations.
- We are tracking ahead of our planned trajectory to achieve at least £100.0m of Underlying Profit Before Tax¹ and reduce the Leverage Ratio¹ to below 2.0x, by January 2030.

75 years of doing things differently

I am delighted to update you on our strong performance in the 2025/26 financial year and the excellent progress we made in delivering our strategic plan. The turnaround we started two years ago is now well advanced and the early results of the action we have taken can be seen in our performance. We have a long-term strategy, which is built on our deep understanding of our customers, and the brand principles that have, for over three quarters of a century, made Saga the UK's leading business for people over 50. Our disciplined execution of this strategy, combined with a short-term focus on trading performance, has meant that we have fundamentally changed the outlook for the Group, addressing key structural challenges that were previously holding the business back.

Nobody understands older people better than Saga, and we use our 75 years of experience to differentiate our products and services from other businesses in ways that matter to our customers. We work hard to do things differently for customers whose needs and expectations we understand.

Strong financial performance exceeding expectations

In a transitional year for Saga, I am very pleased to be able to report a strong set of financial results as we continued to successfully implement our long-term strategic plan. An outstanding performance across our Travel business, and a return to growth in our Insurance business translated into an Underlying Profit Before Tax^{1,2} of £44.2m, a 19% increase on the prior year.

The Group reported an 11% growth in Underlying Revenue^{1,2} of £654.6m, with growth across both Travel (11%) and Insurance Broking (13%). The profit before tax from continuing operations of £2.1m (2025: loss of £160.2m) was impacted by the exceptional restructuring costs we incurred this year and brings to an end the series of statutory losses the Group has reported over the past seven years.

Cash flow generation is a key measure for any business and the continued reduction in our Net Debt¹ remained a key priority for the Group. Our strong trading performance and profit translated into significant cash flow generation and a substantial reduction in Net Debt¹, which fell to £499.5m compared with £592.8m³ in the prior year, with a Leverage Ratio¹ of 3.7x, compared with 4.4x³ last year.

Our performance during the year places us well on the path towards our medium-term targets of at least £100.0m Underlying Profit Before Tax¹ by January 2030 and a resulting Leverage Ratio¹ of less than 2.0x. Indeed, we are already ahead of the planned trajectory we set out last year.

Significant strategic transformation

Our strategic transformation is now well underway. Since setting out our plan at the start of the 2025/26 financial year, our key focus has been on its delivery, which we have been executing at pace. Our plan is on track and we finished the year with a simplified, more focussed, capital-light business that is well placed to continue growing both customer numbers and profitability.

We have now restructured our Insurance business model and, in doing so, have significantly reduced the risk and complexity that previously impacted our performance. The sale of our Insurance Underwriting business in July 2025 meant that we no longer take any underwriting risk. This, combined with the launch of our 20-year motor and home insurance Affinity Partnership with Ageas⁴ in December 2025, allows us to reduce the level of technical, operational and regulatory activity that we undertake directly, and leverages the capabilities and infrastructure that our new insurance partner, Ageas⁴, provides. With this more robust model in place, we are now in a good position to grow.

Travel is now the largest driver of profits in the Group and is central to our growth plans. In March 2025, we combined our Cruise and Holidays management teams, creating a single, more effective and customer-centric operation. The full benefits of this change will take time to mature but we have already seen a significant improvement in performance and customer satisfaction, demonstrated through the 11% year-on-year increase in Underlying Revenue¹ from £453.9m to £504.1m and a corresponding 37% increase in Underlying Profit Before Tax¹ from £63.6m to £87.2m.

1 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

2 From continuing operations

3 Following the Group's corporate refinancing and subsequent revised covenant definition, the Net Debt and Leverage Ratio have been re-presented at 31 January 2025

4 Wholly owned UK subsidiaries of Ageas SA/NV

Our long-term strategic principles

Saga has been designing products and services for older people throughout the last 75 years. The deep understanding of our customer group, together with the experience we have in meeting their distinct needs, is at the heart of our strategy.

Our businesses are supported by our award-winning multi-platform Publishing arm, and these combine to create a sophisticated marketing operation built on data that is unique to Saga and a critical driver of our business decisions.

By maintaining these key principles, and by embedding a culture and discipline across the business that put our customers at the forefront of decision making, we deliver products and services in a way that is different to other businesses.

Shorter-term strategic priorities

These enduring principles guide our decision making, providing longer-term direction alongside shorter-term priorities from which we build our plans. Our current strategic priorities comprise four key pillars.

1 MAXIMISING THE GROWTH OF OUR EXISTING BUSINESSES

As we deliver our transformation and create solid foundations for long-term growth, we are driving the performance of our core businesses, all of which are now growing. The decisions taken in each of our businesses are now made with long-term sustainable growth in mind and are consistent with our clear brand principles.



2 DRIVING INCREMENTAL GROWTH THROUGH NEW BUSINESS LINES AND PRODUCTS

We believe that Saga will, in the future, offer a broader range of products and services than it offers today, meeting the needs of older people in ways that mass market operators do not. Our priority is to complete the delivery of our turnaround plan, which will create the solid financial platform for achieving our medium-term targets. Alongside this, we will continue to lay the groundwork for new products and services.



3 GROWING OUR CUSTOMER BASE AND DEEPENING THOSE RELATIONSHIPS

Central to our success is the understanding we have of our customers. This understanding influences every aspect of our decision making. Our customer database is at the heart of our operation, providing us unrivalled reach. By growing the number of customers we have and the audience we engage with, we also increase our potential and improve our understanding of the people we serve.



4 REDUCING DEBT, WHILE SIMPLIFYING OUR OPERATIONS

Our new simplified business model creates more predictable revenues and cash flow generation and builds on our core strengths. Our growth plan leverages our skills and our existing asset base to deliver capital-light profit growth that, in turn, accelerates debt reduction and deleveraging.



TRAVEL

Having combined our Cruise and Holidays leadership teams in March 2025, we now have a more effective and cost-efficient Travel business that is delivering a consistent customer experience across all of our travel products.



CRUISE

£67.3m

Ocean Cruise Underlying Profit Before Tax⁵
2024/25 – £48.9m

£5.9m

River Cruise Underlying Profit Before Tax⁵
2024/25 – £4.0m

from John



The ships are modern and very, very comfortable. The entertainment is superb. Everything about it is brilliant.”



Our Ocean Cruise holidays have continued to be extremely popular. Our smaller, purpose-built Ocean Cruise ships offer an experience uniquely tailored to our guests' needs. We only depart from UK ports, and with every passenger being provided a chauffeur service to and from their home, we remove the stress of flying, providing a seamless door to deck service. Onboard, our truly all-inclusive experience means that we give guests the peace of mind to enjoy their holiday without the fear of additional charges.

The results show strong repeat rates, with 64% of our guests booking a further cruise with us. Our guests return because of the quality of their holidays with us and we see consistently high levels of customer satisfaction. Our transactional net promoter score (**tNPS**) reached an all-time end-of-year high of 83, compared with 82 last year.

This customer focussed approach translated into another outstanding financial performance. Underlying Revenue⁵ grew by 12%, to £265.6m and Underlying Profit Before Tax⁵ increased 38%, to £67.3m.

We are also driving strong forward bookings for the year ahead. At 12 April 2026, the load factor for 2026/27 departures was 79%, in line with the same point in the prior year, and the per diem was £447, 13% ahead.

Our River Cruise business is also burgeoning. Building on our experience in Ocean Cruise, we now have four ships offering boutique river cruises on European rivers. Led by the same management team, and with the attention to detail that our Ocean Cruise guests have come to expect, we are generating a strong demand and driving significantly improved customer satisfaction. Varying river water levels in Europe did pose some disruption this year, however by continuing to enhance our product and service experience we still managed to increase our tNPS from 60 to 69.

In July 2025, we launched the Spirit of the Moselle. This was part of our continued rollout of Spirit-class ships that are purpose-built for our guests, delivering consistently high quality. Spirit of the Moselle has already proved very popular and we will be adding further Spirit-class vessels to the fleet over the coming years. Spirit of Lorelei will launch in 2027.

We see great potential in our River Cruise business. In 2025/26, revenue from our Rivers operation grew by 8%, with Underlying Profit Before Tax⁵ rising to £5.9m, from £4.0m last year. Bookings for 2026/27, at 12 April 2026, were ahead of the same point last year, with a load factor of 73% and a per diem of £372, 5ppts and 3% higher, respectively.

⁵ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

from Liane



When you go on any trip with them, you are going home from home. You're made to feel as if you're a member of the wider Saga family."



HOLIDAYS

£14.0m

Holidays Underlying Profit Before Tax⁶
2024/25 – £10.7m

60.8k

Holidays passengers
2024/25 – 54.8k



Our Holidays business benefited during the year from the operational changes we made over the past couple of years, and the more consistent customer focus the newly combined Travel management team have brought.

Our holidays are designed with older customers in mind. Hotels are carefully selected, and itineraries built to reflect the range of pace, comfort and accessibility that people over 50 prefer.

Product design and innovation are at the forefront of our plans. Our nationwide chauffeur service is extremely popular and is now included with all our holidays and we continue to expand our range of special interest holidays. This year, we have reintroduced a range of UK holidays, including our unique university and college stays that provide an alternative to traditional hotels and an excellent way to explore the UK in the summer, particularly for solo travellers.

The demand for our holidays has been strengthening. Passenger numbers increased in 2025/26 by 11% compared with the prior year and Underlying Profit Before Tax⁶ increased 31%, from £10.7m to £14.0m.

We believe that, with our market-leading brand, compelling holiday ideas and our customer focussed mindset (that continues to win us both Travel awards and customer loyalty), we are well positioned to continue this growth.

Forward bookings for 2026/27, at 12 April 2026, were ahead of the same point last year, with 51.6k passengers, compared with 51.5k, and revenue of £165.9m, a 4% increase.

6 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation



INSURANCE

£16.9m

Insurance Broking Underlying Profit Before Tax⁷ from continuing operations 2024/25 – £14.5m

1.3m

Insurance policies in force 31 January 2025 – 1.3m

from Jackie



Their products, their insurance, you know you can trust them. And I think that's a big thing."

Our Insurance business has had a transformational year, as we simplified the operations and adopted a lower risk, less complex business model following the sale of our Underwriting business and the start of our 20-year motor and home insurance partnership with Ageas⁸ (the **Affinity Partnership**). The sale of Acromas Insurance Company Limited in July 2025 means that we no longer take any underwriting risk, and the launch of the Affinity Partnership in December 2025 removed significant complexity from our business and teams us up with one of the most successful insurance businesses in Europe. This new commission-based model means that Ageas⁸ takes responsibility for the motor and home insurance operations and the administration of policies, while Saga focusses on our core sales and marketing strength, working with Ageas⁸ on product design and the customer journey. Once we have fully transferred our motor and home business to Ageas⁸, the pricing and underwriting risk will sit with Ageas⁸ and Saga will earn a commission-based income stream. The customer relationship will remain with Saga.

As we worked towards this transition during the course of 2025/26, with the benefit of a stronger balance sheet and a clear strategy ahead of us, we were able to invest in growth by improving our pricing and refocussing our marketing strategy.

For the first time in four years, we were able to deliver an increase in total policy sales, with three out of our four insurance product lines growing. While home insurance performed ahead of expectations, the challenging market conditions and the drop in last year's policy sales drove fewer renewal opportunities and produced a 19% drop in home policies in force. However, alongside this, policies in force for motor insurance grew by 12%, and private medical insurance sales grew by 7%. Our refreshed travel insurance product and the associated marketing campaign proved hugely successful and supported a 34% increase in policies in force.

Looking ahead to 2026/27, our priority is to complete the final phase of the Affinity Partnership implementation. Home new business is due to launch by the end of April 2026 and policy renewals for both motor and home are due to go live later in the year.

⁷ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

⁸ Wholly owned UK subsidiaries of Ageas SA/NV





Other Businesses

In Publishing, we continued to communicate with many more of our customers, and more regularly, by expanding the ways in which we engage with them. A key development has been the launch of our new podcast, 'Experience is Everything', which extends our platform and deepens our relationship with both our existing and new customers. It also adds to the frequency and quality of interactions we have with our customers through our award-winning Saga Magazine, newsletters and website.

In Money, we launched a new partnership with NatWest Boxed, which will enable the development of a suite of innovative savings products tailored for people over 50. This partnership combines NatWest's scale and expertise with our deep customer insight and supports our strategy of broadening Saga Money's product range, while extending our capital-light revenue streams. Money reported an Underlying Profit Before Tax⁹ of £0.7m, in line with the prior year.

Our people and culture

Our culture remains of fundamental importance to our performance. In our most recent survey, colleague engagement improved from 7.9 to 8.1 out of 10. This would be a strong result in any year, but in a year when we experienced such change in our operations, it is a testament to the culture we have embedded and a measure of the understanding our colleagues have in the changes we are making. I was delighted that our focus on creating an inclusive and supportive working environment was recognised externally, when Saga was ranked 6th in the UK's Best Employers 2025 list by the Financial Times.

Strong platform for long-term sustainable growth

We have had a very successful year, delivering an excellent trading performance and laying the foundations for long-term sustainable growth. Saga is a fantastic brand, recognised and trusted by its customers throughout the UK. Our success is built on this trust. This is not something we take for granted but we continually try to enhance. Our colleagues are central to this and are the people that bring this to life day in, day out. The progress we made this year is down to their hard work and dedication and my thanks go out to all of them.

As we head into our new year, we are in a good position. Our businesses are all performing well and we continue the delivery of our plan that is transforming the outlook for the Group. Last year, we laid out our medium-term targets of at least £100.0m Underlying Profit Before Tax⁹ by January 2030, and a resulting Leverage Ratio⁹ of below 2.0x by that time. One year on, we are already tracking ahead of our planned trajectory and we remain all the more confident of reaching and exceeding these targets.

Mike Hazell
Group Chief Executive Officer
20 April 2026



Watch our Group CEO, Mike Hazell, presenting our full year results

9 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Key performance indicators

DRIVING RESULTS

During the financial year, the following key performance indicators (KPIs) were used to assess the financial and operational performance of the Group against our strategic growth plan.

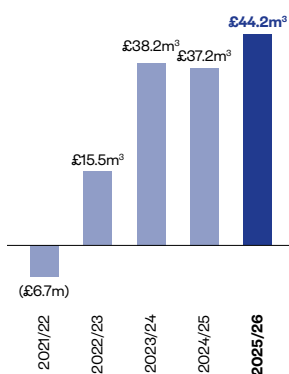
Key

- 1 Maximising the growth of our existing businesses
- 2 Driving incremental growth through new business lines and products
- 3 Growing our customer base and deepening those relationships
- 4 Reducing debt, while simplifying our operations
- £ 2025/26 bonus KPIs¹

Financial KPIs

Underlying Profit/(Loss) Before Tax² from continuing operations

£44.2m



Purpose and definition

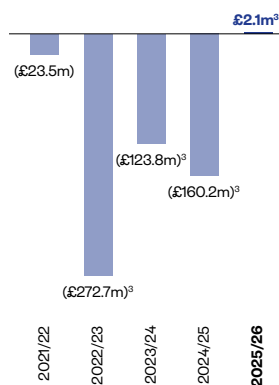
Underlying Profit/(Loss) Before Tax² from continuing operations is the Group's primary KPI and a meaningful representation of underlying trading performance. It is defined as a profit or loss before tax from continuing operations, excluding items which are not expected to recur. Refer to page 194 for full definition and explanation.

Performance

Increase of £7.0m, or 19%, when compared with 2024/25, reflecting strong Travel and Insurance performance. This was, however, partially offset by higher interest costs, as expected, following the corporate refinancing at the start of the year.

Profit/(loss) before tax from continuing operations

£2.1m



Purpose and definition

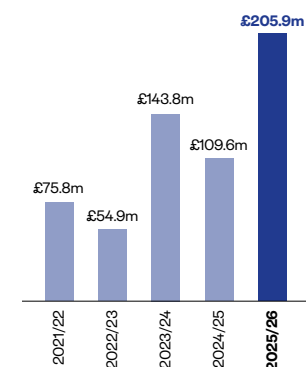
Profit/(loss) before tax from continuing operations as presented in accordance with UK-adopted international accounting standards.

Performance

Profit before tax from continuing operations grew by £162.3m when compared with the prior year, returning the Group to profit for the first time in eight years. This reflects our positive trading performance and the cessation of Insurance Broking goodwill impairments that impacted previous years' profits.

Available Operating Cash Flow²

£205.9m



Purpose and definition

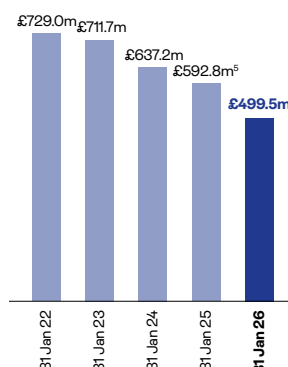
Available Operating Cash Flow² represents net cash flow from operating activities, which is not subject to regulatory restriction, after capital expenditure but before tax, interest paid, restructuring costs and other non-trading items. Refer to page 196 for full definition and explanation.

Performance

Materially higher Available Operating Cash Flow² as a result of increased cash generation from Ocean Cruise, reflecting positive trading and the £60.0m Ageas⁴ partnership consideration.

Net Debt²

£499.5m



Purpose and definition

Net Debt² represents the sum of the carrying value of the Group's debt facilities, less the amount of Available Cash² it holds. Refer to page 196 for full definition and explanation.

Performance

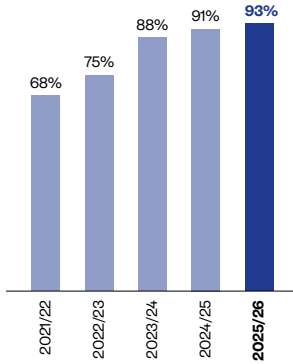
Net Debt² reduced by £93.3m when compared with 31 January 2025, reflecting continued repayments of the Ocean Cruise ship facilities and higher Available Cash². Refer to page 38 of the Group Chief Financial Officer's Review for full details.

1 Only the 2025/26 bonus KPIs which are reported at a Group level are included. Full details of the KPIs used to determine executive remuneration can be found on pages 88-90
 2 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation
 3 Underlying Profit/(Loss) Before Tax and profit/(loss) before tax for 2025/26, 2024/25, 2023/24 and 2022/23 are reported under International Financial Reporting Standard (IFRS) 17 and are, therefore, not directly comparable to preceding years, which were reported under IFRS 4
 4 Wholly owned UK subsidiaries of Ageas SA/NV
 5 Following the Group's corporate refinancing and revised covenant definition, Net Debt and the Leverage Ratio have been re-presented at 31 January 2025

Non-financial KPIs

Ocean Cruise load factor

93%



Purpose and definition

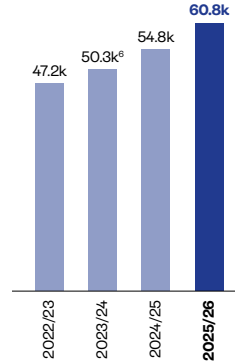
Load factor is the most sensitive driver of Cruise profit before tax and represents the booked proportion of the total capacity across our ships. It is calculated by dividing the number of berths booked by the total berths available.

Performance

The Ocean Cruise load factor increased 2ppts, to 93%, reflecting continued strong customer demand for our unique offering.

Holidays passengers

60.8k



Purpose and definition

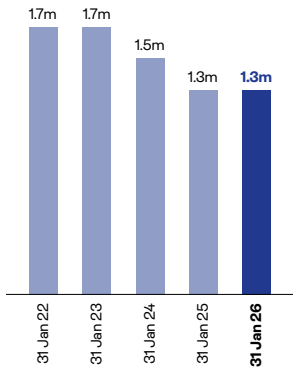
Holidays passengers represents the number of customers that have travelled on either a Saga or Titan holiday during a given year.

Performance

In 2025/26, the number of passengers who travelled with us increased 11% when compared with the prior year, reflecting continued growth across our escorted group tours and hosted holidays products.

Insurance policies in force

1.3m



Purpose and definition

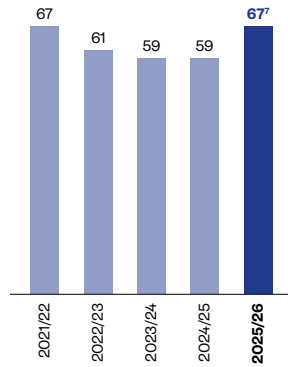
Insurance policies in force refers to the number of core insurance policies, across all products, in force at any given financial year end.

Performance

At 31 January 2026, policies in force were broadly flat, reflecting growth across motor, travel and private medical insurance but continued constraints in home.

Customer transactional net promoter score (tNPS)

67



Purpose and definition

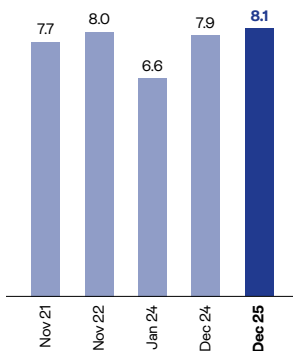
Customer tNPS represents the willingness of customers to recommend Saga products and services to family, friends and colleagues following a recent transaction. The score is calculated by analysing customer survey responses, then subtracting the percentage of detractors (those scoring six or less) from the percentage of advocates (those scoring nine or more).

Performance

Customer tNPS was 67, an eight-point increase when compared with the prior year, reflecting improvements across each of our business units.

Colleague engagement

8.1 out of 10



Purpose and definition

Colleague engagement provides an indication of how committed and enthusiastic colleagues are towards Saga and their work. It is measured through responses to colleague surveys hosted by an independent third party.

Performance

Colleague engagement improved year-on-year, supported by stronger leadership connection and more opportunities for colleagues to share what matters to them. These initiatives help foster motivation, trust and commitment across the business and reinforce a culture that supports collaboration and shared purpose.

Customer consent capture⁸

35%

Purpose and definition

Customer consent capture represents the percentage of customers asked who have consented to receive marketing emails from Saga, allowing us to email them about our full range of products and services across all our business units. Consent is requested during customer interactions with our individual businesses, either on the telephone or online.

Performance

Earlier in the year, we made the decision to cease asking customers for additional Group consent if they had already provided consent to multiple business units, to improve the customer experience. As a result of the changed methodology, there is no comparable historic data.

6 Restated to exclude the passengers from our discontinued Titan third-party river cruise offering disclosed in 2023/24 Annual Report and Accounts

7 Group tNPS methodology updated to apply equal weighting across all businesses, removing volatility caused by changes in survey volumes and providing a more consistent and representative measure of performance. As a result, the 2025/26 data is not directly comparable with previous years

8 The tracking of customer consent capture under the current methodology began in 2025/26 and, as such, no comparable data is available prior to this

NAVIGATING MARKETS WITH CONFIDENCE

Saga operates in highly attractive markets, serving the fastest-growing demographic, with significant opportunity for growth.

Our customers

Our customers are at the heart of everything we do. Saga was built on a deep understanding of people over 50 – one of the fastest-growing and most affluent groups in the UK¹. As their views, needs and priorities evolve, so do we. Drawing on this unique insight, an extensive customer database and growing digital capabilities, we continually adapt our propositions to remain relevant and personal. Across Travel, Insurance and our wider services, we aim to deliver value, reassurance and exceptional experiences that support our customers in living confidently and feeling understood.

There were an estimated

26.7m

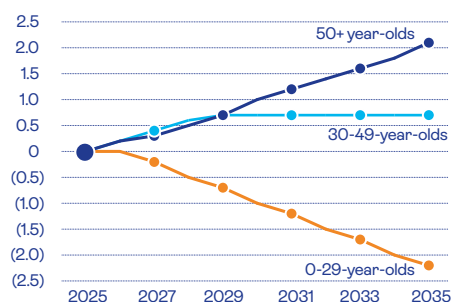
individuals in the UK aged over 50 during 2025²

...and this age group is expected to grow faster than any other over the next 10 years²

2.1m

additional 50+ year-olds by 2035²

Predicted population growth by age group (m)



Our businesses

We continue to operate in highly competitive and commoditised markets, but our deep understanding of our customers enables us to differentiate through the exceptional experiences we deliver.

Travel



Cruise

We provide our customers with truly all-inclusive cruises, on board our luxury ships.

Marketplace and position

While we have a significant number of competitors in both Ocean and River Cruise, we are the only operator to cater exclusively for people over 50, designing itineraries and experiences for this under-served group.

Key competitors

Fred. Olsen, Cunard, P&O Cruises, Riviera and Viking



Holidays

We offer hosted holidays, escorted group tours and bespoke solo tours, underpinned by our unique insight into our customers, which allows us to continually expand the range of destinations on offer.

Marketplace and position

In a highly competitive and commoditised market, we are one of the market-leading tour operators for people over 50 in the UK.

Key competitors

On the Beach, TUI, Trailfinders and Newmarket Holidays



Insurance

We provide customers with peace of mind through our motor, home, travel and private medical insurance products.

Marketplace and position

The insurance market is very competitive, but we continue to be well placed as a provider of insurance exclusively for customers over 50.

Key competitors

Admiral, Hastings, LV, NFU Mutual, Direct Line and Aviva



Other Businesses

The Group's Other Businesses combine trusted financial solutions with rich lifestyle content, delivered across our multi-channel platforms and our newly launched podcast.

Marketplace and position

We hold a distinct position as the only UK provider offering financial products and services designed for people over 50, while also publishing one of the country's most loved and trusted monthly lifestyle magazines.

Key competitors

Post Office, John Lewis Money, Good Housekeeping and The Oldie

1 Office for National Statistics – Wealth and assets survey

2 Office for National Statistics – 2022-based national population projections

Regulatory and legislative developments

Background

The Ocean Cruise business is regulated by the International Maritime Organization, the Maritime and Coastguard Agency and is a member of the Cruise Lines International Association, the UK Chamber of Shipping and the Association of British Travel Agents (ABTA). The River Cruise and Holidays businesses are regulated by the Civil Aviation Authority and are a member of ABTA as well as Accredited Agents of the International Air Transport Association.

Our Insurance Broking and Money businesses are regulated by the Financial Conduct Authority (FCA).

Saga also complies with other regulations and legislation including, but not limited to, the UK General Data Protection Regulation 2021, the Data Protection Act 2018, the Equality Act 2010, financial crime legislation and health and safety legislation.

Developments during the year

The UK Emissions Trading Scheme (ETS) will apply to International Shipping from July 2026, although details on how it will operate have not yet been finalised. We have, however, considered it within our budgeting process as part of compliance with the EU ETS and FuelEU Maritime regulations introduced in January 2025 to decarbonise maritime transport.

The FCA continues to focus on improving customer outcomes and publishing relevant guidance. We monitor these developments closely and welcome regulatory changes that strengthen consumer protection, while supporting sustainable growth for UK businesses. During the year, we reinforced our governance framework to ensure Consumer Duty principles remain embedded across our operations and reflect our commitment to proactively manage risk and improve accountability.

In March 2025, the FCA's rules on operational resilience came into effect for our Insurance Broking and Underwriting³ businesses. The rules are designed to ensure that companies can prevent, respond and recover from operational disruptions, leading to better business and customer outcomes. In response, we completed several activities, including scenario and vulnerability tests. Other initiatives will enhance business continuity, disaster recovery and crisis management capabilities across all business units.

In April 2025, parts of the Digital Markets, Competition and Consumers Act 2024 came into force, followed by Competition and Markets Authority guidance. The act aims to prevent the publication of false or misleading reviews and improve price transparency. In response, we implemented a Group-wide policy for handling customer reviews and will assess any impact on how our products are advertised.

The Data Use and Access Act received royal assent in June 2025 and we are closely monitoring its rollout to evaluate any potential impacts or opportunities.

The Economic Crime and Corporate Transparency Act came into force on 1 September 2025 and aims to tackle economic crime and improve transparency over corporate entities. The act introduces a new corporate criminal offence of 'failure to prevent fraud'. We updated our financial crime management framework and provided training to colleagues to demonstrate that reasonable steps have been taken to prevent offences such as fraud or false accounting.

Following the Corporate Governance Reforms, the Company has applied the UK Corporate Governance Code 2024, noting that provision 29 comes into effect for financial years on or after 1 January 2026. We will report on this in our Annual Report and Accounts for the year ending 31 January 2027. For more information, see page 70.



Macroeconomic conditions

Geopolitics

The ongoing conflict in Russia and Ukraine and across the Middle East, combined with tensions in parts of Central America, have elevated geopolitical risks. We actively monitor Foreign, Commonwealth & Development Office notifications and will adapt Travel itineraries, where necessary, to ensure customer safety. There has been a shift towards national security priorities and a fragmentation of the global order with tariffs, trade agreements and a more protectionist attitude causing friction between nations. We will continue to monitor global and domestic factors that impact our exposure to fluctuating costs for oil, transportation services, food and metals. Over the longer-term, lower interest rates, higher government spending and the cooling of inflation should provide an impetus for growth.

Labour market

Rising employment costs, due to increases in minimum wage requirements, in addition to the uplift in employer National Insurance contributions in 2025, contributed to labour cost pressures, which were absorbed by the business.

As part of our hybrid working model, we re-opened our head office in Folkestone in 2025, providing a place for local colleagues to work regularly and supporting our culture, ways of working and connecting us back to the community and local charities.

Technological changes

New technology is creating opportunities as businesses begin using artificial intelligence (AI) to deliver services and boost productivity. This transition is accelerating the need for reskilling, upskilling and building more adaptable workforces.

We will continue to adopt AI to enhance customer services, strengthen our workforce and improve technological solutions. At the same time, we will remain vigilant against cyber threats and prioritise colleague and customer data protection.

³ The sale of Saga's Insurance Underwriting business was completed in July 2025

FOUNDATIONS FOR LONG-TERM VALUE

Our purpose is to deliver exceptional products and services to meet the needs of people over 50. We draw on deep customer insights to create lasting relationships built on trust, helping our customers feel valued and supported at every stage.

Our strengths



Our colleagues and culture

Our colleagues are key to delivering exceptional experiences for our customers every day. We are committed to building a culture that celebrates individualism and creates a sense of belonging, empowering our colleagues to achieve their best work.



Our brand

The Saga brand is well renowned and trusted among people over 50 in the UK, setting us apart in a highly competitive market. Our focus on delivering exemplary service provides peace of mind and reassurance for our customers, building trust and nurturing loyalty.



Our customers and insight

Our customers are at the heart of everything we do. Utilising our unique insights, we are able to understand the evolving needs of people over 50, a fast-growing and often under-served demographic. This understanding allows us to develop and refine high-quality products and services that are specifically tailored to meet their needs.



Supplier partnerships

We aim to develop deep, mutually beneficial, long-term relationships with our partners and suppliers, allowing us to leverage their specialist expertise, resources and capital. These partnerships are integral to providing the best possible products and services to our customers.



Proprietary data and technology

The size of our customer database, and the depth of information we hold, is one of the Group's core assets. The continual expansion and enhancement of this data enables us to increase the frequency and quality of the contact with our customers, providing an opportunity to not only attract new customers but also promote a greater range of products and services to our existing customers.

Our businesses¹

Our businesses leverage our core strengths to build deeper, longer lasting relationships with our customers.

Travel



Cruise

What we do

We provide our customers with ocean and river cruises to a wide range of destinations on board our fleet of boutique, luxury ships.

How we add value

- We offer customers an all-inclusive cruising experience, including fine dining and drinks, gratuities, a chauffeur service, private balconies with all cabins and specially selected shore excursions.
- Customers sail with additional peace of mind through our included travel insurance, our price promise guarantee and our 'Love it first time' guarantee for newcomers.

93%

Ocean Cruise load factor
2024/25 – 91%

89%

River Cruise load factor
2024/25 – 89%



Holidays

What we do

We offer our customers a variety of award-winning and handcrafted experiences, including hosted holidays, escorted group tours and special interest holidays.

How we add value

- We offer customers ease and reassurance through our home-to-airport shared chauffeur service, local hosts at our hotels and flexible dining for our bespoke getaways.
- We tailor our holidays for our customers, working with specially selected hotels, where the needs of our demographic are met. Our touring holidays ensure that the tours are appropriately paced for our customers' abilities.

60.8k

Passengers travelled
2024/25 – 54.8k

¹ These are our businesses which are focussed on the specific needs and wishes of our unique customer group



Insurance

What we do

We provide our customers with tailored insurance products, principally motor, home, private medical and travel insurance.

How we add value

- Our motor and home insurance partnership with Ageas² is designed to deliver best-in-class services to Saga customers through differentiated products.
- We also provide competitively priced private medical insurance and travel insurance through our partners Bupa and Collinson respectively.

1.3m

Insurance policies in force
31 January 2025 – 1.3m



Other Businesses

What we do

The Group's Other Businesses offer personal finance products through Saga Money and a range of digital and printed content through Publishing.

How we add value

- We offer customers easy-to-use products and services tailored to them, with the added security and support of the Saga brand, providing confidence and trust.
- We combine the experience of our magazine columnists and design team with high-profile guest exclusives, to deliver purposeful and insightful content, which informs, inspires and entertains our audience.

142k

Money customers
2024/25 – 145k³

14.7m

Saga Magazine website visits
2024/25 – 7.4m

Creating value

Saga is committed to maximising value for our key stakeholders.



Customers

Delivering for our customers is fundamental to everything we do. We strive to create exceptional experiences for this unique group every day, building trust and providing reassurance through tailored products and services.



Colleagues

We aim to create an environment where every colleague can realise their full potential, focussing on their development and wellbeing and creating a culture that celebrates inclusion and recognition.



Partners and suppliers

Through our partnerships, suppliers benefit from access to our well-known and trusted brand, alongside knowledge and insight into our unique customer group.



Communities

Saga works to strengthen communities through colleague volunteering schemes, charitable giving and recognition of colleagues' activity in public service contributions.



Shareholders and investors

Saga is committed to creating long-term value for our shareholders and investors by maximising our businesses, delivering sustainable growth and reducing our debt.

➕ Find out more about engaging with stakeholders on pages 24-25

² Wholly owned UK subsidiaries of Ageas SA/NV

³ The number of Money customers for 2024/25 has been re-presented following a change in methodology, with the updated figure based on unique customers

STRENGTHENING OUR CONNECTIONS



Customers

Our customers remain at the heart of our business. Our success relies upon attracting new customers and strengthening our relationships with those who already trust us.

What matters to them

- Tailored products and services that deliver value for money.
- Exceptional customer service at every interaction.
- Clear and informative communication delivered in the format that suits them best.

How we engage

We aim to increase engagement and become part of customers' everyday lives. We connect through telephone, email, social media, the Saga Magazine, webinars, podcasts and our Experienced Voices panel. Satisfaction is measured at every touchpoint using tNPS, ensuring that feedback drives continuous improvement.

Board oversight

The Board receives regular reports from the Group Chief Executive Officer (CEO), Operating Board and management, ensuring that insights and feedback inform strategic decisions.



Colleagues

Our colleagues and culture are central to Saga's success. Guided by our values, we create an inclusive environment where everyone can thrive, be themselves and make a difference.

What matters to them

- A clear strategy and understanding of how they contribute to its delivery.
- An inclusive and welcoming environment where individuality is valued.
- A culture that prioritises wellbeing and supports balance.
- Open and transparent communication, enabling colleagues to speak up and share their feedback.
- Fair and transparent reward and benefits.


How we engage

We communicate collaboratively through multiple channels, including our internal platform (the Saga Hub), regular engagement surveys, colleague roadshows, CEO sessions, one-to-one meetings with managers and team events. The People Committee plays a key role in ensuring colleague feedback informs decisions, helping us continuously improve the colleague experience.

 Find out more in our 2026 ESG Report

Board oversight

Gemma Godfrey, one of our Non-Executive Directors, is our nominated People Champion and attends our People Committee meetings, alongside our Group CEO and members of our Operating Board. The Board is also kept informed through updates from our Chief People Officer.

 Find out more about our colleague stories



Partners and suppliers

To deliver exceptional experiences for our customers every day, we rely on the support of our partners and suppliers. We continue to prioritise building long-term, mutually beneficial relationships that enable us to deliver quality and innovation.

What matters to them

- Long-term reliable relationships that support their strategic ambitions.
- Regular and informative updates, including two-way feedback.
- Innovation that drives simplicity and efficiency wherever possible.

How we engage

Our relationships with our supply chain are managed and controlled by our individual business units and governed by our Supplier Relationship Management and Supplier Risk Management policies. These frameworks ensure consistent communication and collaboration, enabling us to strengthen partnerships and continuously improve ways of working across our operations.

Board oversight

The Audit and Risk Committee is kept informed of any changes to supplier risk management through our Operating Board and Internal Audit and Assurance Director, with matters escalated to the Board as appropriate.





Communities

To fulfil our purpose and best serve the needs of people over 50, we carefully consider the impact of every decision we make and strive to build meaningful connections with the communities we support.

What matters to them

- Clear and open communication about our strategy, plans and potential impacts.
- The opportunity to share what is important to them and how we can support them.
- A chance to share knowledge and skills between our colleagues and the wider community.

How we engage

We hold community meetings to provide updates on developments that may impact them. Meanwhile, colleagues are encouraged to take one paid volunteering day each year, to support causes that matter most to them and strengthen ties with local communities.

167

days of colleague volunteering time in 2025/26

Board oversight

Our Group CEO attends each community meeting, allowing him to feedback directly to the Board.



Find out more in our 2026 ESG Report



Shareholders and investors

We remain focussed on delivering our strategic plan to create long-term, sustainable value for shareholders and investors. We are committed to fair treatment and providing opportunities for them to share their views.

What matters to them

- Consistent creation of long-term value.
- Active engagement with the Group CEO, Group Chief Financial Officer (CFO) and Investor Relations (IR) team.
- Regular updates on the Group's financial performance and progress against our strategy.

How we engage

We maintain frequent communication through results announcements, press releases, updates on our corporate and shareholder websites, group events and one-to-one meetings. Additional engagement occurs via ad hoc email and telephone conversations, ensuring investors remain informed and have opportunities to provide feedback.

133k

direct and corporate sponsored nominee shareholders

Board oversight

At each Board meeting, an IR report is considered. This provides an update on shareholder interaction and feedback received. Our Group CEO and Group CFO meet with investors regularly, assisted by our Director of IR and Treasury. Alongside this, our Non-Executive Chairman is available on request and the Chair of our Remuneration Committee meets with shareholders throughout the year, providing the Board with any feedback. In-person events such as the Annual General Meeting and results presentations also provide an opportunity for the Board to meet with shareholders and investors.



Regulators

Our regulators set the framework within which we operate, making it vital that we maintain strong, transparent relationships built on trust and compliance.

What matters to them

- Proactive and transparent communication.
- Protection of our customers and the industries we operate in.
- Increasing the trust of the public and encouraging market competition.

How we engage

Relationships with regulators are managed at subsidiary level and overseen by the audit and risk and compliance committees. This approach ensures consistent communication, adherence to regulatory requirements and timely escalation of any issues, supporting our commitment to integrity and compliance across all regulated businesses.

Board oversight

Subsidiary boards, and their committees, report as necessary to the Audit and Risk Committee, which is responsible for escalating any matters of strategic or reputational importance directly to the Board.

- Find out more in our Audit and Risk Committee Report on pages 75-79



POSITIONING SAGA FOR SUCCESS

“Following the momentum over the past 12 months, there is a clear opportunity for material growth in the future.”

Mark Watkins
Group Chief Financial Officer



In summary

- Return to profit following strong trading in Travel and Insurance Broking.
- Significant Net Debt¹ reduction, now below £500.0m, alongside an improved Leverage Ratio¹ of 3.7x.
- Ahead of original plan to deliver at least £100.0m of Underlying Profit Before Tax¹ and Leverage Ratio¹ of 2.0x by January 2030.

£44.2m

Underlying Profit Before Tax¹
from continuing operations
2024/25 – £37.2m

£499.5m

Net Debt¹
2024/25 – £592.8m⁴

I am pleased to report that, for the 12 months ended 31 January 2026, the Group delivered a strong set of financial results, returning the Group to profit for the first time in eight years. From continuing operations, Underlying Profit Before Tax¹ was £44.2m, 19% higher than the year before, despite higher finance costs as expected, reflecting a strong trading performance across both Travel and Insurance Broking.

Our Travel businesses had an excellent year, each delivering a step change in earnings. In Ocean Cruise, continued customer demand supported consistently high load factors and growing per diems, resulting in a 38% increase in Underlying Profit Before Tax¹, to £67.3m. River Cruise also performed strongly, reporting a 48% increase in Underlying Profit Before Tax¹, to £5.9m, driven by growing demand and the addition of our newest River Cruise ship, Spirit of the Moselle in July 2025. Holidays reported an Underlying Profit Before Tax¹ of £14.0m, up 31% from £10.7m in 2024/25, supported by increased passenger numbers and the efficiency savings from the combination of our Travel businesses under a single management team.

Insurance Broking also performed well, and traded ahead of expectations, with three of our four insurance products returning to policy growth. As a result, Underlying Profit Before Tax^{1,2} grew 17% year-on-year, to £16.9m.

The Group reported a profit before tax from continuing operations of £2.1m, compared with a loss before tax of £160.2m in the prior year, which included an impairment of Insurance Broking goodwill of £138.3m.

At the start of the year, we completed the refinancing of the Group's corporate debt with a £335.0m term loan due in January 2031, providing a more stable long-term funding structure.

To manage interest rate exposure, the Group fully hedged the term loan using interest rate derivatives, with hedging in place until August 2028.

Debt reduction continues to be a key strategic priority for the Group and the strong trading performance in Travel and Insurance Broking, resulted in strong cash generation, alongside the net proceeds from the sale of our Insurance Underwriting business to Ageas³, which delivered £21.4m more cash than originally expected, due to the business performance, prior to the sale completion being better than anticipated. Net Debt¹ at 31 January 2026 reduced to £499.5m, £93.3m lower than the £592.8m⁴ reported at the same point last year, with the Leverage Ratio¹ improving to 3.7x. Both the Net Debt¹ and Leverage Ratio¹ exclude the £60.0m received from Ageas³ as a result of the Affinity Partnership, which will temporarily further reduce Net Debt¹ in the short term, pending a corresponding unwinding of working capital in 2026/27.

The Group remained highly cash-generative, delivering Available Operating Cash Flow¹ of £205.9m, compared with £109.6m in the prior year, supported by stronger cash generation in Ocean Cruise and the £60.0m receipt from Ageas³ following the launch of the Insurance Broking Affinity Partnership. The Group's available liquidity at year end comprised £189.7m of Available Cash¹, the £116.6m undrawn delayed-draw term loan (DDTL) provided by HPS Funds⁵ and the £33.4m undrawn Revolving Credit Facility (RCF).

Following the momentum over the past 12 months, there is a clear opportunity for material growth in the future. With performance ahead of expectations, we remain confident in delivering at least £100.0m of annual Underlying Profit Before Tax¹, while reducing the Leverage Ratio¹ to below 2.0x, by January 2030.

1 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

2 From continuing operations

3 Wholly owned UK subsidiaries of Ageas SA/NV

4 Following the Group's corporate refinancing and subsequent revised covenant definition, the Net Debt and the Leverage Ratio have been re-presented at 31 January 2025

5 Certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries

Operating performance

Group income statement

£m	12m to January 2026			Change	12m to January 2025		
	Continuing operations	Discontinued operations	Total		Continuing operations	Discontinued operations	Total
Underlying Revenue⁶	654.6	60.4	715.0	(6.9%)	588.6	179.6	768.2
Underlying Profit Before Tax⁶							
Travel	87.2	–	87.2	37.1%	63.6	–	63.6
Insurance Broking (earned)	16.9	(0.4)	16.5	14.6%	14.5	(0.1)	14.4
Insurance Underwriting	–	15.6	15.6	45.8%	–	10.7	10.7
Total Insurance	16.9	15.2	32.1	27.9%	14.5	10.6	25.1
Other Businesses and Central Costs	(16.8)	–	(16.8)	(18.3%)	(14.2)	–	(14.2)
Net finance costs ⁷	(43.1)	–	(43.1)	(61.4%)	(26.7)	–	(26.7)
Underlying Profit Before Tax⁶	44.2	15.2	59.4	24.3%	37.2	10.6	47.8
Impairment of Insurance Broking goodwill	–	–	–	100.0%	(138.3)	–	(138.3)
Other exceptional items	(42.1)	(12.8)	(54.9)	(8.5%)	(59.1)	8.5	(50.6)
Profit/(loss) before tax	2.1	2.4	4.5	103.2%	(160.2)	19.1	(141.1)
Income tax credit/(expense)	2.0	(2.9)	(0.9)	96.2%	(18.5)	(5.3)	(23.8)
Profit/(loss) for the year	4.1	(0.5)	3.6	102.2%	(178.7)	13.8	(164.9)
Earnings/(loss) per share							
Underlying Earnings Per Share ⁶	30.6p	10.5p	41.1p	77.2%	18.1p	5.1p	23.2p
Earnings/(loss) per share	2.9p	(0.4p)	2.5p	102.1%	(127.2p)	9.8p	(117.4p)

The Group's business model is based on providing high-quality and differentiated products to its target demographic, predominantly focussed on travel and insurance. The Travel businesses comprise Ocean Cruise, River Cruise and Holidays. The Insurance business operates mainly as a broker, sourcing underwriting capacity from selected third-party insurance companies, and, for motor and home, also from the Group's in-house underwriter until the sale of Acromas Insurance Company Limited (AICL) to Ageas⁸, which completed on 1 July 2025. Other Businesses include Money, Publishing and CustomerKNECT, a mailing and printing business.

Underlying Revenue⁶

Underlying Revenue⁶ decreased 6.9% to £715.0m (2025: £768.2m), mainly due to lower revenue in the Group's discontinued Insurance Underwriting business.

Underlying Profit Before Tax⁶

The Group generated a total Underlying Profit Before Tax⁶ of £59.4m in the current year, compared with £47.8m in the prior year. This is primarily due to:

- £23.6m increase in Travel, moving to an Underlying Profit Before Tax⁶ of £87.2m (2025: £63.6m), with £18.4m driven by Ocean Cruise;
- Underlying Profit Before Tax⁶ in Insurance Broking of £16.5m (2025: £14.4m); and
- Underlying Profit Before Tax⁶ in Insurance Underwriting of £15.6m (2025: £10.7m).

Net finance costs⁷ in the year were £43.1m (2025: £26.7m), which excludes finance costs within the Travel business of £15.4m (2025: £18.4m) and Insurance Underwriting business of £3.0m (2025: £8.8m). The increase, as expected, was predominantly driven by the refinancing of the Group's corporate debt at the beginning of the year at materially higher interest rates.

⁶ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

⁷ Net finance costs exclude Travel and Insurance Underwriting finance costs and Travel net fair value losses on derivatives

⁸ Wholly owned UK subsidiaries of Ageas SA/NV

Group Chief Financial Officer's Review continued

Profit/(loss) before tax

The profit before tax for the year, of £4.5m, includes a net negative of other exceptional items of £54.9m, consisting of:

Continuing operations

- costs relating to the transition to the 20-year partnership for motor and home insurance with Ageas⁹ (the **Affinity Partnership**) of £13.9m;
- restructuring costs of £21.5m;
- costs and fees associated with the Group's previous corporate debt, including accelerated amortisation of fees relating to the loan facility provided by Roger De Haan, totalling £7.6m;
- fair value losses of £0.7m on derivatives;
- a negative International Financial Reporting Standard (**IFRS**) 16 'Leases' accounting adjustment of £0.9m on River Cruise ships;
- £0.5m Ocean Cruise dry dock costs;
- impairments to non-financial assets of £1.9m;
- foreign exchange losses on River Cruise ship leases of £0.8m;
- a net negative modification to Travel breakage policy of £2.6m;
- onerous contract provisions net positive of £1.3m on three-year fixed-price policies; and
- release of deferred income associated with motor and home three-year fixed-price policies of £7.0m.

Discontinued operations

- onerous contract provisions net negative of £4.3m on insurance contracts under IFRS 17 'Insurance Contracts';
- restructuring costs of £0.4m;
- loss on disposal of subsidiaries of £10.2m, relating to the disposal of the Insurance Underwriting business, which includes the release of the positive written to earned adjustment following the sale of the Insurance Underwriting business of £3.6m;
- a £0.1m negative change in discount rate on non-periodical payment order (**PPO**) insurance liabilities; and
- fair value gains on debt securities of £2.2m.

£2.1m

Profit/(loss) before tax from continuing operations
2024/25 – (£160.2m)

The loss before tax in the prior year, of £141.1m, includes a £138.3m impairment to Insurance Broking goodwill and a net negative of other exceptional items of £50.6m, consisting of:

Continuing operations

- impairments to non-financial assets, other than goodwill, of £24.5m, including software assets that no longer drive economic benefit to the Group following the transition to the Insurance Broking partnership with Ageas⁹;
- restructuring costs of £28.4m, including a provision for the expected costs of restructuring the Group's Insurance Broking operations, ahead of the Ageas⁹ partnership becoming operational;
- costs and amortisation of fees relating to the loan facility provided by Roger De Haan of £3.5m;
- fair value losses of £0.3m on derivatives;
- a negative IFRS 16 lease accounting adjustment of £0.5m on River Cruise ships;
- £1.7m additional Ocean Cruise dry dock costs and customer compensation relating to Spirit of Adventure;
- profit share due to AXA on cessation of the private medical insurance (**PMI**) contract of £2.6m;
- foreign exchange gains on River Cruise ship leases of £0.6m; and
- onerous contract provisions net positive of £1.8m on three-year fixed-price policies.

Discontinued operations

- impairments to non-financial assets of £6.3m;
- restructuring costs of £3.9m;
- onerous contract provisions net positive of £13.0m on insurance contracts under IFRS 17;
- fair value gains on debt securities of £5.1m; and
- a £0.6m positive change in discount rate on non-PPO insurance liabilities.

Income tax

The Group's income tax expense for the year was £0.9m (2025: £23.8m), representing a positive tax effective rate of 20.0% (2025: negative 850.0%), excluding the Insurance Broking goodwill impairment charge. In both the current and prior periods, the difference between the Group's tax effective rate and the standard rate of corporation tax was mainly due to the Group's Ocean Cruise business being in the tonnage tax regime. In addition, in the current year and prior year, it is also due to all temporary differences at 31 January 2026 and 31 January 2025 not being considered recoverable and, therefore, no deferred tax assets were recognised for these temporary differences. This is the result of the change in mix of profitability within the Group, where the majority of the Group's profits now come from the Ocean Cruise business, whereas the Insurance Broking business has been in decline.

There was also an adjustment in the current year for the under-provision of prior-year tax of £0.9m debit (2025: £nil). Excluding the impact of the Ocean Cruise business being in the tonnage tax regime, the Insurance goodwill impairment, the adjustments to prior-year tax and the non-recognition of net deferred tax assets, the tax effective rate for the current year is 16.0% (2025: 21.4%).

Earnings/(loss) per share

The Group Underlying Basic Earnings Per Share¹⁰ was 41.1p (2025: 23.2p). The Group's reported basic earnings per share was 2.5p (2025: loss of 117.4p).



⁹ Wholly owned UK subsidiaries of Ageas SA/NV

¹⁰ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Travel

Our Travel business comprises our Ocean Cruise, River Cruise and Holidays operations.

£m	12m to January 2026				Change	12m to January 2025			
	Ocean Cruise	River Cruise	Holidays	Total Travel		Ocean Cruise	River Cruise	Holidays	Total Travel
Underlying Revenue¹¹	265.6	53.4	185.1	504.1	11.1%	236.7	49.4	167.8	453.9
Gross profit	114.2	16.6	46.1	176.9	14.5%	97.7	15.1	41.7	154.5
Marketing expenses	(15.0)	(6.3)	(12.7)	(34.0)	(11.8%)	(13.8)	(5.7)	(10.9)	(30.4)
Other operating expenses	(16.6)	(4.9)	(20.8)	(42.3)	3.0%	(16.6)	(5.8)	(21.2)	(43.6)
Investment return	–	0.5	1.5	2.0	33.3%	–	0.4	1.1	1.5
Finance costs	(15.3)	–	(0.1)	(15.4)	16.3%	(18.4)	–	–	(18.4)
Underlying Profit Before Tax¹¹	67.3	5.9	14.0	87.2	37.1%	48.9	4.0	10.7	63.6
Average revenue per passenger (£)	6,009	3,051	3,044	4,115	3.7%	5,543	2,923	3,062	3,968
Ocean Cruise load factor	93%			93%	2ppts	91%			91%
Ocean Cruise per diem (£)	394			394	10.4%	357			357
Ocean Cruise capacity days ('000)	704			704	(0.1%)	705			705
Ocean Cruise revenue per capacity day (£)	377			377	12.2%	336			336
River Cruise load factor		89%		89%	–		89%		89%
River Cruise per diem (£)		350		350	7.4%		326		326
River Cruise capacity days ('000)		147		147	0.7%		146		146
River Cruise revenue per capacity days (£)		363		363	7.4%		338		338
Passengers ('000)	44.2	17.5	60.8	122.5	7.1%	42.7	16.9	54.8	114.4

Ocean Cruise

The Ocean Cruise business owns two Ocean Cruise ships, Spirit of Discovery and Spirit of Adventure.

The business achieved a load factor of 93% (2025: 91%) and a per diem of £394 (2025: £357). These two factors, when combined, equated to Underlying Revenue¹¹ growth of 12.2% and a 37.6% increase in profitability, from an Underlying Profit Before Tax¹¹ of £48.9m in the prior year, to £67.3m in the current year.

£67.3m

Ocean Cruise Underlying Profit Before Tax¹¹

2024/25 – £48.9m

River Cruise

At the beginning of the year, the River Cruise business had 10-year charters in place for two boutique purpose-built River Cruise ships, Spirit of the Rhine and Spirit of the Danube, alongside one other shorter-term charter. In July 2025, the business took delivery of its third boutique purpose-built River Cruise ship, Spirit of the Moselle, which is also a 10-year charter.

The business achieved a load factor of 89% (2025: 89%) and a per diem of £350 (2025: £326). This resulted in Underlying Revenue¹¹ growth of 8.1% and a 47.5% increase in Underlying Profit Before Tax¹¹, to £5.9m (2025: £4.0m).

£5.9m

River Cruise Underlying Profit Before Tax¹¹

2024/25 – £4.0m

Holidays

The Holidays business, which includes both the Saga Holidays and Titan brands, increased volumes when compared with the prior year, with passenger numbers increasing from 54.8k to 60.8k. The revenue per passenger was broadly flat at £3,044 (2025: £3,062), driven by a passenger preference towards travel to Europe over long-haul destinations due to the current geopolitical environment.

This led to Underlying Revenue¹¹ growth of 10.3% and an increase in profitability, from an Underlying Profit Before Tax¹¹ of £10.7m in the prior year, to £14.0m in the current year.

£14.0m

Holidays Underlying Profit Before Tax¹¹

2024/25 – £10.7m

11 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Travel continued

	Current year departures		
	12 April 2026	Change	13 April 2025
Ocean Cruise revenue (£m)	256.2	16.4%	220.1
Ocean Cruise load factor	79%	–	79%
Ocean Cruise per diem (£)	447	12.6%	397
River Cruise revenue (£m)	52.6	27.1%	41.4
River Cruise load factor	73%	5ppts	68%
River Cruise per diem (£)	372	3.0%	361
Holidays revenue (£m)	165.9	4.0%	159.5
Holidays passengers ('000)	51.6	0.2%	51.5

Forward Travel sales

Ocean Cruise bookings for 2026/27 continue to show sustained momentum, with a load factor in line with the same point last year. The per diem for 2026/27 is ahead of the same period last year, by 12.6%, reflecting continued customer demand.

River Cruise also continues to perform well. For 2026/27, the load factor is 5ppts ahead of the same point last year, driven by a stable first-half performance and a stronger second half. Customer demand is particularly strong for Spirit of the Danube, with the newest addition to the fleet, Spirit of the Moselle, also seeing encouraging uptake. The per diem for the full year is 3.0% ahead, reflecting strong customer demand.

Holidays bookings for 2026/27 remain ahead of the same point last year, with revenue up 4.0% and passengers up 0.2%. Within this, hosted stays continue to grow year-on-year.

Travel bookings for 2027/28, across Cruise and Holidays, reflect a strong revenue position that is 2.3% ahead of the same time last year.



from Nick

“

To be picked up from home and to not really need your wallet at all, from start to finish, I would heartily recommend it.”

Insurance

Insurance encompasses our motor, home and other broking operations and our in-house Insurance Underwriting business.

Insurance Broking

£m	12m to January 2026				Change	12m to January 2025			
	Motor broking	Home broking	Other broking	Total		Motor broking	Home broking	Other broking	Total
Gross Written Premiums¹²	279.6	132.9	139.5	552.0	(4.0%)	294.2	155.1	125.5	574.8
Broker revenue	7.0	11.8	46.0	64.8	9.5%	13.1	6.2	39.9	59.2
Instalment revenue	5.0	3.2	–	8.2	20.6%	3.3	3.5	–	6.8
Add-on revenue	8.2	5.9	–	14.1	(6.0%)	7.2	7.7	0.1	15.0
Other revenue	30.6	14.0	0.7	45.3	24.1%	25.2	15.7	(4.4)	36.5
Written Underlying Revenue¹²	50.8	34.9	46.7	132.4	12.7%	48.8	33.1	35.6	117.5
Written gross profit	45.8	34.9	48.3	129.0	9.3%	42.1	33.1	42.8	118.0
Marketing expenses	(16.5)	(5.6)	(10.4)	(32.5)	(55.5%)	(9.1)	(6.0)	(5.8)	(20.9)
Written Gross Profit After Marketing Expenses¹²	29.3	29.3	37.9	96.5	(0.6%)	33.0	27.1	37.0	97.1
Other operating expenses				(79.9)	3.7%				(83.0)
Written Underlying Profit Before Tax¹²				16.6	17.7%				14.1
Written to earned adjustment				(0.1)	(133.3%)				0.3
Earned Underlying Profit Before Tax¹²				16.5	14.6%				14.4
Policies in force	675k	412k	207k	1,294k	1.6%	602k	506k	166k	1,274k
Policies sold	734k	441k	211k	1,386k	2.6%	655k	528k	168k	1,351k
Reconciliation to continuing operations:									
Earned Underlying Profit Before Tax¹²				16.5	14.6%				14.4
Written Underlying Profit Before Tax ¹² from discontinued operations				0.3	(25.0%)				0.4
Written to earned adjustment				0.1	133.3%				(0.3)
Underlying Profit Before Tax¹² from continuing operations				16.9	16.6%				14.5

Insurance Broking

The Insurance Broking business provides tailored insurance products, principally motor, home, PMI and travel insurance. Its role is to price the policies and source the lowest risk price, whether through the panel of motor and home underwriters or through solus arrangements for PMI and travel insurance.

Until its sale to Ageas¹³ on 1 July 2025, the Group had an in-house insurer, AICL, sitting on the motor and home panels, which competed for that business with other panel members on equal terms. AICL offered its underwriting capacity on the home panel through a coinsurance deal with a third party, so the Group took no underwriting risk for that product.

Even if underwritten by a third party, the offering is presented as a Saga product and the Group manages the customer relationship. AICL continues to sit on the motor and home panels following its sale.

¹² Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

¹³ Wholly owned UK subsidiaries of Ageas SA/NV

Group Chief Financial Officer's Review continued

Insurance Broking continued

Insurance Broking written Underlying Profit Before Tax¹⁴, which excludes the impact of the written to earned adjustment deferring the revenue on policies underwritten over the term of the policy, increased to £16.6m, from £14.1m in the prior year. Underlying Profit Before Tax¹⁴ from continuing operations increased to £16.9m from £14.5m. The written to earned adjustment is no longer required following the sale of the Insurance Underwriting business to Ageas¹⁵ on 1 July 2025, as the Group ceased to underwrite any insurance policies, so it no longer has to spread revenue on underwritten policies over the life of the insurance policy.

A key metric for the Insurance Broking business is Written Gross Profit After Marketing Expenses¹⁴, before deducting overheads. This reduced from £97.1m in the prior year, to £96.5m in the current year, mainly due to lower new business margins on motor and lower volumes on home. This was partially offset by higher renewal margins on motor and home and by an improved performance of the PMI product. Written Gross Profit After Marketing Expenses¹⁴ fell by £3.7m in motor, partially offset by increases in home of £2.2m and other broking of £0.9m.

For motor and home insurance, in terms of the total Written Gross Profit After Marketing Expenses¹⁴, the new business proportion reduced by £14.3m and the renewal proportion increased by £12.8m.

The three-year fixed-price product remains significant, with 422k policies sold in the current year, compared with 518k policies in the prior year. This represented 36% of total motor and home policies (2025: 44%), with 27% of direct new business customers taking the product (2025: 29%). These policies remain highly attractive to our customer base.

The average gross margin per policy for motor and home combined, calculated as Written Gross Profit After Marketing Expenses¹⁴ divided by the number of policies sold, reduced to £49.9 in the current year, compared with £50.8 in the prior year.

In addition, customer retention for motor and home increased from 77% to 85%, overall motor and home policies in force decreased 2% when compared with 31 January 2025, and direct new business sales decreased 12ppts to 33% as the Group rebalanced volumes towards price-comparison website distribution channels.

Written profit and gross margin per policy for motor and home are stated after allowing for deferral of part of the revenues from three-year fixed-price products, which is then recognised in profit or loss when the option to renew those policies at a predetermined fixed price is exercised or lapses, recognising the inflation risk inherent in these products. At 31 January 2026, £1.8m (2025: £8.9m) of income had been deferred in relation to three-year fixed-price products. The reduction is due to the Affinity Partnership with Ageas¹⁵, with the responsibility of the renewal of Saga-branded motor and home policies transferring to Ageas¹⁵, meaning that all previously deferred revenues on three-year fixed-price products will be released prior to renewals going live as part of the Affinity Partnership.

Motor broking

Gross Written Premiums¹⁴ decreased 5.0% due to a 15.2% decrease in average premiums, partially offset by a 12.1% increase in core policies sold.

Written Gross Profit After Marketing Expenses¹⁴ was £29.3m (2025: £33.0m), contributing £39.9 per policy (2025: £50.4 per policy). Lower new business margins and a 4.8% reduction in renewal policies sold were partially offset by an increase in renewal margins and an 80.3% increase in new business policies sold.

Home broking

Gross Written Premiums¹⁴ decreased 14.3% due to a 16.5% reduction in core policies sold, partially offset by a 2.5% increase in average premiums.

Written Gross Profit After Marketing Expenses¹⁴ was £29.3m (2025: £27.1m), equating to £66.4 per policy (2025: £51.3 per policy). The increase in written gross profits was mainly due to higher renewal margins.

Other broking

Other broking primarily comprises PMI and travel insurance.

Gross Written Premiums¹⁴ increased 11.2% as a result of an increase in policy sales to 176k (2025: 131k) in travel insurance and to 33k (2025: 30k) in PMI.

The PMI product performed well, with commissions and profit share leading to Written Gross Profit After Marketing Expenses¹⁴ increasing by £4.7m.

Written Gross Profit After Marketing Expenses¹⁴ relating to travel insurance products decreased by £0.9m, mainly as a result of a reduction to new business margins.



£16.6m

Insurance Broking Written Underlying Profit Before Tax¹⁴
2024/25 – £14.1m

£49.9

Motor and home margin per policy
2024/25 – £50.8

¹⁴ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

¹⁵ Wholly owned UK subsidiaries of Ageas SA/NV

Insurance Underwriting (classified as a discontinued operation)

£m		12m to January 2026			Gross change	12m to January 2025		
		Gross	Re-insurance	Net		Gross	Re-insurance	Net
Insurance Underlying Revenue¹⁶	A	64.2	(4.7)	59.5	(67.0%)	194.5	(17.1)	177.4
Incurred claims (current year)	B	(50.5)	2.8	(47.7)	64.7%	(143.1)	(5.3)	(148.4)
Claims handling costs in relation to incurred claims	C	(6.3)	–	(6.3)	64.6%	(17.8)	–	(17.8)
Changes to liabilities for incurred claims (prior year)	D	17.8	(3.7)	14.1	(66.1%)	52.5	(41.2)	11.3
Other incurred insurance service expenses	E	(4.8)	–	(4.8)	61.3%	(12.4)	–	(12.4)
Insurance service result		20.4	(5.6)	14.8	(72.3%)	73.7	(63.6)	10.1
Net finance (expense)/income from (re)insurance (excludes impact of change in discount rate on non-PPO liabilities)		(4.9)	1.9	(3.0)	70.8%	(16.8)	8.0	(8.8)
Investment return (excludes fair value gains on debt securities)		3.8	–	3.8	(59.6%)	9.4	–	9.4
Underlying Profit Before Tax¹⁶		19.3	(3.7)	15.6	70.9%	66.3	(55.6)	10.7
Reported loss ratio	(B+D)/A	50.9%		56.5%	(4.3ppts)	46.6%		77.3%
Expense ratio	(C+E)/A	17.3%		18.7%	(1.8ppts)	15.5%		17.0%
Reported combined operating ratio (COR)	(B+C+D+E)/A	68.2%		75.1%	(6.1ppts)	62.1%		94.3%
Current year COR	(B+C+E)/A	96.0%		98.8%	(6.9ppts)	89.1%		100.7%
Number of earned policies		163k			(66.5%)	487k		

The Group's in-house underwriter, AICL, was sold to Ageas¹⁷ on 1 July 2025 but continues to underwrite around 60% of the motor business sold by Insurance Broking, alongside a smaller proportion of business on other panels. Alongside this, AICL underwrites a portion of Saga's home panel.

Gross insurance Underlying Revenue¹⁶ in the current year decreased 67.0% to £64.2m (2025: £194.5m), reflecting a 66.5% reduction in the number of earned policies underwritten by AICL while being part of the Group, due to the sale of AICL to Ageas¹⁷ on 1 July 2025. This was also a 1.4% decrease in average earned premiums.

The gross insurance service result was in line with expectations, with a 6.9ppt decrease in the current year gross combined operating ratio (COR) to 96.0% (2025: 89.1%). After allowing for reinsurance arrangements, this increased slightly to 98.8% (2025: 100.7%). The improved net year-on-year result reflects the entering of a new profitable quota share aggregation period, with the motor surplus generated during the current year shared with reinsurance partners.



£15.6m

Insurance Underwriting
Underlying Profit Before Tax¹⁶
2024/25 – £10.7m

96.0%

Gross current year COR
2024/25 – 89.1%

¹⁶ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

¹⁷ Wholly owned UK subsidiaries of Ageas SA/NV

Other Businesses and Central Costs

£m	12m to January 2026			Change	12m to January 2025		
	Other Businesses	Central Costs	Total		Other Businesses	Central Costs	Total
Underlying Revenue¹⁸							
Money	6.1	–	6.1	8.9%	5.6	–	5.6
Publishing and CustomerKNECT	11.3	–	11.3	(18.7%)	13.9	–	13.9
Other	–	1.5	1.5	100.0%	–	–	–
Total Underlying Revenue	17.4	1.5	18.9	(3.1%)	19.5	–	19.5
Gross profit	5.4	3.6	9.0	(30.8%)	6.9	6.1	13.0
Operating expenses	(5.1)	(23.8)	(28.9)	6.5%	(6.5)	(24.4)	(30.9)
Investment income	–	3.1	3.1	(16.2%)	–	3.7	3.7
Net finance costs	–	(43.1)	(43.1)	(61.4%)	–	(26.7)	(26.7)
Underlying Profit/(Loss) Before Tax¹⁸	0.3	(60.2)	(59.9)	(46.5%)	0.4	(41.3)	(40.9)

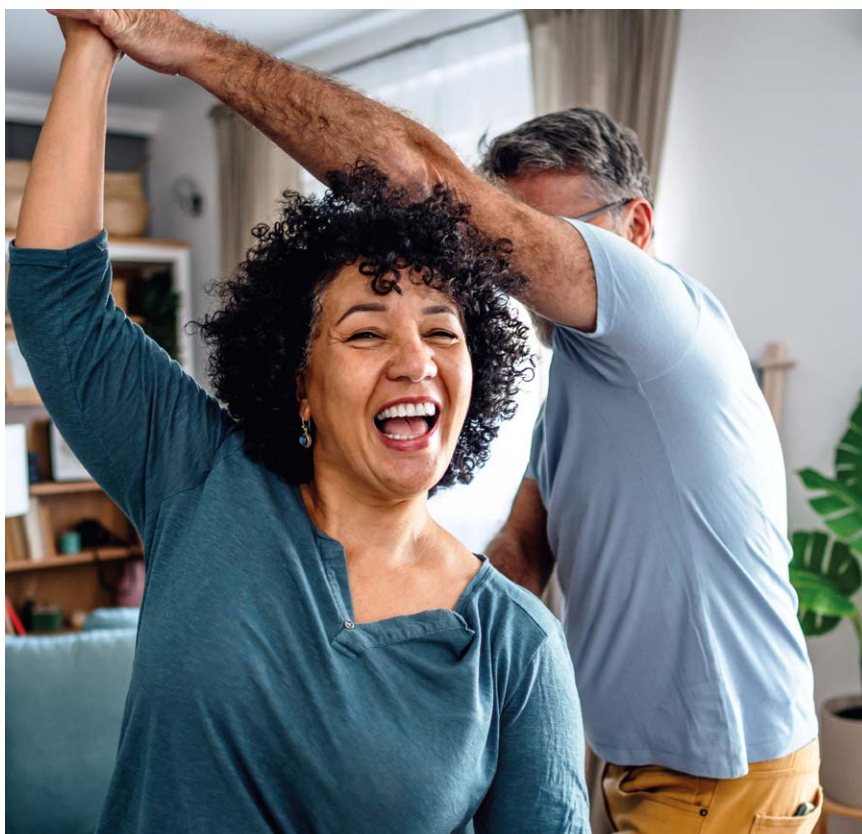
The Group's Other Businesses include Money, Publishing and CustomerKNECT.

Underlying Profit Before Tax¹⁸ for Other Businesses, when combined, reduced by £0.1m, from a £0.4m Underlying Profit Before Tax¹⁸ in the prior year to £0.3m in the current year.

Central operating expenses reduced to £23.8m (2025: £24.4m). Gross administration costs, before Group recharges, decreased by £2.1m in the year.

Net costs increased by a further £1.5m due to lower Group recharges to the business units.

Net finance costs in the year were £43.1m (2025: £26.7m), which excludes finance costs within the Travel businesses of £15.4m (2025: £18.4m) and Insurance Underwriting business of £3.0m (2025: £8.8m). The increase was predominantly driven by the refinancing of the Group's corporate debt at the beginning of the year at materially higher interest rates.



£0.3m

Other Businesses Underlying Profit Before Tax¹⁸
2024/25 – £0.4m

(£23.8m)

Central Costs
2024/25 – (£24.4m)

from Jenny

“

I just trust the name, put it like that.”

¹⁸ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Cash flow and liquidity

Available Operating Cash Flow¹⁹

£m	12m to Jan 2026	Change	12m to Jan 2025
Group Trading EBITDA ¹⁹	153.1	11.7%	137.1
Less Trading EBITDA ¹⁹ from restricted businesses	(39.7)	(15.7%)	(34.3)
Group Trading EBITDA^{19,20} from unrestricted businesses	113.4	10.3%	102.8
Working capital and non-cash items	86.9	>500.0%	2.2
Dividends and intercompany repayments from restricted businesses	26.2	13.9%	23.0
Capital expenditure funded with Available Cash ¹⁹	(20.6)	(12.0%)	(18.4)
Available Operating Cash Flow¹⁹	205.9	87.9%	109.6
Restructuring costs	(42.4)	(99.1%)	(21.3)
Interest and financing costs	(67.1)	(55.0%)	(43.3)
Business disposals	68.8	100.0%	–
Income tax receipts	2.7	(64.0%)	7.5
Other payments	(11.9)	(105.2%)	(5.8)
Change in cash flow from operations	156.0	234.0%	46.7
Change in bond debt	(250.0)	(66.7%)	(150.0)
Change in loan facilities debt	260.0	246.7%	75.0
Change in Ocean Cruise ship debt	(55.6)	10.6%	(62.2)
Cash at 1 February	79.3	(53.3%)	169.8
Available Cash¹⁹ at 31 January	189.7	139.2%	79.3

£m	12m to Jan 2026	Change	12m to Jan 2025
Available Operating Cash Flow¹⁹ by business unit			
Ocean Cruise	124.5	34.7%	92.4
River Cruise	2.6	85.7%	1.4
Holidays	13.7	8.7%	12.6
Insurance Broking	79.5	>500.0%	8.1
Insurance Underwriting	10.0	11.1%	9.0
Other Businesses and Central Costs	(24.4)	(75.5%)	(13.9)
Available Operating Cash Flow¹⁹	205.9	87.9%	109.6

¹⁹ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

²⁰ Trading EBITDA includes the line-item impact of IFRS 16 with the corresponding impact to net finance costs included in net cash flows used in financing activities

Group Chief Financial Officer's Review continued

Available Operating Cash Flow²¹ is made up of the cash flows from unrestricted businesses and the dividends paid by, and intercompany repayments from, restricted companies, less any cash injections to those businesses. Unrestricted businesses include the Group's Ocean Cruise business, Insurance Broking (excluding specific ring-fenced funds to satisfy Financial Conduct Authority regulatory requirements) and Other Businesses and Central Costs. Restricted businesses include River Cruise, Holidays and Insurance Underwriting.

As a result of an increase in cash generation from Ocean Cruise and Insurance Broking, Available Operating Cash Flow²¹ increased from £109.6m in the prior year to £205.9m the current year.

The Ocean Cruise business reported an Available Operating Cash Flow²¹ of £124.5m (2025: £92.4m), with an increase in advance customer receipts of £12.6m (2025: £12.0m), net trading income of £108.3m (2025: £97.3m) and repayment of cash collateralised Association of British Travel Agents (ABTA) bonding of £11.5m (2025: £11.5m drawdown), partially offset by capital expenditure of £7.9m (2025: £5.4m), associated with a scheduled dry dock for Spirit of Discovery. Net of interest costs of £12.9m (2025: £15.8m) and exceptional costs of £0.6m (2025: £1.7m), the Ocean Cruise business reported a net cash inflow, before capital repayments on the ship debt, of £111.0m for the year, compared with £74.9m in the prior year.

The River Cruise business provided an intercompany loan to the Group of £2.6m in the year (2025: £1.4m), which was agreed with the Civil Aviation Authority (CAA). For any further excess cash to be paid back to the Group, dividends will only be paid following an approval process with the CAA. The business continues to be under an escrow trust arrangement as part of its CAA licence. At 31 January 2026, the business held cash of £22.7m, of which £12.0m was held in escrow. The business must hold a minimum of £1.7m of cash outside of escrow within the business, as agreed with the CAA.

The Holidays business repaid the Group £13.7m during the year (2025: £12.6m). The increase is due to the improved trading performance in the current year compared with the prior year, resulting in an increase in repayment of intercompany loans to the Group during the current year.

The Insurance Broking business reported an Available Operating Cash Flow²¹ of £79.5m (2025: £8.1m), which includes £60.0m (2025: £nil) of upfront consideration as part of the Ageas²² Affinity Partnership. The remaining increase of £11.4m is the result of an increase in working capital of £7.5m, which was driven by the receipt of £7.5m from AICL relating to a stop loss agreement between AICL and Saga Services Limited. In addition, there was a reduction in capital expenditure in the current year of £6.1m. This was partially offset by a reduction in EBITDA in the current year of £2.2m.

The Insurance Underwriting business paid dividends to the Group of £10.0m (2025: £9.0m), prior to the sale to Ageas²², relating to excess solvency capital.

Other cash flow movements

Interest and financing costs increased in the current year, predominantly driven by the refinancing of the Group's corporate debt at the beginning of the year at materially higher interest rates.

The Group continued to make the agreed payments to the defined benefit pension fund as part of the deficit recovery plan of £5.8m (2025: £5.8m), which are now paid quarterly compared with the previous annual contributions. In addition, the Group funded ring-fenced, restricted designated bank accounts, using Available Cash²¹ totalling £6.1m, over which charges have been granted in favour of the pension trustees, both of which are included within other payments.

In the current year, the Group drew its £335.0m term loan (see change to facilities within the Financing section for further details) and used the funds to repay in full and cancel its £250.0m corporate bond, repay the £75.0m drawn proportion, and cancel the £85.0m loan facility, provided by Roger De Haan. The Group continued to make capital repayments against its Ocean Cruise ship debt facilities, with payments totalling £25.5m (2025: £30.6m) on Spirit of Discovery's debt facility and £30.1m (2025: £31.6m) on Spirit of Adventure's debt facility.



£205.9m

Available Operating Cash Flow²¹
2024/25 – £109.6m

£189.7m

Available Cash²¹ at 31 January
2024/25 – £79.3m

²¹ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

²² Wholly owned UK subsidiaries of Ageas SA/NV

Statement of financial position

Goodwill

At 31 January 2026, the carrying value of the Group's goodwill associated with the Insurance Broking business was £206.4m (31 January 2025: £206.4m). Trading performance in the current year was ahead of expectations, therefore, following the annual test of goodwill for impairment, the Directors concluded that no impairment was required at 31 January 2026.

Carrying value of Ocean Cruise ships

At 31 January 2026, the carrying value of the Group's Ocean Cruise ships was £555.6m (31 January 2025: £570.6m). Trading performance in the current year was very positive, and, with strong bookings for 2026/27, the Directors concluded that there were no indicators of impairment at 31 January 2026.

Investment portfolio

Prior to its sale to Ageas²³ on 1 July 2025, the majority of the Group's financial assets were held by its Insurance Underwriting entity and represented premium income received and invested to settle claims and meet regulatory capital requirements.

As a result of the sale of the Group's Insurance Underwriting business, the amount held in invested funds decreased by £253.1m to £nil (31 January 2025: £253.1m). At 31 January 2026, 100% of the financial assets held by the Group were invested with counterparties with a risk rating of BBB or above, consistent with the prior year end, reflecting the relatively stable credit risk rating of the Group's investment holdings.

At 31 January 2026	Credit risk rating					Total £m
	AAA £m	AA £m	A £m	BBB £m	Unrated £m	
Derivative assets	-	-	1.1	-	-	1.1
Total financial assets	-	-	1.1	-	-	1.1

At 31 January 2025	Credit risk rating					Total £m
	AAA £m	AA £m	A £m	BBB £m	Unrated £m	
Investment portfolio						
Deposits with financial institutions	-	1.0	10.5	-	-	11.5
Debt securities	22.8	53.2	52.4	50.3	-	178.7
Money market funds	62.9	-	-	-	-	62.9
Total invested funds	85.7	54.2	62.9	50.3	-	253.1
Derivative assets	-	0.2	0.9	-	-	1.1
Total financial assets	85.7	54.4	63.8	50.3	-	254.2

Insurance reserves

Analysis of insurance contract liabilities at 31 January 2026 and 31 January 2025 is as follows:

£m	At 31 January 2026			At 31 January 2025		
	Gross	Reinsurance assets	Net	Gross	Reinsurance assets	Net
Incurring claims – estimate of the present value of future cash flows	-	-	-	235.9	(88.9)	147.0
Incurring claims – risk adjustment	-	-	-	33.7	(28.2)	5.5
Remaining coverage – excluding loss component	-	-	-	46.3	9.3	55.6
Remaining coverage – loss component	-	-	-	1.8	-	1.8
Total	-	-	-	317.7	(107.8)	209.9

The Group's total insurance contract liabilities, net of reinsurance assets, decreased by £209.9m in the year to 31 January 2026 from the previous year end, entirely due to the sale of the Group's Insurance Underwriting business to Ageas²³ on 1 July 2025. At 31 January 2025, these balances were included within liabilities directly associated with assets held for sale.

23 Wholly owned UK subsidiaries of Ageas SA/NV

Group Chief Financial Officer's Review continued

Financing

At 31 January 2026, the Group's Net Debt²⁴ was £499.5m, £93.3m lower than at the start of the financial year.

Net Debt²⁴ is analysed as follows:

£m	Maturity date ²⁵	31 January 2026	31 January 2025
5.5% Corporate bond	July 2026	–	250.0
Loan facility provided by Roger De Haan	April 2026	–	75.0
Term loan	January 2031	335.0	–
DDTL	January 2031	–	–
RCF	January 2029	–	–
Spirit of Discovery Ocean Cruise ship loan	June 2031	117.5	143.0
Spirit of Adventure Ocean Cruise ship loan	September 2032	171.7	201.8
Pre-IFRS 16 lease liabilities		5.0	2.3
Less Available Cash ^{24,26}		(189.7)	(79.3)
Add upfront Ageas ²⁷ partnership proceeds		60.0	–
Net Debt²⁴		499.5	592.8²⁸

Net Debt²⁴ includes an add back of the £60.0m of upfront Ageas²⁷ partnership proceeds due to a restriction within the Group's facilities with HPS Funds²⁹, where the proceeds from the Ageas²⁷ partnership cannot be recognised within Net Debt²⁴ until the working capital unwind associated with moving motor and home to the partnership model has fully occurred.

Financial covenant compliance

The Group's Leverage Ratio²⁴, at 31 January 2026, was 3.7x (31 January 2025: 4.4x²⁸), within the 8.0x covenant under the corporate facilities at 31 January 2026.

£m	31 January 2026	31 January 2025
Net Debt ²⁴	499.5	592.8 ²⁸
Consolidated Pro Forma EBITDA ²⁴	133.3	134.6
Leverage Ratio²⁴	3.7x	4.4x²⁸

The Group also has financial covenants associated with its Ocean Cruise ship debt facilities, being a debt service cover ratio and an interest cover ratio. The debt service cover ratio, at 31 January 2026, was 1.9x (31 January 2025: 1.4x), in excess of the 1.2x covenant (31 January 2025: 1.0x) under the Ocean Cruise ship debt facilities at the same date. The interest cover ratio, at 31 January 2026, was 12.2x (31 January 2025: 7.9x), in excess of the 2.0x covenant under the ship debt facilities at the same date.

£m	31 January 2026	31 January 2025
ST&H Group consolidated pro forma Trading EBITDA ²⁴	126.8	103.9
ST&H Group consolidated debt service	66.0	75.3
Debt service cover ratio	1.9x	1.4x

£m	31 January 2026	31 January 2025
ST&H Group consolidated pro forma Trading EBITDA ²⁴	126.8	103.9
ST&H Group consolidated total net cash interest expenses	10.4	13.1
Interest cover ratio	12.2x	7.9x

Change to facilities

At the start of the financial year, the Group repaid in full its £250.0m corporate bond and the £75.0m drawings under the £85.0m loan facility provided by Roger De Haan, which was also cancelled at the same time, and cancelled the existing £50.0m RCF. These repayments were funded using the new £335.0m term loan secured from HPS Funds²⁹.

Since issuing its interim results, the Group extended its RCF for an additional year, extending the contractual maturity to January 2029. There have been no other changes to the facility and the RCF remains available to support working capital and general corporate purposes and remained undrawn at 31 January 2026.

The Group also made scheduled repayments on its Ocean Cruise ship debt facilities in March 2025 and September 2025 for Spirit of Adventure and in June 2025 and December 2025 for Spirit of Discovery, totalling £30.1m and £25.5m respectively.

²⁴ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

²⁵ Maturity date represents the date the principal must be repaid, other than the Ocean Cruise ship loans, which are repaid in instalments

²⁶ Refer to Note 25 of the financial statements for information as to how this reconciled to a statutory measure of cash

²⁷ Wholly owned UK subsidiaries of Ageas SA/NV

²⁸ Following the Group's refinancing and revised covenant definition, Net Debt and the Leverage Ratio have been re-presented at 31 January 2025

²⁹ Certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries

Pensions

The Group's defined benefit pension scheme liability, as measured on an International Accounting Standard 19R basis, decreased by £14.4m to a £25.4m liability at 31 January 2026 (31 January 2025: £39.8m).

£m	31 January 2026	31 January 2025
Fair value of scheme assets	204.1	200.1
Present value of defined benefit obligation	(229.5)	(239.9)
Defined benefit pension scheme liability	(25.4)	(39.8)

The movements observed in the scheme's assets and obligations were impacted by macroeconomic factors during the year, where actual inflation levels reduced compared with recent years, high-quality long-term corporate bond yields remained volatile and there continues to be rising cost of living pressures. The present value of defined benefit obligations decreased by £10.4m to £229.5m, primarily as a result of increases in bond yields over the year. The fair value of scheme assets increased by £4.0m, to £204.1m, largely driven by the recovery plan and Section 75 contributions.

Net assets

Since 31 January 2025, total assets decreased by £312.7m and total liabilities decreased by £324.7m, resulting in an overall increase in net assets of £12.0m.

The reduction in total assets is primarily due to:

- a decrease in property, plant and equipment of £14.5m;
- a decrease in assets held for sale of £425.9m following the sale of the Insurance Underwriting business in the current year; and
- an increase in cash and short-term deposits of £127.8m, mainly as a result of the strong trading performance of the Group in the current year, along with the proceeds received in respect of the sale of the Insurance Underwriting business and the Ageas³⁰ partnership.

The decrease in total liabilities largely reflects:

- a decrease in liabilities held for sale of £346.9m following the sale of the Insurance Underwriting business in the current year;
- a decrease of £38.7m in financial liabilities, which is mainly due to a reduction of £54.3m in bonds, bank loans and other loans, as a result of the repayment of £55.6m of capital repayments on Spirit of Discovery and Spirit of Adventure facilities. This has been partially offset by an increase of £12.3m in lease liabilities following delivery of the River Cruise ship, Spirit of the Moselle, in the first half of the current year;
- a decrease of £14.4m in the retirement benefit scheme liability; and
- an increase of £75.4m in contract liabilities due to the receipt of £60.0m of upfront partnership proceeds from Ageas³⁰ and improved future bookings outlook in Travel.



30 Wholly owned UK subsidiaries of Ageas SA/NV

Going concern

The Directors have assessed the Group's ability to continue as a going concern over the period to 30 April 2027, being at least 12 months from the date of approval of the Annual Report and Accounts. This assessment considered the Group's current liquidity position, financial forecasts, debt facilities, covenant compliance and principal risks. The review included both the Board-approved base case and a severe but plausible stressed scenario.

Under the base case, the Group maintains Available Cash³¹ in excess of internal minimum liquidity requirements throughout the assessment period. No drawdown of the Group's £33.4m RCF or £116.6m DDTL facility is required, and the Group remains in compliance with all financial covenants linked to its debt facilities.

The stressed scenario models multiple downside risks occurring concurrently across the assessment period. These include lower trading performance across Ocean Cruise, River Cruise and Holidays, reflecting a reduction in load factors for Ocean Cruise from 93% for the year ended 31 January 2026 to 88% over the assessment period, a 1-2% reduction in per diems in River Cruise and softer customer volumes in our Holidays business; lower-than-planned benefit realisation and increased operating pressures within Insurance Broking; and a competitive savings market combined with weaker demand for our other products in the Money division. The scenario additionally incorporates a cyber-related operational disruption affecting both Cruise and Insurance, as well as certain adverse non-trading cash impacts, including higher ABTA bonding requirements. Together, these stresses reduce profitability and cash generation relative to the base case.

In forming their conclusion, the Directors considered the Group's exposure to the crisis in the Middle East and the increased volatility in global energy markets. Saga is 100% hedged against foreign exchange risk for both 2026/27 and 2027/28 and is 100% and 75% hedged for commodity risk, respectively. However, the Group remains directly exposed to risks associated with supply constraints for marine fuel in its Cruise operations and, indirectly, to jet fuel through the Holidays business unit's partnerships with airlines. Additional reverse stress testing indicates that, in 2026/27, Saga could withstand a reduction in planned EBITDA of more than 50% before breaching its leverage covenant and losing access to currently undrawn debt facilities.

The Directors also considered additional downside risks not explicitly modelled, including regulatory, operational and economic uncertainties. These were assessed as either remote within the going concern period or mitigated through existing controls and contingency planning.

Having reviewed the forecasts, stress testing and associated risk analysis, the Directors are satisfied that the Group can expect to remain in compliance with its debt covenants and retain access to currently undrawn facilities even under the stressed scenario. Noting that it is not possible to accurately predict all possible future risks to the Group's trading, based on this analysis and the scenarios modelled, they have concluded that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the financial statements to 31 January 2026 have been prepared on a going concern basis.

Dividends and financial priorities for 2026/27

Dividends

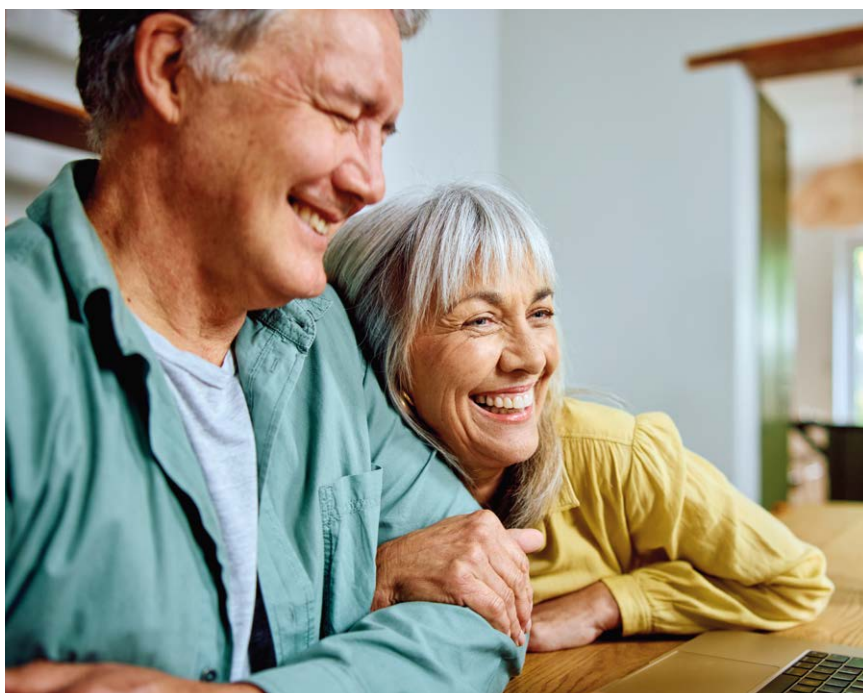
Given the Group's priority of reducing Net Debt³¹, the Board of Directors does not recommend payment of a final dividend for the 2025/26 financial year, nor would this currently be permissible under financing arrangements and while the ship debt facility deferred amounts are outstanding.

Financial priorities for 2026/27

The Group's financial priorities for the current financial year are to reduce Net Debt³¹ via capital-light growth, continue to build on the momentum in our Travel businesses and Insurance Broking ahead of the full transition to the partnership with Ageas³².



Mark Watkins
Group Chief Financial Officer
20 April 2026



³¹ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

³² Wholly owned UK subsidiaries of Ageas SA/NV

OUR COMMITMENT TO ESG

At Saga, we recognise the importance of Environmental, Social and Governance (ESG) and continue to make progress with our ESG agenda.

In 2025, we refreshed our ESG framework to ensure the continued applicability to our business and our stakeholders' priorities. Progress was made against our existing key performance indicators (KPIs) and targets, which we track and report on within our ESG Report.

Within our refreshed strategy, we have ensured our customer remains at the centre, with our key focus being to deliver meaningfully differentiated products at great value. We are committed to being respectful of our customers' data and continuing to assess their changing needs.

In addition to simplifying our ESG framework, we continued to focus on creating an engaged, inclusive and diverse culture for our colleague base. This includes launching our new Diversity, Equity, Inclusion and Belonging (DEI&B) Policy and developing internal training to support and equip our teams. This training will be launched in 2026. We have included society in our refreshed framework, enabling us to further focus on supporting causes our customers and colleagues care about.

The environment remains a key area of focus as Saga. During the year, our highlights included continuing to calculate a complete Scope 1-3 emissions footprint and starting to transition our fleet vehicles away from diesel and trialling electric vehicles. In addition, we continue to support the UK Government's commitment to net zero by 2050.

To further this, during the year we have developed an actionable net zero roadmap with meaningful targets that we can aspire to achieve with tangible actions and initiatives comprised of five key principles.

- **Fuels and power** – Continuing to review our options for our ships and vehicles
- **Partners and suppliers** – Work with our partners and suppliers to encourage sustainable process
- **Operational efficiencies** – Make our operations more efficient
- **Reducing waste** – Implement different practices to reduce waste
- **Product development** – Continue to consider sustainability when developing products and experiences

These principles have detailed action plans which will be monitored and tracked to completion. Our progress will be reported within our annual ESG report.

Our Executive Team is remunerated against customer satisfaction and our ESG targets including carbon footprint, charity partnerships and colleague diversity.

Our ESG framework



Task Force on Climate-related Financial Disclosures Report

Our climate-related financial disclosures

We recognise the importance of the Task Force on Climate-related Financial Disclosures (TCFD) in providing a framework for transparent reporting around climate-related risks and opportunities. In support of the framework, and in line with our obligations under Financial Conduct Authority UK Listing Rule (UKLR) 6.6, the following pages set out our updated disclosures consistent with the TCFD recommendations on climate-related financial disclosures, including the TCFD guidance for all sectors.

During the year, we continued to ensure that our responses to sustainability-related risks, were incorporated into our business planning processes, which formed the basis of certain key judgements linked to financial performance and the integration of climate risk into our viability modelling.

1 Governance

Find out more to the right

2 Strategy

Find out more on page 43

3 Risk management

Find out more on page 47

4 Metrics and targets

Find out more on page 47

1 Governance

The Board oversees climate-related risk exposure within its risk management framework. The Board is informed of climate-related issues on a regular basis, through management reporting and escalation through its Committees.

The Board has overall accountability for risks associated with climate change and commits to including climate-related risk formally on the Board agenda, including the oversight of emissions performance and embedding climate resilience into risk management, as part of the wider ESG strategy. Our Non-Executive Director designated as our ESG Champion, Gemma Godfrey, provides Board-level advocacy for ESG, including factors related to climate change.

In 2025, the Audit Committee and the Risk Committee were combined, providing complete oversight of the identification of risks within the risk framework, which includes ESG risk. The Audit and Risk Committee also oversees the framework of internal controls, which includes those relating to ESG. The Audit and Risk Committee examines climate-related risk as part of its consideration of principal risks and uncertainties (PRUs). The Audit and Risk Committee also discusses the Group's overall risk tolerance, strategy and ability to detect new risks, including those related to climate change. The Committee Chair reports their recommendations to the Board, outlining the PRUs, how they are identified and any mitigating actions.

The Audit and Risk Committee monitors the integrity of the Group's financial statements to oversee the effectiveness of internal control systems.

The Operating Board is tasked with ESG delivery, including climate-related risk assessment, and ensuring that action and performance management for climate issues are delivered throughout the organisation. It also holds responsibility for overseeing major capital expenditure, acquisitions and divestitures. The Operating Board reports to the Board through the Group Chief Executive Officer (CEO).

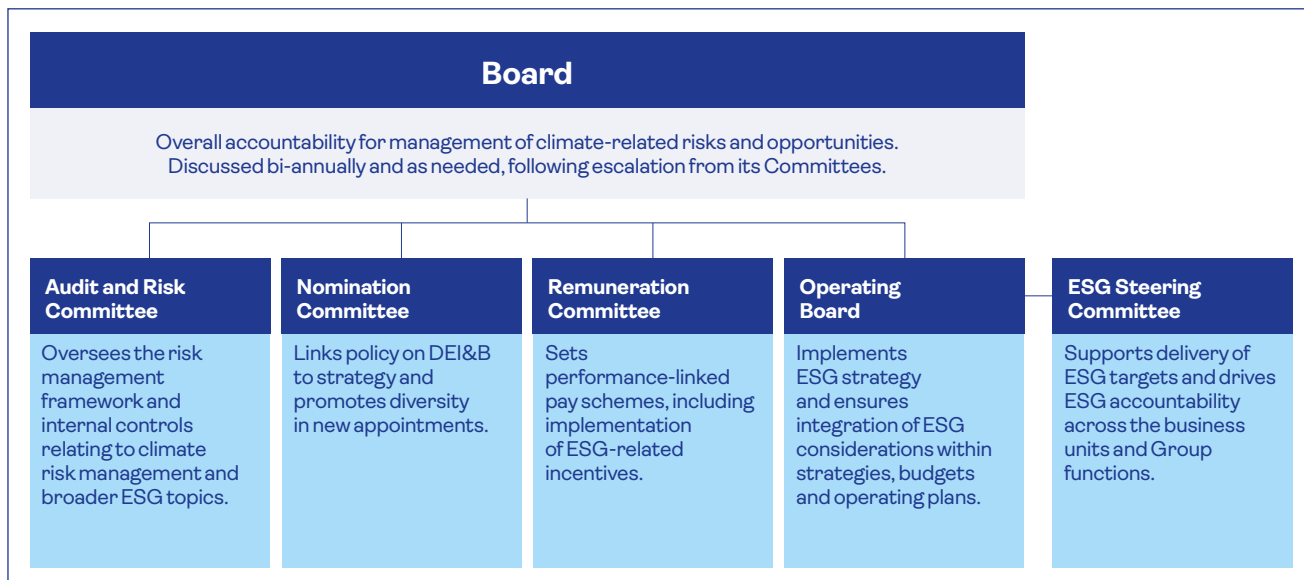
Find out more in division of responsibilities on page 70

We have an established ESG Steering Committee, with representation from senior leaders across our business units and key Group functions. This Committee is chaired by the Chief People Officer and has responsibility for implementing ESG initiatives and monitoring ESG risks, which include measures relating to climate change. This Committee reports into the Operating Board which is chaired by the Group CEO through the Chief People Officer.

In 2025, we refreshed our ESG strategy, which includes a focus on managing our impact on the environment. Both the Operating Board and plc Board were engaged in the strategy development process and approval. The refresh ensures that it continues to be relevant to the organisation and reflects future business priorities.

Management incentives are partially tied to the achievement of the ESG targets described within our 2026 ESG Report.

Board and Committee responsibilities



2 Strategy

In 2025, our ESG strategy was refreshed. This refresh continued to acknowledge the environment as a priority. This year, we continued to work towards our targets focussed on calculating Scope 3 emissions, developing the actions and initiatives which form our net zero roadmap and introducing low-carbon technologies to our cruise ship fleet. More details on our net zero roadmap can be found in our 2026 ESG report.

As reported in our 2025 Annual Report and Accounts, we completed a climate scenario analysis to assess the resilience of the Group against potential future climate change impacts.

This was refreshed in 2025 with new global regions included. The refresh did not show any significant changes in the types of risks and opportunities we are exposed to, or the severity of these risks and opportunities. We are satisfied that our refreshed strategy supports the mitigation activities as outlined within our scenario analysis.

Our climate scenario analysis (as detailed on page 46) involved engagement with each of our business units, facilitated by key central functions, including risk and finance, and supported by external advisers.

We assessed climate-related risks across our business units and within our key operating regions. The timeframes used in our scenario analysis were chosen for their relevance, both to our own operations, including the lifespan of our assets, and to international pledges on emissions reductions.

Risks and opportunities were evaluated on a sectoral and geographical basis in alignment with the climate-related risk and opportunity categories described within tables A.1.1 and A.1.2 of the TCFD Implementation Guidance.

Our most significant risks and opportunities are described in the table overleaf.



Developing actions and initiatives for our net zero roadmap

Since the sale of our Insurance Underwriting business and the consolidation of our Cruise and Holidays businesses, Travel now accounts for the majority of our carbon emissions. We are continually exploring ways in which we can reduce our emissions footprint. During the year, we continued installation of shore power connectivity for our fleet, allowing our ships' engines to be turned off when in port, reducing emissions when compared with using marine fuel. Although there have been delays due to supply issues, we are aiming to convert our entire fleet to this technology by the end of 2026.

Following successful trials in 2024, we continued to utilise fatty acid methyl ester (**FAME**) biofuel on board our ocean fleet. Our ships have maintained their 'A' ratings in key international energy efficiency rating schemes.

Other measures taken during the year include the phasing out of diesel and introduction of electric vehicles to our car fleet and working towards minimising waste on our ships. We have established a dedicated working group, who are actively reviewing further opportunities to make reductions in our carbon emissions.



Task Force on Climate-related Financial Disclosures Report continued

2 Strategy continued

Risks

Acute physical

Description

Increasingly severe rain, drought, heat and storm events cause supply chain disruption, leading to reduced customer experience and increased business costs. Incidents of severe weather affect both Cruise and Holidays itineraries and the availability of supplies across business activities.

Increased insurance claims for property damage (motor and home lines)¹, and risks to health (private medical and travel lines) affect claims frequency, profitability and reinsurance costs. Damage to customers' assets may also lead to withdrawals from savings accounts.

Mitigation

Cruise and Holidays itineraries are continually reviewed and updated in response to incidents, including those related to weather. Following our partnership with Ageas², we no longer have an in-house underwriter. Going forward, our Insurance control measures are largely dependent on third-party underwriters. Engagement and communication with our third party underwriters is key to developing controls.

Category

P Physical

Business units

Cruise, Holidays, Insurance, Money and Publishing

Time horizon



Chronic physical

Description

Sea level rise and altered weather patterns result in increased coastal erosion and flooding. Port operations (Cruise), beach front destinations (Holidays), property (Insurance) and general supply chains (including Publishing) are disrupted. Consequent flooding and infrastructure damage leads to general disruption and complaints.

Mitigation

The Travel business model allows flexibility in the sites visited for Cruise and accommodation used for Holidays, enabling adaptability to changing weather patterns. Following our partnership with Ageas², we no longer have an in-house underwriter. Going forward our insurance control measures are largely dependent on third-party underwriters. Engagement and communication with our third party underwriters is key to developing controls. Communication with customers around delays to the Saga Magazine delivery and our digital Magazine via the app may mitigate reputational impact.

Category

P Physical

Business units

Cruise, Holidays, Insurance, Money and Publishing

Time horizon



Policy and legal

Description

Growing exposure to regulatory requirements, including emissions taxation, carbon pricing and reporting burden, increases costs across all business units. Potential reputational damage, and litigation, arise due to incidents of non-compliance with more rigorous regulation.

Mitigation

Saga has tracked emissions for several years, building an understanding of emissions sources. Our Cruise fleet is relatively new and less polluting than industry counterparts. Saga is continuing to evolve our net zero roadmap, aligned with the UK Government's 2050 target, while existing practices, including the utilisation of FAME biofuel, enhanced hull cleaning and shore power connectivity, are reducing emissions over time.

Category

T Transition

Business units

Cruise, Holidays, Insurance, Money and Publishing

Time horizon



Market and technology

Description

Adaptation to lower-carbon practices, including the retro-fit of ships, use of FAME biofuel, use of sustainable aviation fuels (Cruise and Holidays) and digital media products (Publishing) drive increasing costs and product pricing. Failure to adapt could lead to reputational damage and competitive disadvantage.

Mitigation

Saga will proactively implement strategic initiatives, including a net zero roadmap focussed on maintaining competitiveness. The ongoing transition to digital media products, alongside media content focussed on environmental protection, aligns with an increasingly climate-conscious customer base.

Category

T Transition

Business units

Cruise, Holidays, Insurance and Publishing

Time horizon



1 The assessment looks back and considers any risks associated with all our operations within the year. Where operations have changed following the partnership with wholly owned UK subsidiaries of Ageas SA/NV, this will be reflected in our 2027 Annual Report and Accounts
 2 Wholly owned UK subsidiaries of Ageas SA/NV

Opportunities

Energy and resource efficiency

Description

Collaboration with supply chains, including ship technology providers and fuel suppliers, will enable the introduction of energy savings to Cruise activities.

Increased use of low-emission drop-in fuels, improved ship specifications on new vessels, and retro-fit of technology to existing vessels can improve asset efficiency, extending asset life and ensuring Cruise products remain relevant into the future.

The ongoing shift to digital media products, from traditional paper products, will reduce operational costs and improve climate resilience.

Products and services

Description

The physical impacts of climate change may open new geographies for travelling and incentivise innovative travel offerings at differing times of the year.

Customer involvement in sustainability-focused holidays, media products focussed on sustainability themes, and other avenues, provide a growing method of engagement with our customer base.

ESG themes can increasingly feature in product portfolios, including within insurance and investment products.

Market resilience

Description

Group-wide net zero planning provides an opportunity to improve resilience, through understanding decarbonisation routes and opportunities to engage with, and strengthen, supply chains.

Climate-conscious financial products can be tailored to reward customers for sustainable behaviours.

115,896 tCO₂e

Scope 1 and 2 emissions
2024/25 – 107,766 tCO₂e



Task Force on Climate-related Financial Disclosures Report continued

2 Strategy continued

Scenario analysis

During 2025, we reviewed our scenario analysis to ensure alignment with the recommendations of the TCFD. We utilised a range of scenarios across both normative and exploratory pathways. Our 2025 review was based on the initial analysis, which was completed in 2023. We intend to revisit this analysis on a regular basis to ensure changes to our operating model continue to be considered and are aligned to upcoming or emerging regulatory requirements. A full refresh is planned for 2026.

Climate scenarios

Our climate scenario analysis examined three Shared Socioeconomic Pathway (SSP) scenarios from the Intergovernmental Panel on Climate Change (IPCC) and three transition scenarios from the International Energy Agency (IEA). We also considered sector-specific transition guidance from the International Maritime Organization (IMO) and UMAS. These scenarios were selected as the most current projections of future climate change relevant to Saga's business activities.

Geographic regions

In 2025, we increased the number of global regions considered as the focus of our scenario analysis, based on their significance to the operations of our business units. Global regions are as defined by the IPCC.

The global regions reviewed were:

- UK;
- Mediterranean;
- Southern Africa;
- South Asia;
- Europe; and
- Eastern North America.

The UK region is significant as the base for the majority of our operations and as the location of the majority of our assets, customers, and insured properties and vehicles. The other global regions selected collectively contribute the majority of revenue for our Travel business as destination locations.

Time horizons

We considered the following time horizons:

- Short term (up to 2030)
- Medium term (2031–2040)
- Long term (2041–2050)

Time horizons up to 2050 were assessed, due to the significance of this date for transition scenarios, in alignment with international pledges on emissions reductions and the expected manifestation of significant physical climate impacts by this date.

Methodology

We conducted an initial desktop study to identify Saga's resilience to potential climate impacts, based on our selected climate scenarios, across our chosen regions and time horizons.

We then conducted workshops with risk, finance and operational subject matter experts, across each of our business units and key Group functions.

Based on the outputs of these workshops, risks were assessed for their impact and likelihood and aligned to Saga's risk management framework and scoring mechanism.

Summary of findings

Our findings highlighted the shorter-term adaptation to a low-carbon economy and increasing exposure to regulatory requirements, including emissions taxation and carbon pricing, as well as a growing reporting expectation, as key transition risks to the Group. In the longer term, we found that the increasingly severe acute and chronic impacts of climate change could disrupt supply chains, leading to negative impacts on customer experience, higher insurance premiums and supply chain issues.

Our findings identified that our strategy remains appropriate, based on the risks and opportunities identified within each scenario, although we recognise the need to continue to develop our climate resilience going forward.

Summary of scenarios analysed

	Scenario models utilised	Scenario summary
Low-emission (best-case) scenario	Physical climatic impacts are minimised and are less severe than in the medium- and high-emission scenarios. Advancements in technical and operational efficiency temper growth in energy demand across sectors and alternative fuels contribute the majority of supply to the shipping sector.	Physical: IPCC SSP1-2.6: projected global temperature increases of 1.3°C–2.4°C by 2100. Transition: Net zero emissions by 2050 UMAS – 1.5°C; IMO – 1.5°C to below 2°C.
Medium-emission (most likely) scenario	Physical climatic impacts are more severe than in the low-emission scenario but less severe than in the high-emission scenario. Significant emission reductions occur within electricity generation, despite a doubling of demand driven by increased electrification. Transport and industry see a less marked fall in emissions, with increased energy demand in regions without net zero pledges partially offsetting emissions reduction.	Physical: IPCC SSP2-4.5: projected global temperature increase of 2.1°C–3.5°C by 2100. Transition: IEA Announced Pledges Scenario – 1.7°C.
High-emission (worst-case) scenario	Physical climatic impacts are more severe than in the medium-emissions scenario. The energy mix of fossil fuels falls slightly, although overall energy demand is increased, driven by growing populations, higher incomes and rising temperatures increasing demand for space cooling (e.g. air conditioning).	Physical: IPCC SSP5-8.5: projected global temperature increase of 3.3°C–5.7°C by 2100. Transition: IEA Stated Policies Scenario – 3.5°C.

3 Risk management

Process for identifying and scoring risks

Climate risk considerations have been built into the Group risk management framework, which was applied across our business units. Risks were identified and assessed against the Group risk assessment matrix, which scores frequency and probability of risks against their impact. As an evolution of our Group risk assessments matrix, an ESG category will be incorporated within the future risk assessments used across the Group, ensuring ESG considerations (including climate-related impacts) are captured. ESG risks were considered at a business unit level and reported to the relevant boards and risk committees.

Climate-related risks were scored based on the significance of their financial, operational and regulatory impact, consistent with other categories of risk.

Climate-related risks have been documented alongside key controls used to mitigate risk.

Process to manage climate-related risks

Climate-related risks were considered at a business unit level by management and reported to the relevant boards and risk committees. Risks were escalated as required. ESG including climate change has been identified as one of Saga's PRUs, which are considered by the Audit and Risk Committee, comprising three Non-Executive Directors during the year³.

The Board is responsible for setting risk appetite and associated metrics. Where risks are considered out of appetite, or where mitigation measures are insufficient, actions are assigned to resolve this.

Risk appetite status and action plans to resolve out-of-appetite risks are reported to the Audit and Risk Committee on a regular basis.

Accountability for management of climate-related risks are held by the relevant business unit leadership team and, at the Group level, by the Group CEO.

[Find out more in risk management on pages 49-50](#)

4 Metrics and targets

Our published set of ESG targets focus on the key themes of our ESG framework, including environment. Our executive remuneration plans are partially tied to performance against these ESG targets, which include continuing to track against our net zero roadmap.

More details about our remuneration can be found on page 89.

Following on from our previous reporting, we are committed to the following KPIs:

- Maintain an 'A'-rating on our owned ships in the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) ratings up to December 2026 and investigate ways to improve EEXI and CII scores beyond December 2026.

- Introduce shore power capability on 100% of our River and Ocean Cruise vessels by December 2026⁴.

Saga uses a cross-industry greenhouse gas (GHG) emissions metric (tonnes of carbon dioxide equivalent (tCO₂e) per unit of Trading EBITDA⁵), and we continue to develop our capability in understanding our emissions performance and areas for improvement.

We continue to calculate and report emissions covering Scopes 1-3 in alignment with the GHG Protocol and UK Government conversion factors for company reporting. Further detail is available in our Streamlined Energy and Carbon Report (SECR) below.

The introduction of shore power capability on our River Cruises has been completed. Our Ocean Cruise vessels are being equipped with the technology with a target completion date of December 2026.

Saga is committed to supporting the UK Government's commitment to net zero by 2050. In 2025, we investigated the key principles required to meet a net zero target by 2050. We will continue to track against our net zero roadmap within our ESG Report.



[Find out more about our ESG KPIs and targets, including GHG emissions, in our 2026 ESG Report](#)

Energy and carbon statement

Saga reports all emissions sources within its operational boundary pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the Government's policy on SECR.

Further reporting on Scope 3 emissions and energy efficiency is available in our 2026 ESG Report.

Methodology

Emissions calculations were based on the UK Government's Environmental Reporting Guidance (2013), the GHG Protocol (2004:2015) and the UK Government's GHG Conversion Factors for Company Reporting (2024).

Greenhouse gas emissions in tCO₂e

Emissions scope	2025/26	2024/25
Scope 1 ⁶	115,195 ⁶	107,015
Scope 2 (location-based)	701	751
Scope 2 (market-based)	20	219
Scope 3 (business travel)	122	126
Total Scope 1, 2 (location-based) and 3 (business travel)	116,018	107,892
Scope 1, 2 (location-based) and 3 (business travel) emissions intensity per £m Trading EBITDA ⁵	758	787

In limited instances, where primary data for purchased energy was not available, assumptions were made based on averages for surrounding months within the same site to account for energy performance and seasonal variation.

3 Julie Hopes, Non-Executive Director, resigned from the Board with effect from 27 February 2026. At the date of signing this report, the Audit and Risk Committee comprises two Non-Executive Directors.

4 Delayed from December 2025 due to hardware supply issue

5 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

6 Includes fugitive refrigerant emissions of 296tCO₂e (2025/26) and 3,110 tCO₂e (2024/25) outside the required scope of SECR requirements, reported on a voluntary basis. This increase in emissions associated with refrigerants was due to better reporting and data collection associated with Cruise ship refrigerant gases

Environmental, Social and Governance continued

Emissions summary and rationale

Saga's 2025/26 SECR-aligned emissions footprint (covering fuel combusted in Company controlled and owned vehicles and sites, purchased electricity and business travel related to rented vehicles) was 116,018 tCO₂e, with an intensity of 758 tCO₂e per £m Trading EBITDA⁷. Our combined Scope 1 and 2 footprint was 115,896 tCO₂e. Total energy consumption was 425,285 megawatt hours.

Between 2025 and 2026, the emissions intensity of UK grid electricity reduced by 15% due to changes in the impact of energy as well as increase in power derived from natural gas compared with previous years.

The average temperature across the reporting period increased from 9.78°C to 10.03°C.

During the reporting period, our emissions associated with methane (CH₄) from marine fuel totalled 48 tCO₂e, our nitrous oxide (N₂O) emissions totalled 1,400 tCO₂e and sulphur (S) totalled 164 tCO₂e. These all increased from 2024/25, in line with the increase in marine fuel used on Spirit of Adventure and Spirit of Discovery.

Emissions (tCO ₂ e)	2025/26	2024/25
CH ₄	48	45
N ₂ O	1,400	1,252
S	164	156

We utilised a FAME 10% biofuel mix across 4,740 tonnes of fuel in our cruise vessels, Spirit of Adventure and Spirit of Discovery.

Per tonne of fuel, this reduced emissions by 6% compared with marine gas oil and 4% when compared with marine fuel oil.

The IEA and International Renewable Energy Agency predict that FAME will become a more viable fuel alternative as production and yield improve towards 2030.

DEI&B

Noting the targets set out in UKLR 6.6.6R(9), the Board is committed to improving its diversity in the coming years. At 31 January 2026, female Board representation was 29%⁷, below the 40% recommendation of the FTSE Women Leaders Review, while the Board met the Parker Review recommendation that one Non-Executive Director identify as being from an ethnically diverse background.

We do not yet meet the recommendation that at least one of the CEO, Chief Financial Officer (CFO), Senior Independent Director (SID) or Chair roles be held by a woman.

We set externally published targets to develop female representation on the Board to at least 40% by 2027, and to maintain at least one Director from an ethnically diverse background by the same date.

In accordance with the UKLR, the tables below detail the diversity profile of the Board and executive management.

This data was collated from our colleague database, populated using information provided by each individual at recruitment or during our diversity data collection exercise. Our colleagues are asked to select their relevant characteristics on both sex/gender and ethnicity.

The Nomination Committee Report on pages 72-74 sets out further detail on our approach to Board diversity.

Gender pay report

We support the UK Government's ambition to address the gender pay gap. Our report detailing our gender pay gap and commitments can be found on our website (www.saga.co.uk/gender-pay-review).

We set a target to increase female representation across senior management positions and above to 50% by 2027.

Colleague gender identity or sex

	Number of colleagues ⁸	Percentage of colleagues ⁸	Number of senior managers ⁹	Percentage of senior managers ⁹
Men	1,759	60%	21	58%
Women	1,177	40%	15	42%
Not specified/prefer not to say	–	–	–	–

Board and executive gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)	Number in executive management ¹⁰	Percentage of executive management ¹⁰
Men	5	71% ¹¹	4	7	78% ¹²
Women	2	29% ¹¹	–	2	22% ¹²
Not specified/prefer not to say	–	–	–	–	–

Board and executive ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)	Number in executive management ¹⁰	Percentage of executive management ¹⁰
White British or other White (including minority-white groups)	6	86% ¹¹	4	9	100%
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	1	14% ¹¹	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

⁷ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

⁸ Includes all colleagues, senior management, executive management and Board at 31 January 2026

⁹ While Provision 23 of the UK Corporate Governance Code defines 'senior management' as the layer below the Board and the Company Secretary and their direct reports, we believe it most appropriate to disclose the gender balance of our Operating Board and Senior Leadership Team, at 31 January 2026

¹⁰ Defined as the Operating Board members and Company Secretary in accordance with UKLR 6.6.6R(10)

¹¹ Julie Hopes, Non-Executive Director, resigned from the Board with effect from 27 February 2026. At the date of signing this report, female representation on the Board was 17% and the ethnic background of Board members was 83% White British or other White and 17% Asian/Asian British

¹² Jerry Toher, CEO of Saga Personal Finance, resigned from his position with effect from 31 January 2026. At the date of signing this report, female representation in executive management was 25%

EFFECTIVELY MANAGING OUR RISKS

Board assessment of risk management and internal control

Our Board has ultimate responsibility for the Company's risk management, internal control and risk culture. It is also responsible for regularly reviewing the effectiveness of risk management and control systems, ensuring that there is an ongoing systematic process for identifying, evaluating and managing the emerging and principal risks faced by Saga.

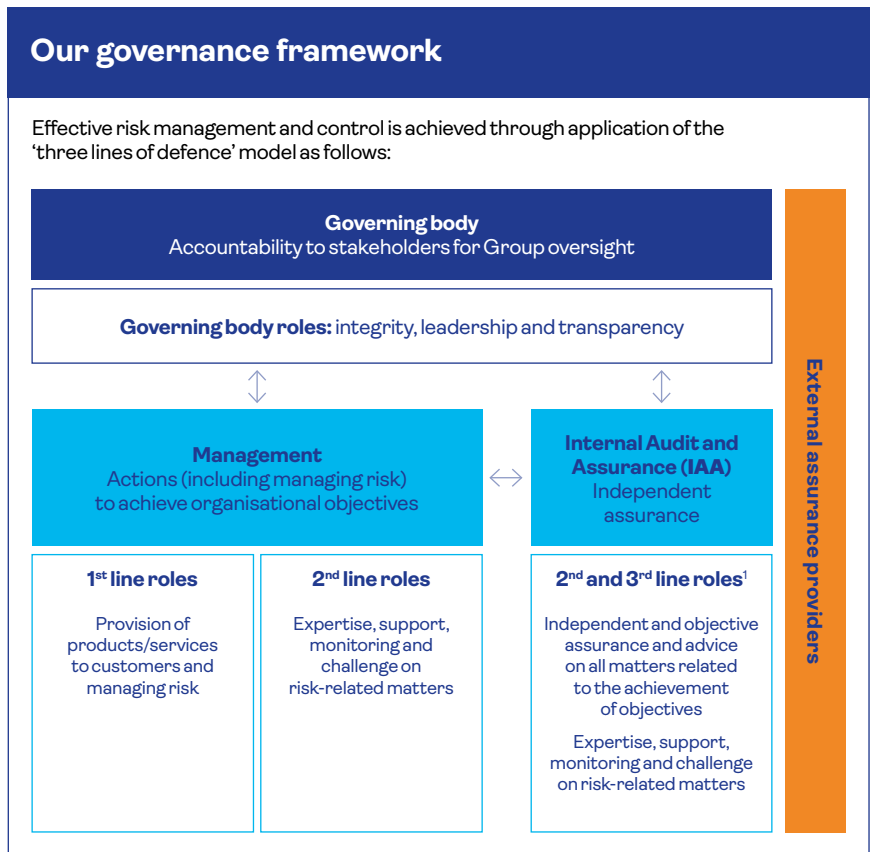
This system accords with the Financial Reporting Council's guidance on risk management, internal control and related financial and business reporting, and was in place for the year under review and up to the date of approval of this Annual Report and Accounts.

Risk maturity is measured, and all business units (BUs) seek to continuously improve their maturity over time, in line with the targets set. Risk objectives are set for all members of the Operating Board, with an end-of-year assessment against the achievement of these objectives.

Risk framework

Saga developed its risk management framework to best suit the diversity of its BUs, regulatory requirements and industry standards. This ensures the required levels of risk maturity are maintained in our financial services businesses, while enabling Travel to place more focus on the risk framework elements which are appropriate for their business.

Our risk management framework is made up of the following: risk strategy and plan, risk governance, risk appetite, incident management, and risk and control registers. Risk maturity against each element of the risk framework is assessed for each BU and Group function, with plans in place to ensure continual improvement.



Risk strategy and plan

Our risk strategy and plan, which are aligned with our overarching strategy, are considered and approved annually.

Risk governance

The main consideration within risk governance is the Board management of risk and subsequent delegation to risk committees and other governance forums. This ensures that risk is managed effectively and that there is appropriate oversight through reporting and accountability defined within each committee's Terms of Reference and, where applicable, through the application of the Senior Managers and Certification Regime. Additionally, the suite of Saga risk policies, including, but not limited to, conduct risk, incident management and internal control, define our risk management framework and high-level expectations of the 1st and 2nd line in respect of risk management activity.

Incident management

The 1st line business areas are responsible for raising risk incidents identified in a timely manner, conducting appropriate root cause analysis to prevent recurrence and resolving incidents promptly. The 2nd line oversees this activity to ensure appropriate resolution of incidents, fair customer outcomes, policy adherence and that appropriate actions are implemented to avoid recurring incidents.

1 2nd and 3rd line roles for Saga Services Limited and Saga Personal Finance are separated in line with professional and best practice standards

Risk management continued

Risk and control registers

Each BU and Group function is responsible for identifying and managing its risks and associated key controls, which are captured on risk and control registers and scored using a risk matrix that rates risk against both impact and likelihood. Key controls are subject to design and operational effectiveness testing by the business and validated through periodic 2nd line assurance reviews, with action taken where controls are found to be ineffective. Our risk registers help to identify the top risks facing the various businesses, which in turn inform our principal risks and uncertainties.

Risk appetites

Saga's Board-approved appetite statements focus on the most key areas of risk for Saga, providing our Board with visibility and oversight of our exposure to these risks compared with appetite. In particular, the Board oversight ensures that we promptly and appropriately respond to any risks which are out of appetite, or which are moving towards becoming out of appetite. Our risk appetites are designed to support the achievement of our strategy and be used in key decision making.

Risk maturity

Each BU is assessed periodically against our risk maturity matrix across both the 1st and 2nd lines of defence, with actions agreed, and tracked through to closure for any areas where there is a desire to increase risk maturity.

Process feedback

Outputs from the risk management cycle are fed back to our risk committees and boards by exception to ensure that the risk framework remains effective and supports our strategy, business model and decision making processes.

Independent process assurance

Saga's IAA function is positioned centrally within the Group, operating independently of the BUs. It is, therefore, able to provide independent assurance of the effectiveness of the risk management procedures.

The objective of IAA is to help protect the assets, reputation and sustainability of the organisation by providing independent, reliable, valued and timely assurance to the Board and Operating Board. To preserve the independence of the function, the IAA Director's primary reporting line is to the Chair of the Audit and Risk Committee, and the Internal Audit team is prohibited from performing operational duties for the business. Risk management responsibilities of the IAA Director are also supported by the independent reporting line to the Chair of the Audit and Risk Committee.

All activities of the Company fall within the remit of the IAA team, and there are no restrictions on their work. IAA fulfils its role and responsibilities by delivering the annual risk-based audit plan. Each audit provides an opinion on the control environment and details of any issues found. IAA works with the BUs to agree the remedial actions necessary to improve the control environment and these are tracked to completion. The Head of Internal Audit submits reports to, and/or attends, board and audit committee meetings for the BUs, with the IAA Director reporting to the Audit and Risk Committee.

Statement of review

As a result of its consideration and contribution to risk management and internal control activities, the Board is satisfied that there is an appropriate framework for identifying, evaluating and managing the Group's risks and internal controls and it is regularly reviewed. The Board's statement of review of the effectiveness of Saga's risk management and internal control system is set out on page 59.

Our risk management framework and systems are designed to manage, rather than eliminate risk, and operate to facilitate the achievement of our business objectives within our stated risk appetites.

There was regular reporting to the Audit and Risk Committee throughout the year on the status and evolution of Saga's risk framework.



Principal risks and uncertainties

MITIGATING EACH RISK

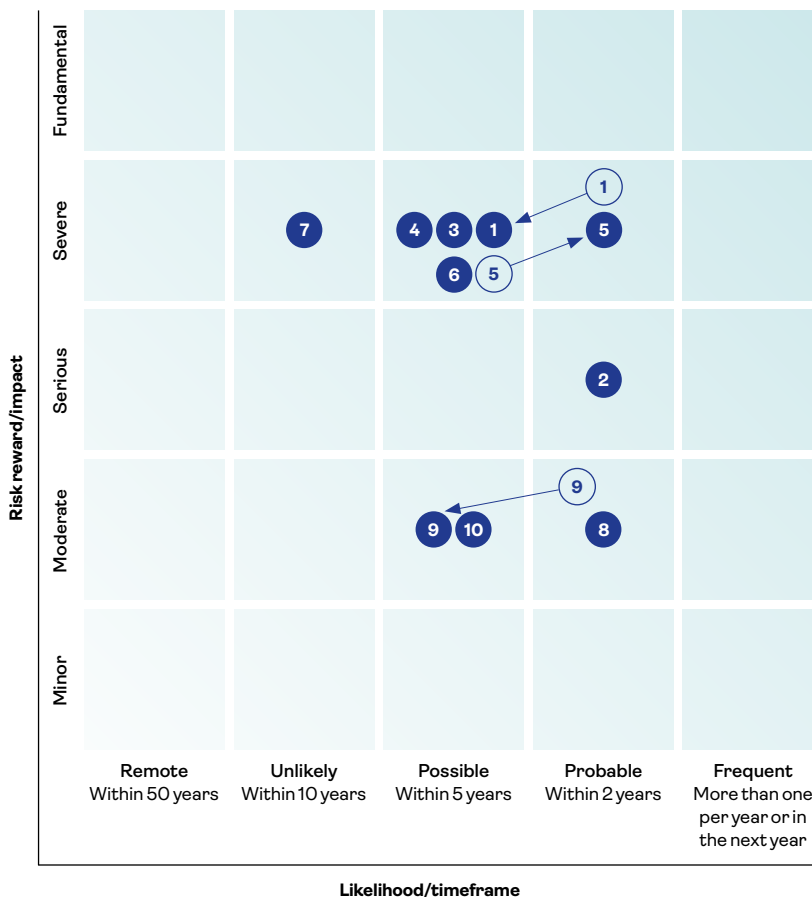
The matrix shows the principal risks and uncertainties (**PRUs**) facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

Saga takes a 'bottom-up' and 'top-down' approach to developing and reviewing its PRUs, which occurs at least twice a year with oversight from the Operating and plc Boards.

The PRUs have been refined throughout the year to reflect our portfolio-based business model in line with our strategy and use of partnerships. The main changes are:

- Insurance pricing, claims and underwriting PRU has been updated to Demand and competitiveness to cover the range of products across the Group, reflecting the risk to performance.
- Supply chain risk has been updated to include partners, as Saga relies on multiple suppliers and partners to conduct business.
- The Regulatory action PRU has been updated to include legislation.
- Breach of data protection and General Data Protection Regulation (**GDPR**) has been removed as a standalone PRU as it is included within the Regulatory and legislative action PRU.
- A new PRU, Concentration risk and exposure to Travel market disruptions, was introduced to reflect the Group's reliance on the profitability on Travel over the next few years.
- Organisational resilience has been removed as a standalone PRU, as it is considered within other PRUs.
- The Capability and capacity PRU has been updated to Culture and talent to reflect the importance of culture and attracting, developing and retaining key skills is to the Group's success.

Principal risks



Our risks

- 1 Demand and competitiveness (B) (C)
- 2 Delivery and execution (B)
- 3 Supply chain and partner risk (B)
- 4 Regulatory and legislative action (B)
- 5 Cyber (B)
- 6 Concentration risk and exposure to Travel market disruption (B)
- 7 Liquidity risk (D)
- 8 Fraud and financial crime (B)
- 9 Culture and talent (B)
- 10 Environmental, Social and Governance (ESG) (A) (B)

Key risk category

- (A) Strategic
- (B) Operational
- (C) Insurance
- (D) Financial

Principal risks and uncertainties continued

1 Demand and competitiveness

Description

Demand for our products and our ability to deliver those products competitively to our target market is fundamental to our business. Failure to drive and maintain demand would represent a risk to performance and, in the long-term, business viability.

Mitigation

Our businesses use deep customer insight and market testing to support decision making, tailoring products for our customers and setting pricing relative to demand and wider market dynamics.

Risk trend



Link to strategy



Scope

Insurance

Risk owner

Chief Executive Officer (CEO) of Travel
CEO of Insurance

Risk category



2 Delivery and execution

Description

Our business is undergoing a transformation that is expected to simplify our business, grow our customers and reduce our debt. As with any change, there is a risk that failure to successfully implement this change impacts our ability to deliver the transformation and impacts future performance.

Mitigation

Coherent change planning and prioritisation is at the core of our planning and can be evidenced in the successful delivery of change to date. Robust change governance ensures achievement of significant strategic change initiatives.

Risk trend



Link to strategy



Scope

Saga plc

Risk owner

Group and business unit (BU) CEOs

Risk category



3 Supply chain and partner risk

Description

Saga relies on multiple suppliers and partners to conduct business. There is a risk of customer impact, business interruption, financial loss and reputational damage arising from the performance or potential failure of such parties.

Mitigation

A robust supplier risk management framework is in place to ensure third-party partners are appropriately selected and monitored, including their operational and financial resilience.

Risk trend



Link to strategy



Scope

Saga plc

Risk owner

Chief Financial Officer (CFO) and BU CEOs

Risk category



4 Regulatory and legislative action

Description

Saga operates in regulated markets and is subject to regular reporting and scrutiny. Failure to comply with regulations and legislation, including GDPR, could result in regulatory sanction, remediation, penalties or loss of customer confidence.

Mitigation

Robust controls, governance and reporting are in place to ensure regulatory and legislative compliance and good customer experiences and outcomes are achieved.

Risk trend



Link to strategy



Scope

Insurance and Travel

Risk owner

Group CEO and BU CEOs

Risk category



Key

Risk trend¹

- ↕ Improving
- Stable
- ↗ Worsening

Strategic pillars

- 1 Maximising the growth of our existing businesses
- 2 Driving incremental growth through new business lines and products
- 3 Growing our customer base and deepening those relationships
- 4 Reducing debt, while simplifying our operations
- B Threat to business model

Risk categories

- A Strategic
- B Operational
- C Insurance
- D Financial

1 Risk trend represents the current view of the future three-month trend and not the trend relative to the last published Annual Report and Accounts

5 Cyber

Description

The ever-evolving external threat environment means that, like most businesses, Saga is exposed to the risk of potential cyber security breaches. The result of a material breach could result in system lockdowns, ransom demands and/or compromise of substantial data, leading to business disruption, customer/colleague compensation and regulatory sanctions.

Mitigation

We have a dedicated Information Security Team, with robust systems and controls. A proactive vulnerability management programme is in place, including controls to actively detect and respond to incidents, industry benchmarking and external penetration testing to maintain security posture.

Risk trend

—

Link to strategy

1 B

Scope
Saga plc

Risk owner

Chief Information Officer

Risk category

B

6 Concentration risk and exposure to Travel market disruption

Description

While a portfolio business, the majority of our profits for the next few years will be driven by the profitability of our Travel businesses, which could be impacted by significant travel disruption.

Mitigation

As a portfolio group, we have a natural level of diversification in comparison to other travel businesses, with the Travel business also being diversified across Ocean Cruise, River Cruise and Holidays. In addition, our diversification strategy is to grow our businesses, products and services in line with our partnership model.

Risk trend

↑

Link to strategy

1

Scope
Travel

Risk owner

CEO of Travel

Risk category

B

7 Liquidity risk

Description

The Group relies on several sources of funding for its long-term liquidity and is also reliant on shorter-term trade financing, e.g. Association of British Travel Agents bonding and merchant acquiring to support its working capital needs. As such, Saga is exposed to the risks associated with repaying or refinancing this funding as it reaches maturity.

Mitigation

Robust financial controls and reporting is in place to assess liquidity and support early identification of potential risks to Group liquidity from business performance or interruption. We maintain access to sufficient undrawn facilities that can support liquidity to the extent that trade finance is removed.

Risk trend

—

Link to strategy

2 4 B

Scope
Saga plc

Risk owner

Group CFO

Risk category

D

8 Fraud and financial crime

Description

There is a risk that failures of processes, systems or people result in a reduced ability to prevent or detect fraud and financial crime risk. This could result in increased financial losses, regulatory censure and reputational damage.

Mitigation

Financial crime framework and robust controls in place, which are rigorously monitored and reported on.

Risk trend

—

Link to strategy

1

Scope
Saga plc

Risk owner

Group CFO and BU CEOs

Risk category

B

Principal risks and uncertainties continued

9 Culture and talent

Description

Having the right culture, people and skills is fundamental to the success of our business. Failure to embed our culture or attract, develop and retain our talent would represent a risk to the delivery of our strategy.

Mitigation

Competitive employment packages with continued investment in pay, wellbeing and talent management to attract, develop and retain capability in key roles, develop future leaders and drive internal career progression.

Risk trend



Link to strategy



Scope

Saga plc

Risk owner

Group CEO and Chief People Officer (CPO)

Risk category

(B)

10 ESG

Description

There is a risk that Saga does not maintain compliance with increasing ESG-related regulation or fails to deliver on its stated ESG strategy in line with stakeholder expectations, due to a lack of resource and/or business engagement, causing reputational, customer and financial impacts.

Mitigation

Defined strategy and metrics, with appropriate governance, monitoring and reporting in place to ensure we meet regulatory disclosures and maintain current ratings.

Risk trend



Link to strategy



Scope

Saga plc

Risk owner

CPO

Risk category

(A) (B)

Key

Risk trend²

- ↕ Improving
- Stable
- ↗ Worsening

Strategic pillars

- 1 Maximising the growth of our existing businesses
- 2 Driving incremental growth through new business lines and products
- 3 Growing our customer base and deepening those relationships
- 4 Reducing debt, while simplifying our operations
- B Threat to business model

Risk categories

- (A) Strategic
- (B) Operational
- (C) Insurance
- (D) Financial

² Risk trend represents the current view of the future three-month trend and not the trend relative to the last published Annual Report and Accounts

Viability Statement

The Directors have considered the viability of the Group over the five years to January 2031. This period has been selected as being consistent with the planning horizon over which the Directors normally consider the future performance, capital and solvency requirements of the business and includes consideration of annual repayment obligations relating to the Group's Cruise ship debt facilities over this timeframe.

In making this statement, the Directors have considered the resilience of the Group, taking account of its current position, the principal risks facing the business in severe, but plausible, scenarios and the effect of mitigating actions available to management.

The Directors have considered each of the Group's principal risks and uncertainties (**PRUs**) detailed on pages 51-54 to determine which might threaten the Group's ongoing viability. Severe, but plausible, outcomes for each have been identified, with an estimate of the potential financial impact quantified. Assessments of the potential financial impact have been derived from both internal calculations and examples of similar incidents in the public domain. In assessing the viability of the Group, the Directors have considered appropriate management actions that may be taken to manage the solvency of the Group in the event of severe, but plausible, downside scenarios.

The PRUs have been modelled individually, as a probability-weighted average of all possible scenarios and as a combination of the top three risks identified.

The three largest sensitivities, in terms of financial impact, were identified as the following:

1. Delivery and execution risk in our Cruise division: being the risk of key business change initiatives failing to be delivered effectively. This was modelled as the impact of a 10% reduction in Ocean Cruise ship load factors across the assessment period.
2. Regulatory action. This has been modelled as a breach of the Data Protection Act/General Data Protection Regulation resulting in a fine equating to 2% of revenue in any year of the assessment.
3. A cyber event impacting the Travel businesses, resulting in impact to guests and customers, reputation and brand damage to the Group, regulatory scrutiny and/or financial loss. This was assessed through modelling the cancellation of cruises for one of our Ocean Cruise ships and one of our River Cruise ships for 75 days and consequent lost revenue in any year of the assessment; in addition to modelling the impact of all bookings to a key Holidays destination being cancelled for six months.

Reverse stress testing was also conducted to ascertain which PRU, or combination of PRUs, might lead to breach of covenant and cash flow solvency thresholds.

The outcome of the modelling confirmed that none of the top three PRUs, in isolation or in combination, would compromise the Group's viability and that the Group could expect to remain within its debt covenants and retain access to currently undrawn facilities across the assessment period. In the unlikely event of all three top PRUs occurring simultaneously, use of the Group's currently undrawn £33.4m Revolving Credit Facility and £116.6m delayed-draw term loan facility may be required. The reverse stress test demonstrated that the likelihood of occurrence of a combination of PRUs sufficiently severe as to cause a breach of debt covenants or to fall below minimum solvency thresholds is remote.

Based on the above assessment, therefore, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next five years.

Key disclosure statements

Non-financial and sustainability information statement

An overview of our approach to environmental, colleague, social, human rights, anti-corruption and anti-bribery matters, including where additional information can be found elsewhere in this report or in our policies, can be found in the table below.

Details of our business model can be found on pages 22-23, and our principal risks and uncertainties are on pages 51-54. Our standalone Environmental, Social and Governance (ESG) Report, alongside key policies and further reading, can be found on our corporate website (www.corporate.saga.co.uk/about-us/environmental-social-and-governance/).

Reporting requirement	Our approach, key policies and outcomes	More information
Environmental matters	<ul style="list-style-type: none"> Our ESG strategy defines our approach to environmental matters, including managing our impact on the environment. Our priority areas of focus are carbon emissions, supporting suppliers to meet sustainability standards, understanding our impact on nature and biodiversity, focussing on the sustainability impact of our products and managing climate-related risks and opportunities. Our ESG strategy was informed by a double materiality assessment and includes key performance indicators and targets to drive progress. We have an ESG Champion on our Board and an established ESG Steering Committee, tasked with supporting delivery of the ESG strategy. <p>Outcome</p> <ul style="list-style-type: none"> Developed a meaningful net zero roadmap. Continued our charity partnership with ORCA and launched our partnership with Kent Wildlife Trust. Moving away from diesel vehicles within our owned chauffeur fleet and replacing with hybrid and electric vehicles. ESG matters are considered an important part of all strategic discussions. 	<ul style="list-style-type: none"> Environmental, Social and Governance on pages 41-48 2026 ESG Report
Climate-related financial disclosures	<ul style="list-style-type: none"> Our Task Force on Climate-related Financial Disclosures (TCFD) report provides details of our climate-related governance arrangements, risks and opportunities, and targets. Completed TCFD-aligned climate change scenario analysis and risk assessment. <p>Outcome</p> <ul style="list-style-type: none"> TCFD targets set and monitored closely, ensuring compliance with regulation. 	<ul style="list-style-type: none"> Environmental, Social and Governance on pages 41-48 2026 ESG Report
Colleagues	<ul style="list-style-type: none"> Our Diversity, Equity, Inclusion and Belonging (DEI&B) Policy commits us to create a truly inclusive culture, where all colleagues can bring their authentic selves to work. We remain a committed member of the UK Disability Confident Scheme and support the advancement of employment for disabled persons in the UK. Our Health and Safety Policy contains a clear set of principles and commitments which apply to all colleagues, contractors and members of the public. We are inclusive of age through our Grandparents' Leave and Menopause Policies. <p>Outcome</p> <ul style="list-style-type: none"> Colleague engagement increased across Saga, with our most recent survey scoring 8.1 out of 10, an improvement of 0.2 from December 2024. Reaccredited as a menopause-friendly employer. During the year, we were honoured to have been ranked sixth in the UK Best Employers 2025 list by the Financial Times. Growth in the participation of our colleague networks. An inclusive culture which benefits from diversity of thought. Colleagues understand our purpose and feel comfortable to voice their opinions. 	<ul style="list-style-type: none"> Environmental, Social and Governance on pages 41-48 2026 ESG Report DEI&B Policy
Social matters	<ul style="list-style-type: none"> We seek to understand and carefully consider our impact within our communities. We ensure open dialogue with the community so they are aware of our strategy, as well as any impact to them. We promote colleague involvement in the community through our Public Duties Policy, Reservist Policy and through giving all colleagues paid time off to volunteer within the community. <p>Outcome</p> <ul style="list-style-type: none"> Over £116k in charitable donations and funds raised during the year. 167 colleagues used their volunteer day, equivalent to 1,174 hours donated. Saga takes the needs of the communities in which it operates into account and enables colleagues to contribute. 	<ul style="list-style-type: none"> Environmental, Social and Governance on pages 41-48 2026 ESG Report
Respect for human rights	<ul style="list-style-type: none"> We support the rights of all people as set out in the Universal Declaration of Human Rights. Our Labour Standards Statement sets out the human rights principles adopted across the Group, alongside our commitments to working responsibly and with integrity. Our Modern Slavery Statement provides detail on our approach to risk, due diligence, policies, training and audit in this area. Our Supplier Code of Conduct establishes the types of behaviour Saga expects from any entity that supplies products or services to the Saga Group. <p>Outcome</p> <ul style="list-style-type: none"> No incidents of human rights violations or modern slavery were identified in 2025/26. Our colleagues, suppliers and their employees are protected and our stakeholders are reassured by our high standards. 	<ul style="list-style-type: none"> Labour Standards Statement Modern Slavery Statement Supplier Code of Conduct
Anti-bribery and anti-corruption	<ul style="list-style-type: none"> Our zero-tolerance approach to bribery and corruption is set out in our Anti-Bribery and Corruption Policy, laying out clear guidance for the assessment of risk of bribery and corruption across our business. All colleagues receive mandatory training on anti-bribery and anti-corruption. Our Supplier Code of Conduct establishes the types of behaviour Saga expects from any entity that supplies products or services to the Saga Group. <p>Outcome</p> <ul style="list-style-type: none"> There were no fines, penalties or settlements for corruption reported in 2025/26. Our stakeholders can be assured that we operate a zero-tolerance approach. 	<ul style="list-style-type: none"> 2026 ESG Report Anti-Bribery and Corruption Policy Supplier Code of Conduct

Section 172(1) statement

Duty to promote the success of the Company

The Directors have had regard for the matters set out in Section 172(1)(a)–(f) of the Companies Act 2006 (**S172(1)**) when performing their duty under Section 172. The Directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole, while also having regard to the S172(1) matters referred to below.

A description of how the Board engages with its key stakeholders can be found on pages 24–25 and the principal decisions made by the Board during 2025/26, how stakeholders were considered and the likely consequences of these decisions over the longer term are set out on pages 64–68. Further information on how S172(1) has been applied by the Board can be found in the table below.

S172(1) matter	Further information incorporated into this statement by reference	
Likely consequences of any decision in the long term	Chairman's Statement + Pages 10-11 Group Chief Executive Officer's Strategic Review + Pages 12-17 Environmental, Social and Governance + Pages 41-48 Principal risks and uncertainties + Pages 51-54 Chairman's introduction to governance + Pages 60-61	Board activities + Pages 64-68 Nomination Committee Report + Pages 72-74 Audit and Risk Committee Report + Pages 75-79 Directors' Remuneration Report + Pages 80-107
The interests of the Company's employees	Group Chief Executive Officer's Strategic Review + Pages 12-17 Market review + Pages 20-21 Purpose and business model + Pages 22-23 Engaging with stakeholders + Pages 24-25 Environmental, Social and Governance + Pages 41-48 Principal risks and uncertainties + Pages 51-54	Chairman's introduction to governance + Pages 60-61 Board activities + Pages 64-68 Division of responsibilities + Page 70 Nomination Committee Report + Pages 72-74 Audit and Risk Committee Report + Pages 75-79 Directors' Remuneration Report + Pages 80-107
The need to foster the Company's business relationships with suppliers, customers and others	Chairman's Statement + Pages 10-11 Group Chief Executive Officer's Strategic Review + Pages 12-17 Purpose and business model + Pages 22-23 Engaging with stakeholders + Pages 24-25	Environmental, Social and Governance + Pages 41-48 Principal risks and uncertainties + Pages 51-54 Board activities + Pages 64-68
Impact of the Company's operations on the community and environment	Engaging with stakeholders + Pages 24-25 Environmental, Social and Governance + Pages 41-48	Board activities + Pages 64-68
The Company's reputation for high standards of business conduct	Group Chief Executive Officer's Strategic Review + Pages 12-17 Environmental, Social and Governance + Pages 41-48 Risk management + Pages 49-50	Board activities + Pages 64-68 Audit and Risk Committee Report + Pages 75-79
The need to act fairly as between members of the Company	Engaging with stakeholders + Pages 24-25 Chairman's introduction to governance + Pages 60-61 Board activities + Pages 64-68	Board leadership and Company purpose + Page 69 Directors' Remuneration Report + Pages 80-107

This Strategic Report is presented to inform members of the Company and help them assess how the Directors have performed their duty under S172(1). It has been approved by the Board and signed on its behalf by



Mike Hazell
 Group Chief Executive Officer
 20 April 2026

IN THIS SECTION

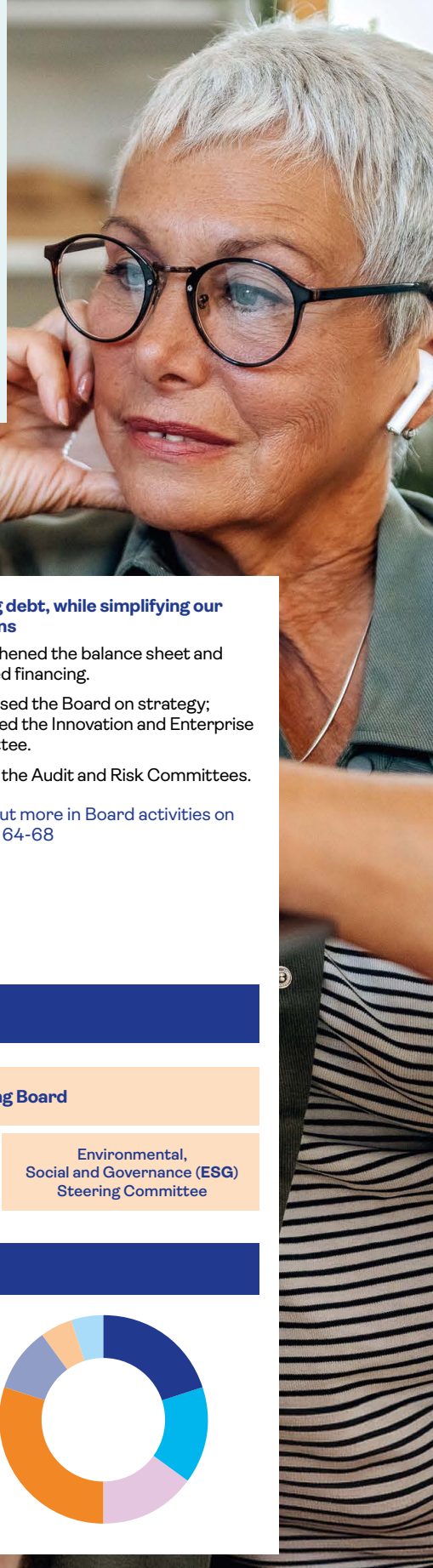
GOVERNANCE

Corporate Governance Statement

- 59** Key statements and application of the UK Corporate Governance Code
- 60** Chairman's introduction to governance
- 62** Board of Directors
- 64** Board activities
- 69** Board leadership and Company purpose
- 70** Division of responsibilities
- 71** Composition, succession and evaluation
- 72** Nomination Committee Report
- 75** Audit and Risk Committee Report

Directors' Remuneration Report

- 80** Annual Statement
- 83** Remuneration at a glance
- 85** Annual Report on Remuneration
- 97** Directors' Remuneration Policy
- 108** **Directors' Report**
- 111** Statements of responsibilities
- 112** **Independent Auditor's Report to the Members of Saga plc**



Board activities

Maximising the growth of our existing businesses

- Combined Holidays and Cruises into one consolidated Travel business.
- Expanded our River Cruise fleet.
- Sold our Insurance Underwriting business.
- Launched the 20-year motor and home insurance partnership with Ageas¹.

Driving incremental growth through new business lines and products

- Launched a strategic partnership with NatWest Boxed.

Growing our customer base and deepening those relationships

- Launched the 'Experience is Everything' podcast to broaden reach and build loyalty.
- Simplified customer consent to reduce duplication and protect the customer experience.
- Increased product awareness through growth in customer acquisitions.

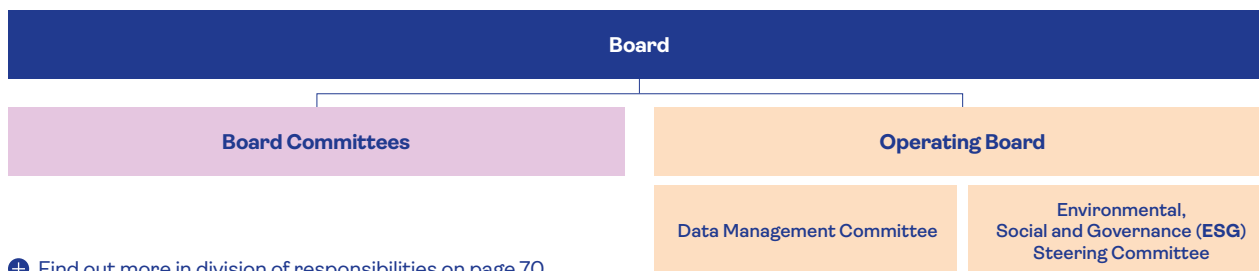
Reducing debt, while simplifying our operations

- Strengthened the balance sheet and simplified financing.
- Refocused the Board on strategy; disbanded the Innovation and Enterprise Committee.
- Merged the Audit and Risk Committees.

➤ Find out more in Board activities on pages 64-68

Governance framework

Our governance structure remains streamlined, enabling effective Board oversight.



➤ Find out more in division of responsibilities on page 70

Board allocation of time during the year

- Maximising the growth of our existing businesses **c.20%**
- Driving incremental growth through new business lines and products **c.15%**
- Growing our customer base and deepening those relationships **c.15%**
- Reducing debt, while simplifying our operations **c.30%**
- People and culture **c.10%**
- Oversight of risk management **c.5%**
- ESG **c.5%**



¹ Wholly owned UK subsidiaries of Ageas SA/NV

Key statements and application of the UK Corporate Governance Code

Key statements

Compliance Statement The Board is committed to high standards of corporate governance and, during the year, managed Saga's operations in accordance with the UK Corporate Governance Code 2024 (the **Code**). A full version of the Code can be found on the Financial Reporting Council's website (www.frc.org.uk). Saga publishes an annual UK Corporate Governance Code Statement, providing further detail on the application of the Code. This is available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Viability Statement The Viability Statement can be found in the Strategic Report on page 55.

Going concern The going concern basis of preparation can be found in Note 2.1 of the financial statements on page 123.

Fair, balanced and understandable In accordance with the Code, the Board established arrangements to evaluate whether the information presented in the Annual Report and Accounts is fair, balanced and understandable. Having taken advice from the Audit and Risk Committee, the Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Assessment of risk Through the risk management process detailed on pages 49-50, the Board can confirm that it has carried out a robust assessment of the emerging and principal risks facing the Company, including those which would threaten our business model, future performance, solvency or liquidity and reputation.

Statement of review The risk management process detailed on pages 49-50 was in place for the year under review and up to the date of approval of this report. The Board recognises the importance of appropriate systems of internal control and risk management. The Group operates a 'three lines of defence' risk management framework, overseen and monitored by the Audit and Risk Committee (see pages 75-79). Work conducted by 2nd and 3rd lines recognised risk maturity improvements within the year. While identifying some areas for improvement, this provided reasonable assurance that the systems of risk management and internal control were broadly effective.

Section 172(1) The Section 172(1) statement can be found in the Strategic Report on page 57.

2024 Corporate Governance Code The Company established a Corporate Governance Steering Committee as a management group to address the changes resulting from the Code. Further information can be found on page 70.

Application of the UK Corporate Governance Code

The Company seeks to comply with the Principles set out in the Code, promoting good corporate governance to support the long-term sustainable success of the Group.

	Read more on pages
Board leadership and Company purpose	
A. Board effectiveness	71
B. Purpose, values, strategy and culture	1-25, 41-48 and 69
C. Board decision making	60-61 and 64-68
D. Engagement with stakeholders	24-25, 57 and 64-68
E. Oversight of workplace policies and practices	42-55, 69-70, 71 and 77
Division of responsibilities	
F. Role of the Chair	69 and 71
G. Independence and division of responsibilities	69-70
H. External commitments and conflicts of interest	62-63
I. Board resources	64 and 70-71

	Read more on pages
Composition, succession and evaluation	
J. Appointments to the Board and succession planning	60-61 and 72-74
K. Board composition and length of tenure	62-63 and 71
L. Board and individual evaluation	71 and 74
Audit, risk and internal control	
M. Financial reporting External audit and internal audit – independence and effectiveness	75-79
N. Fair, balanced and understandable assessment	59 and 77
O. Risk management and internal controls	44, 47, 49-50, 59 and 75-79
Remuneration	
P. Remuneration philosophy	80-82
Q. Directors' Remuneration Policy	97-107
R. Annual Report on Remuneration	85-96

The Board believes that, during the reporting period, the Company was in full compliance with all applicable Principles and Provisions of the Code, save that:

- **Provision 3:** While the Chairman was available to meet with shareholders during the year on request, as he is a significant shareholder, it was determined that it would be more appropriate for the Group Chief Executive Officer (**CEO**) and Group Chief Financial Officer (**CFO**) to regularly engage with major shareholders.
- **Provision 9:** Due to his shareholding in the Company, the Non-Executive Chairman was not considered independent on appointment. Taking into account Roger De Haan's history with the Saga brand and business, his proposed time commitment, the terms of the Relationship Agreement between him and the Company and his letter of appointment, the appointment was deemed to be in the best interests of the Company.

- **Provision 23:** While the Code defines 'senior management' as the layer below the Board and the Company Secretary and their direct reports, we think it is more appropriate to disclose the gender balance of the Operating Board and Senior Leadership Team.
- **Provision 34:** Roger De Haan waived his fee for the financial year end and since becoming Non-Executive Chairman in 2020¹.
- **Provision 39:** Pension contributions/payments in lieu for Executive Directors are aligned with those of the majority of colleagues (6% of salary). Colleagues can, however, opt to increase their contribution to a maximum of 10%, which the Company will match. This does not apply to Executive Directors.

1 Given the strong performance of the business, the Remuneration Committee decided that it is now appropriate to reinstate a Chair fee. This follows Roger De Haan waiving his fee since 2020 when he became Non-Executive Chairman, which was one of the many ways he actively supported the business. He will now receive a fee of £150,000 for 2026/27 which is below the £200,000 originally set for the role

GOVERNANCE REPORT

Sir Roger De Haan
Non-Executive Chairman



Dear shareholder,

2025/26 was a particularly busy year for the Saga Board. We dedicated a considerable amount of our time to discussing a new strategy for the Company together with its five-year plan. It was time well spent because, having embedded the strategy, we are seeing a significant transformation at Saga and our financial performance has improved. We now have a simpler business model that allows us to improve our profitability and meet our customers' needs more effectively.

The Board reviewed the main contractual terms for the purchase of our Insurance Underwriting business and the contract for our motor and home Affinity Partnership, both of which have led to a major reengineering of our Insurance operations. We also considered the strategic partnership with NatWest Boxed that went live in December 2025.

We supported the decision to combine our Cruise and Holidays management teams that has led to a single, more effective and customer centric operation.

At a time when our balance sheet has been strengthening, we were able to approve the refinancing of a major part of our debt, repaying the £250m 2026 bond and the £75m drawn portion of the £85m facility that I had provided. This allowed the facility and the Group's existing Revolving Credit Facility to be cancelled. Our Net Debt¹ and Leverage Ratio¹ have been reducing at pace and this remains a strategic priority for us.

The steps we took in 2025/26 have led to the Company's return to the FTSE 250 and were reflected in the award of 'Transformation of the Year' at the 2025 plc awards.

+ Find out more in Board activities on pages 64-68

Changes to Board and Committee structure/composition

Following the resignation of Steve Kingshott and Peter Bazalgette from the Board with effect from 9 April 2025, Gareth Hoskin was appointed as Senior Independent Director and Chair of the Nomination Committee and became a member of the Remuneration Committee, while Julie Hopes also became a member of the Nomination Committee.

In July, the Board approved the Nomination Committee's recommendation to merge the Audit and Risk Committees. Gareth Hoskin became its chair, and Anand Aithal and Julie Hopes became the other members. Since the year end, the Board has agreed that the Innovation and Enterprise Committee should be disbanded.

The Nomination Committee considered and recommended the proposal for the Board to re-appoint Anand Aithal and Gemma Godfrey as Non-Executive Directors in September when their first three-year terms came to an end and the Board approved the Committee's recommendation to re-appoint them.

Julie Hopes resigned from the Board on 27 February 2026. The Board approved the Nomination Committee's recommendation that Gemma Godfrey should take her place as chair of the Remuneration Committee and become 'People Champion'. The Board agreed that no other changes to committee membership should be made at that stage despite the fact that membership of the Audit and Risk Committee and the Remuneration Committee are below the suggested Code recommendation. It was agreed that the position would be reviewed once a decision has been made about future Board composition.

I would like to thank Julie for the contribution she made during her time on the Board. Her expertise in insurance and her wise counsel have been invaluable to Saga over the past seven years.

+ Find out more in our Nomination Committee Report on pages 72-74

Risk management

The Audit and Risk Committee supported the Board in achieving its key strategic goals, including the refinancing agreed to improve the Group's liquidity, and to enable long-term strategic partnerships with Ageas² and NatWest Boxed. The Committee also oversaw the successful implementation of a new general ledger system which improved the control environment and standardised and simplified processes.

The Committee focussed on providing independent challenge and oversight in assessing the principal risks the business faced and the design and effectiveness of its critical controls. It also monitored risk maturity and supported the business in responding to the challenges it faced. It escalated matters to the Board, including the action the Group was taking to address the elevated cyber security risk.

During the year, the Committee received updates from the Corporate Governance Reforms Steering Committee, a management group that was established to monitor and deliver the actions needed to ensure compliance with the requirements set out in the UK Corporate Governance Code 2024 and relevant legislation.

+ Find out more in our Audit and Risk Committee Report on pages 75-79

1 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

2 Wholly owned UK subsidiaries of Ageas SA/NV

People and remuneration

The Nomination Committee considered the Group's approach to evaluating performance, talent and succession planning and the progress made in creating a diverse and high-quality pipeline. It also considered how the Group was performing against its Diversity, Equity, Inclusion and Belonging (DEI&B) targets.

The Remuneration Committee was mindful of the Group's transition to a lower risk, less complex and less volatile business when it considered its approach to applying the Remuneration Policy and reviewing colleagues' pay and reward.

Under the three-year Policy cycle and following a process to consult shareholders, a new Remuneration Policy was presented at the 2025 AGM. The Board was pleased to receive a 99.63% shareholder vote in favour of the new Policy.

Find out more in:

- + How the Board monitors culture on page 64
- + Directors' Remuneration Report on pages 80-107

Environmental, Social and Governance (ESG)

During the year, we simplified our ESG strategy and took significant steps to align it with the Group's new strategic priorities. The ESG strategy ensures that we are acting as a responsible business, and we developed a net zero roadmap that aligned with the expectations of the UK Government and ensured that we were managing our impact on the environment.

We continued to support causes that were important to our customers and colleagues and, during the year, we announced our charity partnership with Kent Wildlife Trust and we continued to support ORCA which had a presence on many of our Ocean Cruise ships' sailings.

In the year, new appointments were made to our ESG Steering Committee, which is responsible for actioning our ESG strategy across our businesses and which reports to our Operating Board. Gemma Godfrey is the Non-Executive Director designated as our ESG Champion.

Find out more in:

- + Environmental, Social and Governance on pages 41-48
- + 2026 Environmental, Social and Governance Report



Board and Committee performance review

The Board effectiveness and performance review was led by our Senior Independent Director, Gareth Hoskin, supported by our Group Company Secretary. He interviewed all Directors. Areas of focus included strategy, culture and ways of working, Board composition, skills and succession. Feedback was also sought on the effectiveness of Board Committees.

The conclusions of the review was that the Board had made good progress over the last year, successfully overseeing the implementation of the Group's new strategy, and that it had operated in a constructive, open and respectful manner. The review concluded that the Board's committees had also operated effectively, with constructive engagement with management and the Board.

- + Find out more in composition, succession and evaluation on page 71

Our 2025 Annual General Meeting (AGM)

This year, our AGM will be held on 30 June 2026, at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG. Full details will be set out in the Notice of AGM in due course.

Sir Roger De Haan
Non-Executive Chairman
20 April 2026

Board of Directors

The Board composition brings a wealth of expertise and leadership with a diverse range of backgrounds spanning key sectors relevant to the Company. With a commitment to delivering growth, governance and sustainability, their collective balance of experience will ensure long-term value creation. Each Board member’s biography demonstrates the insight and contribution they bring to the Board.

Roger De Haan N
Non-Executive Chairman

Appointed 5 October 2020

Key strengths and experience

- Experienced business leader and board director with extensive experience in travel and financial services industries.
- Significant history with Saga, having worked in the business for over 40 years, including over 20 years as Chairman and Chief Executive Officer.
- Instrumental in transforming Saga from a specialist tour operator to one that offered its own cruises, and expanding the business to cover publishing, insurance and financial services, creating the Saga brand.
- Knighthood in the 2014 New Year Honours List for services to education and to charity in Kent and overseas.

Other roles

Director of Folkestone Harbour companies; and Chair of Friends of Folkestone Academy (appointed January 2004) and the two charities: Creative Folkestone (appointed January 2003) and The Roger De Haan Charitable Trust (appointed September 1978).



Mike Hazell OB
Group Chief Executive Officer

Appointed 9 October 2023 (as Group Chief Financial Officer).
Group Chief Executive Officer from 28 November 2023

Key strengths and experience

- Over 30 years of multi-sector experience in a variety of executive roles.
- Significant experience in leading multi-sector brand led businesses.
- Substantial experience in strategy development and execution.
- Deep understanding of corporate turnarounds and financing.
- Fellow of the Chartered Certified Accountants in England and Wales.

Other roles

- Previous senior roles include: Interim Chief Financial Officer at The Co-op Group; Chief Executive Officer of Debenhams and Group Chief Financial Officer prior to that; and various senior management roles at Sky (media and telco), Fonterra (global dairy) and Pfizer (pharmaceutical and consumer).



Mark Watkins OB
Group Chief Financial Officer

Appointed 28 November 2023

Key strengths and experience

- Extensive knowledge of Saga, with over 10 years of experience within the business, including time as Chief Corporate Development Officer, Finance Director of Travel, Interim Finance Director of Insurance and Director of Investor Relations and Corporate Finance.
- Experience in delivering corporate strategy, investor communications and internal/external analysis and reporting.
- Considerable strategic, investor and operational finance experience across multiple sectors.
- Fellow of the Institute of Chartered Accountants in England and Wales.

Other roles

Director of Creative Folkestone (appointed September 2024).

Other roles

- Previous senior roles include: Chief Financial Officer Europe and Central Asia at Intertek; Finance Director of the Processing, Recovery and Disposal Division at Secure Energy Services; and Group Financial Controller at Bovis Homes.



Gareth Hoskin AR N R
Senior Independent Director and Speak Up Champion

Appointed 11 March 2019

Key strengths and experience

- Over 22 years of experience in insurance, in a variety of roles.
- Chartered Accountant, with recent and relevant financial experience and competence in accounting (Institute of Chartered Accountants in England and Wales).
- Previous roles include: Chair of Acromas Insurance Company Limited, main Board Director and Chief Executive Officer International, and finance, retail marketing and HR roles in Legal & General; accountant at PwC; Vice Chair and Senior Independent Director at Leeds Building Society; and Trustee, Non-Executive Director and Chair of the Audit and Risk Committee at Diabetes UK.

Other roles

Senior Independent Non-Executive Director and member of the Group Audit, Group Risk, Group Remuneration and Group Nomination and Governance Committees of OSB Group plc (appointed April 2025).



- Key**
- Committee Chair
 - N Nomination Committee
 - AR Audit and Risk Committee
 - R Remuneration Committee
 - OB Operating Board

Anand Aithal

Independent Non-Executive Director

AR N

Appointed 1 September 2022

Key strengths and experience

- Extensive non-executive experience in fintech, insurance broking, asset management and accountancy.
- Entrepreneurial perspective, having co-founded his own data analytics business.
- Previous roles include: Managing Director at Goldman Sachs; Lead Non-Executive Board Member of the Cabinet Office; Non-Executive Director of Nationwide Building Society; and Non-Executive Appointee to Council Board of Association of Chartered Certified Accountants.

Other roles

Non-Executive Director and member of the Remuneration Committee of Persimmon plc (appointed January 2025); Trustee of the Institute for Government (appointed September 2024); Non-Executive Director and member of Audit and Risk Committee and Nomination Committee of Polar Capital Holdings plc (appointed January 2022).



Gemma Godfrey

Independent Non-Executive Director, Environmental, Social and Governance Champion, People Champion and Chair of Saga Personal Finance Limited

N R

Appointed 1 September 2022

Key strengths and experience

- Founder of two successful digital businesses.
- Specialist in digital transformation, innovation and de-risking the delivery of new services.
- Previous roles include: Boardroom adviser on The Apprentice USA; Non-Executive Director of VivoPower International plc; Non-Executive Director of Forester Life Limited; Non-Executive Director of Eight Capital Partners plc; and Non-Executive Director of Kingswood Holdings Limited.

Other roles¹

Non-Executive Director of Telecom Plus plc (appointed August 2025); Chair and Non-Executive Director of Scottish Widows Schroder Wealth (ACD) Limited (appointed August 2024); Non-Executive Director and Chair of the Management Liaison Forum of Oberon Investments Group plc (appointed September 2021); and business and money expert on ITV and Sky News.



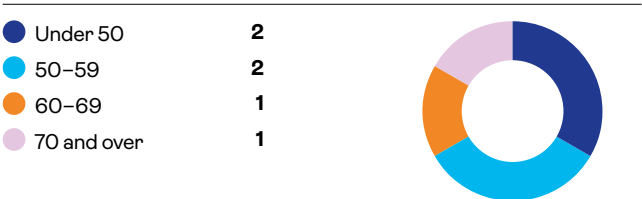
Board experience

Strategy development and execution	
Travel	
Insurance	
Personal finance and wealth management	
Consumer facing and brand led businesses	
Multi-sector executive experience	
Digital and technology	
Board leadership and corporate governance	
Investor and stakeholder management	
Risk management and audit oversight	
Finance and accounting expertise	
People, culture and ESG leadership	

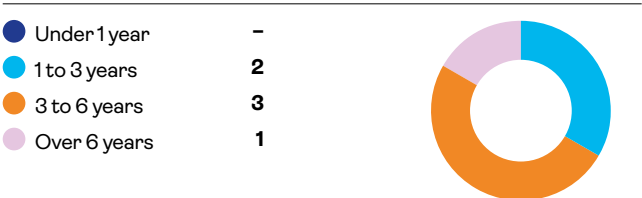
Board composition

Non-Executive Chairman	
Executive Directors	
Non-Executive Directors	

Board age



Board tenure



1 The Board approved Gemma Godfrey's new role at Telecom Plus plc, concluding that it was appropriate and that she had sufficient time to undertake the role

Board activities

FOCUSSED ON DRIVING GROWTH IN SAGA

During the year, the Board remained focussed on making the right decisions to simplify the Group, strengthen the balance sheet and position Saga for sustainable long-term growth, while carefully considering the impact of those decisions on our stakeholders.

During the year, the Board held six scheduled meetings and one ad hoc meeting. The Board remained focussed on supporting the delivery of the Group’s strategy and overseeing the continued transformation of Saga into a simpler, lower risk and more resilient business. The Board devoted significant time to strategic oversight, financial performance, risk management and stakeholder engagement, while ensuring that the Group remained well positioned to deliver sustainable long-term value for shareholders.

The Board is satisfied that it operated effectively throughout the year and that its activities were aligned with the Group’s purpose, strategy and values.

As always, there was a need to ensure that the consequences of decisions would promote the long-term success of the Company, as well as maintain Saga’s reputation for high standards of business conduct.

Find out more in:

- + Engaging with stakeholders on pages 24-25
- + Section 172(1) statement on page 57

How the Board monitors culture

The Board regularly reviews a range of information to actively monitor culture. The table below shows the key sources of data the Board tracks, with a view to take action where adjustments or remedial action are needed. During the year, the Board was satisfied that the culture was aligned with the Company’s purpose, values and strategy. The Board performance review provided an opportunity for the Board to consider how Directors could lead by example and promote the desired culture.

Cultural identifier	Cultural priorities			
	Promoting integrity and openness	Valuing DEI&B	Being responsive to the views of stakeholders	Culture aligned to purpose, values and strategy
Colleague surveys	✓	✓	✓	✓
People Champion Non-Executive Director attendance at People Committee	✓	✓	✓	✓
Speak Up report	✓	✓	✓	✓
Diversity, equity, inclusion and belonging (DEI&B)	✓	✓	✓	✓
Environmental targets	✓	✓	✓	✓
Health and safety performance	✓		✓	✓
Internal audit reports and findings	✓		✓	✓

How culture is embedded

Culture is embedded throughout the Company by creating an inclusive and diverse business, using data and targets to drive action and meaningful change. It is important that colleagues have a voice and connection is maintained through colleague surveys and networks and by developing our external partnerships and employer brand. The People Committee and colleague forums play a vital role in maintaining a dialogue between colleagues and the Board and provide a platform to explain the Group’s approach to investing and rewarding colleagues.

Culture framework



Key Board decision

Considered how to maximise our existing businesses in their strategic and customer growth

Connection to strategic pillars

1 3

- Consolidated our Holidays and Cruise businesses to form one Travel business and leadership team.
- Expanded our River Cruise fleet, with the Spirit of the Moselle joining in the year and Spirit of the Lorelei scheduled to join in 2027.
- Completed the sale of Acromas Insurance Company Limited (**AICL**).
- The agreement with Ageas¹ for a 20-year partnership for motor and home insurance went live.

How the Board considered matters set out in Section 172(1) (S172(1)) of the Companies Act 2006 (the Act)

- The Board considered and discussed the strategy and five-year plan for the Group and each of the businesses. This included consideration of how to drive long-term sustainable growth through our existing businesses.
- The CEOs of each business unit attended every Board meeting to discuss current trading, strategy, opportunities and risks.
- Significant time was dedicated at Board meetings to deep dives to help with understanding how the decisions to promote growth in existing businesses would impact the Group strategy and financial performance.
- Updates were provided at every meeting on the progress of the Ageas¹ partnership to ensure that the impact on all stakeholders was considered throughout and beyond the transition period.

Stakeholder management

- The Board discussed how to continue to deliver exceptional experiences to **customers**, while also creating value for **shareholders**.
- The impact on **colleagues** was considered in every decision and discussion, with a clear understanding of the impact each decision had on colleagues, particularly important for the Insurance partnership, where a number of colleagues transferred to Ageas¹. Holidays and Cruise colleagues were consulted on the changes as a result of the consolidation of the Travel businesses.
- **Regulators** were kept up to date throughout the completion of the sale of AICL and the implementation of the partnership and were updated on how Saga would still continue to deliver good outcomes for our **customers**.
- The **Pension Trustees** were consulted and involved in the completion of the sale of AICL to ensure a fair and transparent outcome for those in the pension scheme.

Challenges faced

- Managing operational change, while maintaining customer satisfaction, high-quality levels of service and an exceptional customer experience.
- Regulatory considerations associated with a partnership arrangement and the sale of AICL.
- Retention of colleagues and suppliers throughout the transition of the motor and home business and completion of the sale of AICL.

Outcome and impact of the decision

- Our Holidays business benefited from the consolidation of leadership and operations across the Travel businesses, as this resulted in improved efficiency, greater sharing of best practice and experience. Customers also benefited from the alignment of the customer experience across the Travel offering. This gave rise to an excellent performance over the year, with increased passenger numbers in Holidays, an increase in Travel revenue and Underlying Profit Before Tax².
- The successful expansion of the River Cruise fleet further supported growth in our Travel business and strengthened our position in river cruising, meeting customer demand and further enhancing our premium travel offering.
- The successful completion of the sale of AICL fundamentally changed the risk profile of our Insurance operations and was a significant milestone in transforming our business operations.
- The launch of the Ageas¹ partnership represented a major step in simplifying our operations and reducing complexity. The partnership is now embedded within the Insurance operating model, combining Saga's brand and customer base with Ageas's¹ insurance expertise to deliver best-in-class motor and home insurance.

Key to our strategic pillars

- 1 Maximising the growth of our existing businesses
- 2 Driving incremental growth through new business lines and products
- 3 Growing our customer base and deepening those relationships
- 4 Reducing debt, while simplifying our operations

1 Wholly owned UK subsidiaries of Ageas SA/NV

2 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Key Board decision

Considered how to grow our customer base and deepen those relationships

Connection to strategic pillars



- Established our Publishing business at the core of our focus on understanding and serving older people.
- New podcast, 'Experience is Everything', launched in December 2025, expanding our customer reach and deepening brand loyalty.
- Changed how customer consent was sought to avoid unnecessary duplication and protect the customer experience.
- Continued to build awareness of our products through driving growth in customer acquisitions.

How the Board reached its decision and considered matters set out in S172(1) of the Act

- The Board considered the role of the Saga brand and publishing in strengthening customer engagement.
- The long-term impact of decisions on customer trust, brand strength and sustainable growth were discussed.
- Directors assessed how initiatives supported the Group's strategy to deepen customer relationships and enhance lifetime value.
- Every decision took into account the interests of customers and the importance of protecting the customer experience.
- Consideration was also given to the need to maintain high standards, including responsible use of customer data and consent.

Stakeholder management

- The Board discussed how to continue to deliver exceptional products and services to **customers**, while also creating value for **shareholders**.
- Opportunities to expand **supplier** and **partnership** relationships, which are essential for implementing the strategy and enhancing Saga's product and service offerings, were considered.

Challenges faced

- Ensuring data use and consent met regulatory expectations.
- Converting customer engagement into long-term relationships.

Outcome and impact of the decision

- The Publishing business expanded its content offering with the launch of the new podcast, 'Experience is Everything', complementing Saga's award-winning magazine, newsletters and magazine website. The impact of this was to broaden Saga's reach, deepen engagement and strengthen our position as a trusted voice for our readers.
- Customer engagement was strengthened through publishing and digital channels. The improved use of data and customer insight allowed us to serve our customers more effectively, creating lasting relationships built on trust.
- We stopped asking customers for additional Group consent if they had already provided consent to multiple business units, which resulted in an improved customer experience.
- Saga Money newsletter and webinars promoting financial wellbeing continued to see increased customer demand, which increased the engagement with customers, creating meaningful interactions which deepen our understanding of this audience.

Key to our strategic pillars

- 1 Maximising the growth of our existing businesses
- 2 Driving incremental growth through new business lines and products
- 3 Growing our customer base and deepening those relationships
- 4 Reducing debt, while simplifying our operations

Key Board decision

Simplification of the Group's operating model and governance structure as a result of being a lower risk, less complex business

Connection to strategic pillars

1 4

- Finalised financing arrangements to strengthen the balance sheet and reduce financial complexity.
- Ensured that the Board was focussed on strategic discussions at every meeting.
- Merged the Audit and Risk Committees to align with the Group's simplified operating model.

How the Board reached its decision and considered matters set out in S172(1) of the Act

- The Board remained focussed on reducing debt and were mindful that they needed to continue to consider the actions required to strengthen the balance sheet, reduce financial complexity and provide a stable, long-term funding structure.
- This included the finalisation of corporate financing arrangements, which resulted in the repayment of the £250.0m corporate bond and repayment and cancellation of the loan facility provided by Roger De Haan.
- The Board recognised that the sale of AICL would remove underwriting risk and, therefore, simplify operations.
- The impact of the implementation of the Ageas³ Affinity Partnership was also assessed.

Stakeholder management

- The impact on all stakeholders was considered, including **colleagues, customers, communities, partners and suppliers, shareholders** and **investors**. **Saga Pension Scheme Trustees** were also consulted and kept informed.
- Transparent communication with **colleagues**, particularly those who were impacted by the sale of AICL or the partnership arrangement with Ageas³.
- **Regulators** were kept informed of the corporate refinancing, partnership arrangement with Ageas³ and sale of AICL and were updated on how Saga would continue to deliver good outcomes and exceptional products and services for **customers**.

Challenges faced

- Managing complex financing, governance and transaction workstreams in parallel.
- Multiple stakeholders to manage, across complex negotiations with multiple workstreams, while continuing to deliver business as usual.

Outcome and impact of the decision

- Significant progress was made in reducing debt to £499.5m at 31 January 2026, £93.3m lower than at the same point in the previous year, providing the Group with resilience to navigate market conditions and deliver strong long-term returns.
- The new credit facilities included a £335.0m term loan and a £116.6m delayed-draw term loan with HPS Funds⁴, alongside a £33.4m Revolving Credit Facility (**RCF**) syndicated between Barclays and NatWest. These facilities materially enhanced liquidity, increased covenant headroom and provided funding certainty, while offering improved flexibility. The funds drawn in February 2025 enabled the full repayment and cancellation of the £250.0m bond and repayment of the £75.0m drawings under the £85.0m loan facility provided by Roger De Haan, which was subsequently cancelled. The existing RCF was also cancelled.
- The successful completion of the sale of AICL to Ageas³ for £67.5m generated net proceeds of £56.9m, £11.4m above initial guidance, in addition to £10.0m of pre-completion dividends, and significantly simplified Saga's operations.
- The successful launch of the 20-year Affinity Partnership with Ageas³ was a major milestone in simplifying our business. With motor new business going live, £60.0m of the total £80.0m cash consideration was received and the partnership combined Saga's brand and customer base with Ageas's³ expertise to deliver best-in-class motor and home insurance.
- The simplification of operations created a more agile business that can deliver efficiently and at scale, will reduce the level of technical, operational and regulatory activity that is undertaken and leverage the capabilities and infrastructure available through the new Insurance partner.
- The Group's governance structure was simplified. The merger of the Audit and Risk Committees facilitated a more focussed discussion on internal controls and risk management and alignment of strategy. Following the year end, and in line with the continued simplification of our operating model, the Innovation and Enterprise Committee was disbanded.

³ Wholly owned UK subsidiaries of Ageas SA/NV

⁴ Certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries

Key Board decision

Expanded growth through new business lines and products

Connection to strategic pillars

2

- Launch of strategic partnership with NatWest Boxed to provide a savings product tailored for our customers, to support growth in Saga Money products.

How the Board reached its decision and considered matters set out in S172(1) of the Act

- The Board considered how the arrangement would create incremental growth opportunities aligned to the Group's strategy.
- The terms of the partnership with NatWest Boxed were negotiated to ensure that the collaboration would make the most of combining Saga's deep customer insight with NatWest's scale and NatWest Boxed technology.

Stakeholder management

- The Board reviewed ways to maintain quality products and services for **customers**, while increasing **shareholder** value.
- Options to expand **supplier** and **partnership** relationships, essential for Saga's strategy and enhancing its products and services, were reviewed.

Challenges faced

- Ensuring incremental growth initiatives were appropriately governed and aligned to the Group's strategy.
- Managing dependence on partners, while protecting customer experience and brand standards.
- Balancing the pursuit of growth opportunities with the need to avoid additional complexity or risk.

Outcome and impact of the decision

- The partnership brought together two market leaders to deliver a new and innovative suite of savings products that are competitive, flexible and tailored for Saga's customer demographic.
- The arrangement supported the Group's strategy to broaden Saga Money's product range, drive increased volumes and improve commercial terms, while remaining in line with the intention to extend capital-light revenue streams.

Key to our strategic pillars

- 1 Maximising the growth of our existing businesses
- 2 Driving incremental growth through new business lines and products
- 3 Growing our customer base and deepening those relationships
- 4 Reducing debt, while simplifying our operations

Board leadership and Company purpose

Our Board

A document summarising the matters which are reserved for the Board was last considered on 27 January 2026. These include the following:

Strategy and management

- Setting the Group's purpose, values, strategy and standards and ensuring these align with our culture.
- Approving the strategic direction, budgets, forecasts and objectives, as well as their successful implementation.
- Overseeing our operations, including policies relating to regulatory, financial and operational matters.
- Any decision which may have a material impact on the Group. For example, new business activity, significant expansion, partnerships or diversification/cessation of existing businesses.

Structure and capital

- Approving changes relating to our capital, corporate, management or control structures; and borrowings and guarantees, other than in the normal course of business.

Financial items, risk management and internal controls

- Approving the interim and preliminary results and Annual Report and Accounts, alongside material capital or operating expenditure outside predetermined tolerances or beyond agreed delegated authorities.
- Ensuring maintenance of a sound system of internal controls, including risk appetite and policies, such as the Risk Policy.

Contracts and business transactions

- Approving capital projects which are strategically material, are not in the usual course of business or are outside of normal financial limits in place.
- Conducting post-investment reviews which were not considered in detail by the Audit and Risk Committee or where the Board decides a full review is required.
- Joint ventures, material arrangements with customers or suppliers and major investments.

Communication and engagement with stakeholders

- Considering the balance of interests between stakeholders, including shareholders, customers, colleagues and the communities in which we operate.
- Ensuring that independent channels are available for colleagues to engage and raise any matters of concern.

See pages 24-25 for details of the Board's role in stakeholder engagement, which supports Directors' duties under Section 172(1) of the Companies Act 2006.

Shareholder engagement

The Board seeks feedback from our shareholders on the Company's performance against strategy and actively monitors their views. Full details of how we engage with our shareholders can be found in the Strategic Report on page 25. In addition, an Investor Relations report is tabled at each Board meeting.

We recognise that we have a significant number of retail shareholders, many of whom are also our customers. We engage with this group through arranging presentations via the Investor Meet Company platform, which provides an opportunity for our Group CEO and Group CFO to answer any questions they may have. Shareholders also have the opportunity to meet the Directors at our Annual General Meetings (AGM).

AGM

The AGM will be held on 30 June 2026 at 11.00am at the offices of Herbert Smith Freehills Kramer LLP, Exchange House, Primrose Street, London, EC2A 2EG. Full details, and an explanation of business to be considered at the meeting, will be provided in the Notice of AGM. A copy will be available on Saga's corporate website in due course (www.corporate.saga.co.uk).

Board roles

At 31 January 2026, the Board comprised seven Directors with a broad set of complementary skills, industry expertise and each bringing a different perspective.

On 27 January 2026, the Board reviewed and approved a document detailing the division of responsibilities and roles of the Chairman, Group CEO, Senior Independent Director, all Committee Chairs and the Non-Executive Directors nominated ESG Champion, Speak Up Champion and People Champion. This is available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Member	Role	Max. possible meetings	Attendance
Roger De Haan	Non-Executive Chairman (leadership, Board governance, setting the agenda and facilitating open Board discussions, performance and shareholder engagement)	7	7
Mike Hazell	Group CEO (Group performance and developing strategy for Board approval)	7	7
Mark Watkins	Group CFO (Group financial performance, including creation of the budget and five-year plans for recommendation to the Board)	7	7
Independent Non-Executive Directors	Role	Max. possible meetings	Attendance
Anand Aithal	Participate in, assess, challenge and monitor Executive Directors' delivery of the strategy (within risk and governance structures); financial controls and integrity of financial statements; and Board diversity. Evaluate and appraise the performance of the Non-Executive Chairman, Executive Directors and senior management.	7	6
Gemma Godfrey¹ (ESG Champion)		7	7
Julie Hopes¹ (People Champion)		7	6
Gareth Hoskin (Speak Up Champion)		7	7

¹ Julie Hopes resigned from the Board with effect from 27 February 2026. Gemma Godfrey was appointed as the Non-Executive Director designated as the Board's People Champion with effect from 23 March 2026

Our governance framework

An annual review of the governance framework was undertaken by the Company to ensure it continued to allow business units to operate autonomously within a Group framework. The Data Management Committee continues to consider and support our data strategy.

The Audit and Risk Committee Chair serves as the Speak Up Champion. The Chair of the Remuneration Committee is the nominated People Champion and regularly attends the People Committee. A Non-Executive Director is appointed as the ESG Champion and regularly meets with the ESG and Sustainability Manager, who attends Operating Board and Board meetings to discuss ESG strategy and targets. The ESG Steering Committee meets regularly and reports to the Operating Board. For more information on the governance put in place to monitor ESG strategy, see page 42.

In 2024, the Corporate Governance Reforms (CGR) Steering Committee, a management group, was established to oversee delivery of the CGR and the work needed to ensure the Group's 2nd and 3rd line control environment meets the requirements of the Economic Crime and Corporate Transparency Act 2023 and Provision 29 of the UK Corporate Governance Code. Its purpose is to support and monitor implementation of the reforms by supervising the Group's preparatory work and key project workstreams on material controls in anticipation of the new CGR requirements.

Since the year end, the Board decided to disband the Innovation and Enterprise Committee. The Innovation and Enterprise Committee had been established to assess the strategic alignment of growth proposals with the Company's purpose and oversight of this is now undertaken directly by the Board.

The below reflects the Company's current governance framework.

<h3>Board</h3> <ul style="list-style-type: none"> • Approve strategic direction and ensure its successful implementation. • Leadership and management of the Group, including setting the Group's purpose, values and standards and aligning these with culture. • Encourage innovation and consider the views, interests and needs of key stakeholders, including colleagues, customers, communities and shareholders. • Ensure that independent channels are available for colleagues to engage and raise matters of concern. This includes discussing an annual report presented by the Non-Executive Director who acts as Speak Up Champion. • Ensure oversight of compliance with statutory and regulatory obligations. • Ensure an effective internal controls and risk management framework is maintained. • Assess the potential impact of decisions. • Monitor ESG strategy in all business units across the Group. 		
<h4>Nomination Committee</h4> <p>Purpose: To review and monitor the leadership needs of the Board and senior management and support the Company's continued ability to recruit and develop the level and balance of skills, experience and knowledge required to ensure its long-term success.</p> <p>Find out more in our Nomination Committee Report on pages 72-74</p>	<h4>Audit and Risk Committee</h4> <p>Purpose: To oversee the integrity of the Group's financial reporting, the effectiveness of its risk management and internal controls and the independence and performance of internal and external auditors. Confirm that the Group has robustly assessed its principal risks, including those that could threaten its business model, performance, solvency or liquidity.</p> <p>Find out more in our Audit and Risk Committee Report on pages 75-79</p>	<h4>Remuneration Committee</h4> <p>Purpose: To determine the policy and terms and conditions of employment, remuneration/compensation and benefits of senior executives, and to review workforce remuneration and incentive programmes to ensure alignment with culture and strategy and determine share-based arrangements.</p> <p>Find out more in our Directors' Remuneration Report on pages 80-107</p>
<h3>People Committee</h3> <p>Purpose: To support our continuous listening strategy, where all colleagues can speak up and share the things that matter to them, enabling our leadership to act and respond to feedback. This gives the employees a voice in the boardroom.</p>		
<h3>Operating Board</h3> <p>Purpose: To support the Group CEO in the performance of duties in relation to the management and day-to-day running of the Group.</p> <p>Duties:</p> <ul style="list-style-type: none"> • Implement the Group's strategy. • Act as guardians of the brand, customer and data strategy. • Cultural leadership and people strategy. • ESG strategy and review/monitoring of targets. Oversee ESG Steering Committee. • Review principal risks and uncertainties across the Group. • Ensure effective implementation of Group risk policy and internal controls framework in a consistent manner across all business areas. • Monitor performance of business units against targets, objectives and key performance indicators set by the Board. • Review and discuss talent management and succession planning throughout the Group. • Review and monitor culture, diversity, equity, inclusion and belonging and colleague engagement metrics. • Manage risk and conduct, review Group risk and internal audit and assurance plans, and report potential, or actual, breaches of regulation or policy to the Board. • Oversee Data Management Committee. 		<h3>Data Management Committee</h3> <p>Purpose: To ensure that Saga's data is actively managed, controlled and monitored in accordance with the Group's data governance framework and oversee the associated risks.</p>
		<h3>ESG Steering Committee</h3> <p>Purpose: To support and monitor delivery of the Group's ESG strategy and targets and to drive ESG accountability across the business units.</p>

Composition, succession and evaluation

The members of the Board

The Board considers the composition and size of the Board to be appropriate, taking into account the independence of character, skills and integrity of, and different approach taken by, all the Directors.

The Nomination Committee is considering the skills and Board composition required for the Group's future strategic direction.

Our Directors have a broad range of experience in a variety of markets and sectors, particularly in the areas of travel, insurance, financial services, customer service, brand management, strategy and asset and risk management, all of which are invaluable to Saga.

Our Non-Executive Directors met regularly during the year without Executive Directors present and provided objective, rigorous and constructive challenge to management.

The Senior Independent Director acts as a sounding board for the Non-Executive Chairman.

Independent Non-Executive Directors and Board composition

We continue to comply with the Code recommendation that at least half of our Board, excluding the Chairman, are Non-Executive Directors whom the Board considers to be independent.

For the year ended 31 January 2026, the Board considered Anand Aithal, Gemma Godfrey, Julie Hopes¹ and Gareth Hoskin to be independent Non-Executive Directors, free from any business or other relationships that could materially interfere with the exercise of their independent judgement or objective challenge of management.

Annual re-election

All Directors are required to stand for annual re-election at the Company's AGM. The Board's view is that each of the Directors standing for re-election should be re-appointed.

We believe that they have the skills required for the Board to discharge its responsibilities, as outlined in each of their biographies set out on pages 62-63.

The details of the specific reasons why each Director's contribution continues to be important to the Company's long-term sustainable success will be included in our Notice of AGM.

DEI&B

The Group has a DEI&B Policy and, during the year, forums were held on topics relating to DEI&B, which provided valuable insight around how colleagues felt relating to matters such as inclusivity, age, ethnicity and gender. The Board recognises that it is important to consider the need to have an inclusive approach for all colleagues.

For details of the gender split of our Board and senior management, see page 48.

Find out more in:

- [Environmental, Social and Governance on pages 41-48](#)
- [Nomination Committee Report on pages 72-74](#)

Board performance review

The Board performance review consisted of all Directors participating in an interview conducted by our Senior Independent Director, with support from the Group Company Secretary. Areas of focus included execution of strategy, Board dynamics and ways of working, Board composition, skills and succession, and Board effectiveness.

Feedback was also requested on the effectiveness of the Board Committees and the performance of the Non-Executive Chairman and individual Directors. The Company Secretary also sought views from all committee attendees and external advisers. The Senior Independent Director and the other Non-Executive Directors met to appraise the Non-Executive Chairman's performance and the Non-Executive Directors had regular meetings with the Non-Executive Chairman at which their performance was discussed.

Action taken as a result of the 2024/25 evaluation	Conclusions from 2025/26 evaluation	Areas of focus for 2026/27
<p>The review concluded that the Board had worked well during the year, using the governance framework to support the strategic review of the Group and significant project work.</p> <p>Actions taken included:</p> <ul style="list-style-type: none"> • Growth strategy – Board meetings were restructured to promote a strong and consistent focus on the Group's growth strategy throughout the year. Discussions routinely considered brand perception, competitive dynamics, the impact of technological change and the needs of key stakeholders, with customers remaining central to all discussion. • Board ways of working – Active consideration was given to how the Board could enhance its ways of working by making greater use of Directors' skills and experience to support executive management in driving growth. Board papers became increasingly forward looking, with a clearer emphasis on strategic and external factors and well defined outcomes. • Reporting – Oversight of strategic delivery was strengthened through enhanced reporting, including regular updates from individual businesses against their growth plans. Progress in relation to the Insurance partnership with Ageas² and the sale of AICL was also closely monitored. • Governance framework – The governance framework was continuously reviewed to ensure it reflected the Group's simplified operating model, while maintaining high standards in overseeing risk management and internal controls. 	<p>Board focus. The Board successfully oversaw a demanding period of execution, simplification and delivery. There is clear agreement and a shared understanding of the future strategic plan.</p> <p>Board dynamics and ways of working. The Board provides a safe space for discussion, with openness about successes and challenges. It operates in a constructive and respectful manner, with a high level of trust in management.</p> <p>Board composition, succession and skills. The Board is recognised as highly committed, engaged and deeply knowledgeable. It is vital that the Board composition reflects the operating model of the Group and is shaped to deliver the next phase of growth.</p> <p>Board effectiveness. Board papers have improved in clarity and structure, with key issues highlighted.</p> <p>Board Committees. Committee effectiveness was generally viewed positively, with a healthy level of challenge and debate in meetings.</p>	<p>Focus on future strategy. The Board will consider how to spend time in the most effective way, with a balance of discussions around operational delivery and medium- to long-term strategy.</p> <p>Board culture. Consideration will be given to establish how the quality of debate can be strengthened further, ensuring that all perspectives are heard.</p> <p>Information, cadence and use of time. The deep dives into key strategic areas and businesses will continue, with a focus on articulating key areas the Board is being asked to address and allowing sufficient time for a thorough discussion.</p> <p>Board composition. The Nomination Committee will prioritise identifying the skills and Board composition required to support the Group's future strategic direction.</p> <p>Committees. The purpose of each Board committee will be refreshed, to ensure there is a consistent understanding of roles and responsibilities. The way in which insights are surfaced at the Board will be reviewed, to ensure that matters for escalation or reporting are communicated in the most effective way possible.</p>

1 Julie Hopes resigned from the Board with effect from 27 February 2026
 2 Wholly owned UK subsidiaries of Ageas SA/NV

Nomination Committee Report

“The Committee’s focus this year centred on several core priorities in response to the Group’s evolving strategic landscape, to ensure that the Board has the right skills in place as Saga continues to advance its transformation.”

Gareth Hoskin
Chair, Nomination Committee



The Committee’s responsibilities

- Review the structure, size and composition of the Board needed to ensure that the right balance of skills, experience and knowledge are in place.
- Consider how to develop a diverse pipeline in succession planning and talent development of Executive Directors and senior executives.
- Evaluate the independence, experience, diversity and knowledge of the Board.
- Identify and nominate candidates to fill Board and Committee vacancies.
- Review Board performance evaluation results in relation to Board composition.

The Committee’s Terms of Reference were reviewed during the year (approved by the Board on 27 January 2026) and are available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Committee evaluation

An evaluation of the Committee’s performance took place during the year, as part of the Board performance review (for details see page 71).

The inherently complex nature of the Committee’s remit and the vital role it plays in ensuring that the right skills are in place for the next phase of growth was acknowledged. It was agreed that a review of the Committee’s purpose and remit in an ever increasing regulatory environment would strengthen understanding and make the Committee even more effective.

What we did during the year

Time spent on matters

- Board composition **c.50%**
- Succession planning and talent development **c.20%**
- DEI&B **c.15%**
- Board evaluation **c.15%**



Committee composition and attendance

Members (majority are Independent Non-Executive Directors)	Member since	Max. possible meetings	Attendance
Gareth Hoskin ¹ (Chair)	31 Dec 2023	4	✓✓✓✓
Peter Bazalgette ¹	30 Sep 2022	1	✓
Anand Aithal	31 Dec 2023	4	✓✓✓✓
Roger De Haan	5 Oct 2020	4	✓✓✓✓
Gemma Godfrey	31 Dec 2023	4	✓✓✓✓
Julie Hopes ²	9 April 2025	3	✓✓✓

Key actions in 2025/26

- Changes to the Board and Committee composition to ensure that the skills and experience of Directors supported the delivery of Group strategy.
- Continued discussion and focus on succession planning and talent development.
- Reviewed progress against set targets relating to diversity, equity, inclusion and belonging (DEI&B).

Priorities for 2026/27

- Consider and review the skills and board composition required to support the Group’s future strategic direction.
- Continued focus on succession planning for Executive and Non-Executive Directors and senior management.
- Monitor how management is developing its current and future leaders and driving greater diverse representation at more senior levels.
- Ensure that Group culture supports the right environment for talent development.

¹ Peter Bazalgette resigned from the Board with effect from 9 April 2025 and Gareth Hoskin became Chair, and Julie Hopes a member, with effect from the same date
² Julie Hopes resigned from the Board with effect from 27 February 2026

Dear shareholder,

The Nomination Committee's (the **Committee**) focus this year centred on several core priorities in response to the Group's evolving strategic landscape, to ensure that the Board has the right skills in place as Saga continues to advance its transformation. During the year, the Committee oversaw changes to Board and Committee composition and spent a significant amount of time ensuring the Board and Committee framework aligned with the Group's evolving operating model.

Succession planning, skills assessment and diversity remained central themes throughout the year. The Committee reviewed the depth and strength of leadership pipelines and considered capability requirements arising from strategic change. Since the year end, and following the resignation of Julie Hopes, we have started a Board composition review to ensure that we have the right knowledge and experience in place to support delivery of the Group's strategy. The Committee also maintained clear focus on DEI&B, monitoring progress against targets and discussing areas requiring further improvement.

Board composition

As highlighted in last year's report, Steve Kingshott and Peter Bazalgette resigned from the Board with effect from 9 April 2025. These changes to the Board followed the successful agreement of the Insurance Underwriting sale and Affinity Partnership with Ageas³ and reflected the Group's new simplified business model.

Following these changes, I was appointed as Senior Independent Director, Chair of the Nomination Committee and became a member of the Remuneration Committee. Additionally, Julie Hopes became a member of the Nomination Committee.

During the year, the Committee also considered and recommended the merger of the Audit and Risk Committees to align with the Group's simplified operating model, noting the benefits of doing so, including facilitating a more focussed discussion on internal controls and risk management and alignment of strategy. The Board ultimately approved the merger and that I chair the newly combined Audit and Risk Committee, with Anand Aithal, Gemma Godfrey and Julie Hopes as members.

The Committee considered the proposal to re-appoint Anand Aithal and Gemma Godfrey as Non-Executive Directors when they were proposed for re-appointment after serving their first three-year terms and the Board approved the Committee's recommendation to re-appoint them.

Since the year end, Julie Hopes resigned from the Board with effect from 27 February 2026. The Board subsequently approved the Committee's recommendation that Gemma Godfrey be appointed Chair of the Remuneration Committee and the Non-Executive Director designated 'People Champion'.

The Committee also considered the future of the Innovation and Enterprise Committee and the Board approved the recommendation that this be disbanded as its duties were now being undertaken at the Board, in line with the simplification of the Group's business model.

Committee members agreed that no other changes to committee membership should be made at this stage. It is recognised that this means that Committee membership for the Audit and Risk Committee and Remuneration Committee is below the suggested Code requirements but it was felt that this is appropriate in the circumstances and will be reviewed once a decision has been made about future Board composition. In the meantime, the Committee was comfortable that these committees had the appropriate skills to fulfil their duties.

Succession planning and talent development

During the year, the Committee received comprehensive updates on talent management across the senior leadership population, including the reshaped Operating Board.

The Committee reviewed the performance, strengths and development priorities of the Group Chief Executive Officer and Group Chief Financial Officer, as well as succession plans for each of the Operating Board. Given the scale of the business, it was recognised that it was not realistic to have named successors for every role and that the solution lay in developing talent within the layers below. It was accepted that succession for certain roles would need to be managed externally.

The Committee discussed how the renewed focus on a consistent, Group-wide performance and talent framework, supported by external assessment and coaching for our senior leaders, would strengthen leadership capability and succession depth.

Throughout the year, the Committee monitored progress in building a more agile, future-ready and diverse leadership pipeline to support the Group's strategic ambitions and remains committed to overseeing the development of current and future leaders. It was agreed that it would be beneficial for the Board to have visibility of the expertise and corporate knowledge, as well as leadership capabilities within the Group. This is achieved through the deep dive sessions that take place at the Board, which senior leaders are invited to attend.

Independence and election of Directors

After the year end, but prior to publication of this Annual Report and Accounts, the Committee considered the profiles of the Directors, each Director's independence, contribution and time commitment necessary to perform their duties and recommended to the Board that all should be put forward for re-election at the 2026 Annual General Meeting.

The UK Corporate Governance Code 2024 requires that at least half of the Board, excluding the Chairman, are considered to be independent Non-Executive Directors. At 31 January 2026, four of the seven (57%) Board members were independent Non-Executive Directors, with other members being the Non-Executive Chairman and two Executive Directors.

DEI&B

The Committee considered the approach to evaluate performance, talent and succession and the progress made in creating a diverse and high-quality pipeline.

Committee members received an update on the Company's inclusion strategy, including progress made to date and the key priorities for the coming year.

The Group continued to strengthen its inclusion work, and maturity in DEI&B has improved, supported by continued collaboration with external partners, including Working Together and Welcome to all in Hospitality, Travel & Leisure. Key achievements include strong colleague engagement, growth of colleague networks, delivery of inclusive events, and progress on gender representation in leadership. Further information can be found in the 2026 ESG Report.

The Company has a DEI&B Policy in place, with the aim of raising awareness of fairness and equality in the workplace and outlining how everyone is responsible for creating an inclusive environment that respects the dignity and diversity of all people. This policy applies to the Group, including the Board, and is linked to Company strategy. All colleagues must report any breaches, whether actual or perceived, to their line manager or to the People team. There is also the option to report on an anonymous basis via the Company's Speak Up process.

3 Wholly owned UK subsidiaries of Ageas SA/NV

Nomination Committee Report continued

Our Board-agreed data-driven targets form part of the Company's Environmental, Social and Governance strategy. For more information, see page 48. It is recognised that further progress is needed against the data-driven targets and the Company remains committed to achieving them.

At 31 January 2026, the Board had a 29% gender balance of women⁴, and one member is from an ethnic minority background. At the same date, the gender balance was 42% for the Operating Board and senior layers of management below Board level⁵. The Committee recognises that the gender balance on the Board reduced further following Julie Hopes' resignation and this does not meet the targets set out in the UK Listing Rules on board diversity. This is something the Board remains committed to improving and will be a key focus when reviewing the executive and non-executive leadership needs of the organisation. Details of the gender balance of those in senior management can be found on page 48.

Targets are disclosed on our corporate website (www.corporate.saga.co.uk/about-us/environmental-social-and-governance/). The intention remains to increase female representation in the Senior Management Team and above to 50%, and 40% on the Board, by 2027.

Board evaluation

It was decided that the best way to stimulate the Board's thinking on how they can carry out their role and focus on continually improving their performance was for me to conduct interviews with each of the Directors, with the support of the Group Company Secretary.

The interviews centred on execution of strategy, Board dynamics and ways of working, Board composition, skills and succession, and Board and Committee effectiveness.

The evaluation report was discussed by the Board and this confirmed that the Board were clear on the strategic direction of the Group and had successfully overseen a demanding period of execution, simplification and delivery. More details can be found on page 71.

Gareth Hoskin
Chair, Nomination Committee

⁴ At the date of signing this report, female representation on the Board was 17%

⁵ While Provision 23 of the UK Corporate Governance Code defines 'senior management' as the layer below the Board and the Company Secretary and their direct reports, we believe it most appropriate to disclose the gender balance of our Operating Board and Senior Leadership Team

Audit and Risk Committee Report

“During the year, the Board agreed to combine the Audit and Risk Committees into a joint committee, in line with our strategy to simplify our business model, resulting in a more efficient approach to managing the Group’s internal controls and risk framework.”

Gareth Hoskin
Chair, Audit and Risk Committee



The Committee’s responsibilities

- Consider the integrity of the financial statements.
- Review the adequacy and effectiveness of the Company’s internal control and risk management framework.
- Monitor the effectiveness of the Company’s Internal Audit and Assurance (IAA) and Finance functions and the external auditor.
- Review and advise the Board on the Group’s overall risk appetite, tolerance, strategy and current risk exposure.
- Review the IAA work plan.
- Monitor principal risks and uncertainties (PRUs) and consider the Group’s capability to identify, and manage, new and emerging risk.
- Review material breaches of risk limits and adequacy of action.
- Provide qualitative and quantitative advice to the Remuneration Committee on risk weightings.
- Review the Group’s interim and preliminary financial statements and accounting policies.
- Review and approve key judgements and estimates used as a basis for preparing the Group’s financial statements.
- Approve the remuneration and terms of engagement and determine the independence of the external auditor.
- Monitor the scope of the annual audit and the extent of non-audit work undertaken by the external auditor.
- Provide recommendations on the fair, balanced and understandable assessment, going concern basis of preparation and viability statements.
- Ensure that Speak Up and anti-fraud systems are in place and monitored.

Following the combination of the Audit and Risk Committees, the Committee’s Terms of Reference were revised in July 2025. The current Terms of Reference were approved by the Board on 27 January 2026 and are available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Committee evaluation

A review of the Committee’s performance took place during the year as part of the Board performance review (for details see page 71).

The review concluded that the Committee was well run, disciplined and effective, with strong chairing and constructive engagement with management. The decision to merge the Audit and Risk Committees was seen as positive and there was confidence in the Committee’s scrutiny of financial reporting, internal controls and PRUs.

What we did during the year

Time spent on matters

- Financial statements (including key judgements and estimates) **c.35%**
- Internal financial controls **c.10%**
- Internal audit, including Speak Up **c.20%**
- External audit **c.15%**
- Risk management, including strategy, policy, appetites and compliance **c.20%**



Committee composition and attendance

Members (all are independent Non-Executive Directors)	Member since	Max. possible meetings	Attendance
Gareth Hoskin (Chair)	4 Apr 2019	3	✓✓✓
Anand Aithal	17 Nov 2022	3	✓✓✓
Julie Hopes ¹	31 Dec 2020	3	✓✓
<i>Audit Committee (merged with Risk Committee July 2025)</i>			
Gareth Hoskin (Chair)	4 Apr 2019	2	✓✓
Anand Aithal	17 Nov 2022	2	✓✓
Julie Hopes	31 Dec 2020	2	✓✓
<i>Risk Committee (merged with Audit Committee July 2025)</i>			
Julie Hopes (Chair)	4 Apr 2019	1	✓
Gemma Godfrey	17 Nov 2022	1	✓
Gareth Hoskin	31 Dec 2020	1	✓

The Board is satisfied that Gareth Hoskin provides recent and relevant financial expertise through his chartered accountancy qualification and career experience. The Committee members also demonstrate appropriate independence and collectively bring strong financial and commercial experience across industries, including those relevant to the Company. Details of their skills and experience are set out in the Directors’ biographies on pages 62–63.

Key actions in 2025/26

- Integrated financial control systems to support and enhance the control framework, including the implementation of and transition to a new general ledger system.
- Supported work to improve the Group’s liquidity exposure, leading to the refinancing agreed with HPS Funds².
- Continued review of the Corporate Governance Reforms (CGR) to enhance and align the control environment.
- Supported alignment of Group controls required as a result of the Ageas³ partnership.
- Commenced the external audit re-tender process in respect of the 2027/28 audit.
- Supported the Board in forming a common view of the key risks to the business and agreeing appropriate risk appetites.

Priorities for 2026/27

- Monitoring progress of the CGR preparation work to ensure compliance with Provision 29 of the UK Corporate Governance Code.
- Completing the competitive re-tender process in respect of the 2027/28 audit.
- Continuing to support the Board to form a common view of the key risks to the business and agree appropriate risk appetites.

¹ Julie Hopes resigned from the Board with effect from 27 February 2026

² Certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries

³ Wholly owned UK subsidiaries of Ageas SA/NV

Dear shareholder,

During the year, the Board agreed to combine the Audit and Risk Committees (the **Committees**) into a joint committee (the **Committee**), in line with our strategy to simplify our business model, resulting in a more efficient approach to managing the Group's internal controls and risk framework. I would like to thank Julie Hopes for chairing the Risk Committee and for the contribution and expertise provided during her tenure.

The Committees supported the Board during a year which saw significant progress in achieving key strategic goals, including the sale of our Insurance Underwriting business, launch of our long-term strategic partnership with Ageas⁴ and improvement in the Group's liquidity by agreeing corporate refinancing with HPS Funds⁵. The Committee also oversaw the successful implementation of a new cloud-based general ledger system, which aims to improve the control environment and standardise and simplify processes.

The Committee received regular updates from the CGR Steering Committee, a management group established to support, monitor and deliver actions needed to ensure timely compliance with revised requirements set out in the Code and relevant legislation.

The Committee was focussed on providing independent challenge and overseeing the Group's financial reporting and internal controls, assessment of the top risks facing the business and the design and effectiveness of critical controls. It was also responsible for monitoring risk maturity and supporting the business in responding to the challenges it faced.

Our report outlines how we have carried out our responsibilities over the period, including our oversight of the IAA function and our management of the relationship with the external auditor, KPMG LLP (**KPMG**).

Reporting

The preliminary and interim results underwent thorough review and scrutiny, with attention given to the implementation of key accounting policies and the exercise of significant judgement. The processes and outcomes in these areas were carefully evaluated. Throughout the year, KPMG delivered reports focussed on topics identified as presenting substantial audit risk.

Significant issues

The Committee exercises its judgement in determining the accounting matters that are of particular importance to the financial statements. Any such matters are subject to discussions between senior management, the Group Chief Financial Officer and KPMG as part of the audit process.

Letter from the Financial Reporting Council (FRC)

On 7 January 2025, the Group received a letter from the FRC, requesting further information on certain matters covered in the Annual Report and Accounts for the financial year ended 31 January 2024. Specifically, the FRC asked:

- why the customer option to fix insurance premiums at the first and second renewal points, under the three-year fixed-price policies, was accounted for as a separate performance obligation and not as being within the boundary of the underlying insurance contract; and
- for further details concerning the judgement that, where insurance contracts were also underwritten by the Group, the arrangement of the insurance contract was a distinct and separate service from the insurance underwriting services.

The Committee reviewed management's responses and noted that the FRC closed the case in June 2025, having confirmed they were satisfied with the responses received.

Liquidity, going concern and viability

The Committee performed a detailed review of the Group's projected cash flow, borrowing capacity and the covenants within its borrowing facilities, based on papers prepared by management. The Committee discussed management's ongoing measures to reduce operating costs and mitigating the liquidity PRU exposure by facilitating the full syndication of the facility with HPS Funds⁵.

Find out more in:

- + Note 2.1 of the financial statements on page 123
- + Viability Statement on page 55
- + Independent Auditor's Report to the Members of Saga plc on pages 112-117

Valuation of goodwill

The Committee considered indicators of impairment of the carrying value of Insurance goodwill at 31 July 2025 and the conclusion that there were no new indicators of impairment at that date.

At 31 January 2026, the Committee reviewed management's impairment assessment prepared in line with International Accounting Standard (**IAS**) 36 'Impairment of Assets'. The Committee considered the assumptions made by management in relation to the calculation of the discount and terminal growth rates; and the robustness of the underlying cash flow forecasts following the transition to a partnership model with Ageas⁴ for motor and home insurance products in reaching the conclusion that no further impairment was required at the balance sheet date.

Find out more in:

- + Note 16 of the financial statements on pages 150-151
- + Independent Auditor's Report to the Members of Saga plc on pages 112-117

Valuation of the parent company's investment in subsidiaries

The recoverability of the carrying value of the investment in subsidiaries held on the balance sheet of the Company was evaluated by the Committee. Cash flow forecasts, discount rates, valuation methodology and stresses were all considered as part of management's analysis used in the calculation to determine that a reversal of impairments recorded in previous years of £181.1m would be recognised at 31 January 2026.

Find out more in:

- + Note 2 of the Company financial statements on pages 192-193
- + Independent Auditor's Report to the Members of Saga plc on pages 112-117

Valuation of Ocean Cruise ships

The Committee reviewed indicators of impairment for the Group's Ocean Cruise ships at 31 July 2025 and 31 January 2026. Management reviews concluded that there were no indicators of impairment at either date. Analysis considered key elements of the trading outlook, change in the useful economic lives and the residual values of the assets due to any changes in climate change, the discount rate and technological obsolescence.

Find out more in:

- + Note 17 of the financial statements on page 152
- + Independent Auditor's Report to the Members of Saga plc on pages 112-117

⁴ Wholly owned UK subsidiaries of Ageas SA/NV

⁵ Certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries

Acromas Insurance Company Limited (AICL) disposal

On 1 July 2025, Saga completed the disposal of AICL. The Group reported an initial loss on disposal of £23.9m at 31 July 2025. Following completion of the final balance sheet, sale proceeds increased by £4.5m, reflecting adjustments to deferred tax balances, a receipt of a Section 75 contribution of £3.2m into the Saga Pension Scheme after the half year and the recognition of further costs of disposal. The revised loss on disposal is £10.2m.

Find out more in:

- + Note 38 of the financial statements on pages 182-185
- + Independent Auditor's Report to the Members of Saga plc on pages 112-117

Carrying value of other material assets

The Committee reviewed other items of the Group's property, plant and equipment, including assets classified as held for sale, River Cruise ships and software intangibles, for indicators of impairment. In undertaking this review, the Committee considered key aspects of the trading outlook, changes to useful economic lives, and residual values in light of the Group's evolving business model and technological developments. As a result of this assessment, impairments totalling £1.9m were recognised in the year.

- + Find out more in Notes 15, 17, 18 and 38 of the financial statements on pages 149, 152-153 and 182-185

Held for sale property assets

The Committee also assessed whether properties classified as held for sale at the balance sheet date continued to meet the International Financial Reporting Standard (IFRS) 5 'Non-current Assets Held for Sale and Discontinued Operations' criteria. Although no properties had been sold during the year, all held for sale properties remained actively marketed, with a number being under offer. Although completion of the planned sales within the next 12 months cannot be assured, the Committee was satisfied that the classification of the properties as held for sale remained appropriate. Third-party valuations were conducted at 31 January 2026 and it was concluded that no further impairments were required.

- + Find out more in Note 38 of the financial statements on page 185

Defined benefit pension scheme

The Group made contributions of £5.8m (2025: £5.8m) to the defined benefit pension scheme, in line with the deficit recovery plan agreed following the 31 January 2023 triennial valuation. Revised contribution levels were confirmed as part of that valuation.

The Committee also reviewed the assumptions agreed between management and the Group's pension scheme advisers when assessing the scheme's valuation in accordance with IAS 19 'Employee Benefits' at both 31 July 2025 and 31 January 2026.

- + Find out more in Note 27 of the financial statements on pages 167-170

Internal control observations of the external auditor

As part of the audit process, the Committee reviewed the internal control observations identified by KPMG. Management attended Committee meetings to provide further context and assurance regarding the actions being taken in response.

Accounting policies

The Committee received reports from management in relation to significant accounting policies and was satisfied that suitable key accounting policies had been adopted, and judgements were appropriate and provided a true and fair view of the Company's financial performance and position.

Fair, balanced and understandable

A key governance requirement is for the Board to ensure that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides shareholders with the information needed to assess the Group's position, performance, business model and strategy. The Committee advised the Board that it supported the statement on page 59, following its review of whether:

- the report was clear and presented a balanced view of the Group's successes, challenges, opportunities and risks;
- key messages were appropriately highlighted and key performance indicators (KPIs) disclosed at a suitable level;
- the segmental information in Note 3 of the financial statements was consistent with, and reconciled to, Alternative Performance Measures (APMs) and other information included in the Strategic Report; and
- APMs were reconciled to the nearest IFRS measures, with definitions clearly explained.

Going concern and viability

The going concern disclosure is on page 123, and the Viability Statement and assessment methodology are on page 55. The Committee reviewed the Group's current position, key risks (pages 51-54), and the five-year viability approach. It considered both the base case and a severe but plausible scenario, including the key assumptions underpinning each.

Audit and control

Internal controls

The Committee reviewed the outcome of the audits completed in the year, including for data management and governance, and key financial controls and partnerships (Insurance). The Group Financial Controller provided updates on accounting issues and key aspects of financial controls at every meeting. Regulatory development updates were also received throughout the year and updates from the CGR Steering Committee, to address the changes to the UK Corporate Governance Code and supervise the Group's preparatory work and key project workstreams on material controls in anticipation of the new CGR requirements.

Regular updates were received on the oversight and progress of the phased implementation of the new general ledger system that went live on 1 November 2025. The new cloud-based system enhances the control environment and enables the standardisation of processes.

Financial crime and Speak Up reporting

Policies covering financial crime (including anti-bribery and corruption, anti-fraud, anti-money laundering and terrorist financing; and sanctions and asset freezing) were reviewed during the year and approved by the Committee. The Speak Up Policy, annual report and processes were reviewed against best practice to uphold integrity, effectiveness and colleague engagement.

The Speak Up Policy was recommended for Board approval by the Committee, which was granted in April 2025. It is my responsibility to ensure the integrity, independence and effectiveness of the Company's Speak Up Policy and procedures. The Committee reviewed all reported cases and concluded that they had been handled in accordance with the policy or, where applicable, exceptions noted accordingly.

IAA

The Committee approved the IAA work plan and internal audits conducted throughout the year were reviewed. The audit plan was refreshed quarterly, maintaining agile alignment with strategic objectives, and progress was reported by the IAA Director, with plan adjustments being considered as necessary and approved by the Committee. The Committee was satisfied that the IAA function was appropriately resourced, when combined with the use of external resource for specialised audits. The IAA Director attended all Committee meetings and two private meetings with Committee members during the year.

The Committee monitored whether the IAA function was able to exercise independent judgement from management throughout the year and was satisfied that this was the case. The Committee also monitored the work of the risk, compliance and IAA functions to ensure that their activities complemented each other. The KPIs reviewed included the timeliness of issuing reports and completing issues assurance. The Internal Audit Charter and mandate was also approved by the Committee during the year, which had been updated to align with current Global Internal Audit Standards and is available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

As Committee Chair, I carried out an assessment of the independence of the IAA Director during the year which was considered by the Committee. The Committee concluded that the IAA Director's independence, objectivity and integrity did not give rise for concern.

Work activity was focussed on readiness for the UK CGR, which included enhancements to the documentation, mapping and assessment of key processes and the design and operational effectiveness of material controls across the internal risk and control environment. A selection of risk-based work conducted over the year covering financial and non-financial controls is shown below:

- Key financial controls (plc)
- Partnerships (Insurance)
- Customer journey (Holidays)
- Tax
- Conduct risk (Insurance and Money)
- Data management and governance

Action plans were agreed with management where improvements were identified and appropriately tracked.

Risk management, compliance and internal controls

The effectiveness of the Group risk management framework and internal control systems was discussed and all material, financial, operational and compliance controls were considered. Substantial progress had been made throughout the year to strengthen risk management processes and risk maturity. Changes and additions to the PRUs were reviewed and challenged throughout the year to ensure they remained aligned to the agreed strategy and business model. Further information can be found in the Strategic Report on pages 51-54. This formed the basis of the scenario testing used to produce the Viability Statement (see page 55).

An annual year-end review of the effectiveness of the risk management and controls framework was presented by the IAA Director. The Committee recognised the improvements made in year and concluded that while there were areas where further improvements are planned for 2026, the internal risk and control environment is broadly effective.

We recommended to the Board that the appropriate statements could be made, confirming that a robust assessment of emerging and principal risks facing the Group, and a review of the effectiveness of the risk management process, had been carried out (see pages 49-50).

➕ Find out more in principal risks and uncertainties on pages 51-54

Risk strategy, policy and appetites

PRUs were reviewed at each meeting and changes and adjustments challenged to ensure alignment with strategy. The results of this review are shown in the Strategic Report on pages 51-54 and form the basis of the scenario testing used to produce the Viability Statement (see page 55). Our risk management processes are set out on pages 49-50 and are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable assurance against any material misstatement or loss.

➕ Find out more in risk management on pages 49-50

Cyber risk

The Chief Information Officer reported to the Committee on actions taken to address the elevated cyber security risk environment. The Company continued to strengthen its cyber resilience through a vulnerability management programme, including independent penetration testing. Enhanced detection and response capabilities were deployed across the technology estate, supported by a strategic initiative to reduce the Company's overall attack surface and further minimise potential exposure to cyber threats.

The Risk Policy was reviewed during the year, with updates made to the risk management framework to reflect the strategic changes in the business. The policy continued to facilitate clear direction to assist the Company to address risk appetite. The Risk Policy was recommended for Board approval by the Committee, which was granted in April 2025.

Subsidiary audit committees

The non-executive subsidiary chairs of the Saga Services Limited audit, risk and compliance committee and the Saga Cruises Limited risk and assurance committee, ensure that there is an adequate level of oversight and that matters are escalated to the Committee as appropriate. The AICL and Saga Personal Finance (SPF) audit, risk and compliance committees were chaired by Non-Executive Directors until the disposal of AICL in July 2025 and the transfer of the SPF audit, risk and compliance responsibilities to the SPF board in November 2025.

External audit

In accordance with the FRC's audit committees and external audit: minimum standard, Article 7.1 of the Competition & Market Authority Audit Order 2014 and the Company's Independent Auditor Policy; the Committee commenced a competitive re-tender process in the year in respect of the 2027/28 audit. In December 2025, the Committee welcomed audit partner, Natalia Bottomley, who replaced Timothy Butchart as audit lead for KPMG on the Saga audit. Timothy had held office as lead audit partner since the start of the 2022/23 audit. Natalia brings a wealth of experience in the travel and retail sectors.

Audit planning

KPMG presented an audit plan for the financial year that included an outline of its materiality thresholds, risk assessments and proposed approach. Key aspects of the plan are detailed in the Independent Auditor's Report to the Members of Saga plc on pages 112-117.

The audit scope, materiality, coverage and areas of focus, together with KPMG's planned response to identified significant audit risks were considered by the Committee, taking into account size, complexity and susceptibility to fraud and error. KPMG's engagement terms and fee proposal for 2025/26 were also considered and approved by the Committee.

Auditor independence and non-audit fees

The Committee members met with the external auditor three times during the year without management being present. The objectivity and independence of KPMG were continually challenged and monitored by the Committee and auditor independence was confirmed by KPMG throughout the year.

A robust Auditor Independence Policy on non-audit fees and employment of the former employees of the external auditor is in place and reviewed annually, in accordance with the Revised Ethical Standard 2024 issued by the FRC. The policy lists non-audit services, which the Committee is satisfied may be carried out by the external auditor without affecting its independence. Clear approval levels are detailed where the Committee Chair, or the whole Committee, is required to authorise assignments. Audit fees payable to KPMG in respect of the year ended 31 January 2026 were £1.8m (2025: £2.2m) and non-audit service fees incurred were £0.2m (2025: £0.5m). This equates to a non-audit fee ratio of 0.1 (2025: 0.2). A summary of fees paid to the external auditor is set out in Note 5 to the consolidated financial statements on page 143.

Audit quality and effectiveness of external auditor

The following were considered when assessing the effectiveness of KPMG:

- Our perception of KPMG's understanding and insight into the Group's business model.
- How key areas of judgement were approached by KPMG, the extent of challenge and the quality of reporting.
- The content of, and management's responsiveness to, KPMG's management letter.
- Feedback from management, following completion of an evaluation survey on the audit process (including audit scope, audit communication, independence and objectivity).

The Committee's evaluation found that the auditor conducted the audit process effectively, demonstrating strong independence, together with appropriate focus and challenge on key accounting judgements and estimates. The Committee was satisfied that the audit remained robust and continued to provide objective scrutiny of management. As a result, it recommended to the Board that KPMG be reappointed as the Company's auditor at the forthcoming Annual General Meeting.

Gareth Hoskin
Chair, Audit and Risk Committee

Annual Statement

“Following a year of significant strategic progress for Saga, alongside substantially improved shareholder experience and our re-admission to the FTSE 250 Index, the Committee believes the remuneration outcomes for the year should be well aligned with this performance, whilst supporting our commitment to fair and responsible reward for colleagues across the Group.”

Gemma Godfrey
Chair, Remuneration Committee



The Committee's responsibilities

- Set and monitor the Remuneration Policy (the **Policy**) for senior executives, considering the relevant legal and regulatory requirements and all relevant factors to ensure alignment with delivery of value over the long term.
- Determine and monitor remuneration packages for Executive Directors, the Chairman and senior management.
- Review workforce remuneration and related policies and practices, setting principles for pay across the business and ensuring alignment of incentives and rewards with culture.
- Determine all aspects of share-based incentive arrangements.
- Review and administer colleague share schemes.
- Set key performance indicators (**KPIs**) for the Annual Bonus Plan and long-term incentives.
- Prepare a Directors' Remuneration Report annually.
- Engage with shareholders on significant remuneration matters and consider their feedback when determining policy and outcomes.
- Appoint and oversee remuneration consultants and external advisers, ensuring their independence.

The Remuneration Committee's Terms of Reference were reviewed during the year (approved by the Board on 27 January 2026) and are available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Committee evaluation

A review of the Committee's performance took place during the year, as part of the Board performance review (for details, see page 71).

The review recognised that the Committee had operated effectively in a demanding and complex space and there was strong alignment on values and a focus on ensuring colleagues were treated fairly.

What we did during the year

Time spent on matters

- The Policy **c.10%**
- Regulatory developments **c.10%**
- Senior management remuneration **c.45%**
- Share schemes **c.20%**
- Colleague compensation and benefits structure **c.15%**



Committee composition and attendance

Members (all are independent Non-Executive Directors)	Member since	Max. possible meetings	Attendance
Julie Hopes ¹ (former Chair)	4 Apr 2019	4	✓✓✓✓
Gareth Hoskin ²	9 Apr 2025	3	✓✓✓
Gemma Godfrey ¹	17 Nov 2022	4	✓✓✓✓
Peter Bazalgette ²	17 Nov 2022	1	✓

Key actions in 2025/26

- Approved salary increases as part of the annual salary review, and levels of bonus awards.
- Approved targets for our Annual Bonus Plan.
- Made grants under the Restricted Share Plan (**RSP**).
- Consulted with shareholders on the Policy changes implemented.
- Conducted a review of our remuneration advisers.

Priorities for 2026/27

- Continue to set and monitor remuneration, ensuring this evolves and supports our strategy.
- Continue to ensure that Executive Director and senior management remuneration is aligned with the wider workforce.

1 Julie Hopes resigned from the Board with effect from 27 February 2026. With effect from 23 March 2026, Gemma Godfrey became Chair of the Committee
2 Peter Bazalgette resigned from the Board with effect from 9 April 2025. Gareth Hoskin became a member of the Committee with effect from the same date

Dear shareholder,

I am pleased to present to you the Directors' Remuneration Report for the year ended 31 January 2026, which has been approved by both the Remuneration Committee (the **Committee**) and the Board.

Following Julie Hopes' resignation on 27 February 2026, I assumed position of the Chair of the Committee. I would like to thank Julie for her contribution to Saga and the Committee.

Business context

The year under review has been one of significant strategic execution for Saga, moving to a lower risk, simpler and less volatile business model, while seeing strong trading performance in both the Travel and Insurance businesses.

Both our Cruise and Holidays operations maintained their strong momentum, showing the positive impact of our decision earlier in the year to consolidate our Travel businesses under one management team. Ocean Cruise achieved load factors of 93% for the full year with per diems increasing by 10%, reflecting the continued appeal of our boutique, all-inclusive offering to the over-50s market. In July 2025, we welcomed the Spirit of the Moselle to our River Cruise fleet, which has traded well since the launch and supports our ambition to expand this profitable segment further. River Cruise also delivered another year of strong performance, achieving an 89% load factor and a 7% increase in per diem.

Holidays continued its turnaround, delivering significant growth year-on-year with Underlying Profit Before Tax³ increasing 31%, supported by passenger growth of 11%.

We made significant progress with our partnership and simplification strategy, successfully completing the sale of our Insurance Underwriting business, beginning our 20-year Ageas⁴ insurance partnership and launching our new NatWest Boxed savings partnership. Insurance Broking outperformed expectations, delivering growth across three of our four insurance products and reporting Underlying Profit Before Tax³ ahead of the prior year.

The corporate refinancing, which completed in February 2025, materially strengthened our balance sheet, extending debt maturities to 2031 and fully repaying the corporate bond and loan facility provided by Roger De Haan.

Shareholders have experienced a strong recovery in value over the year, with the share price significantly outperforming the broader market and supporting Saga's re-admission to the FTSE 250 Index after several years. The Committee believes this reflects the market's recognition of the strategic progress made by management in repositioning the business.

These achievements were delivered against a backdrop of gradually improving consumer confidence, though cost-of-living pressures persisted for many households. The over-50s demographic we serve has shown resilience, with continued appetite for travel experiences.

Following a year of significant strategic progress for Saga, alongside substantially improved shareholder experience and our re-admission to the FTSE 250 Index, the Committee believes the remuneration outcomes for the year should be well aligned with this performance, whilst supporting our commitment to fair and responsible reward for colleagues across the Group.

Company performance for the 2025/26 financial year

The implementation of our strategy (as outlined on pages 12-17) was measured against the KPIs set out below:

- Underlying Profit Before Tax³ from continuing operations increased £7.0m to £44.2m.
- Net Debt³, at 31 January 2026, was £499.5m, £93.3m lower than 31 January 2025.
- Customer consent capture of 35% across the Group.
- Customer transactional net promoter score of 67, an eight-point increase when compared with the prior year.
- Colleague engagement increased across Saga, with our most recent survey scoring 8.1 out of 10, an improvement of 0.2 from December 2024.

Changes to the Board

As disclosed in last year's report, both Peter Bazalgette, Senior Independent Director, and Steve Kingshott, Executive Director, resigned from the Board with effect from 9 April 2025. These changes to the Board followed the successful agreement of the Insurance Underwriting sale and Affinity Partnership with Ageas⁴ and reflect the Group's new simplified business model. The treatment of the remuneration arrangements for Steve are set out in the Section 430 (2B) announcement available on our corporate website (www.corporate.saga.co.uk/about-us/governance) and repeated on page 92.

On 27 February 2026, Julie Hopes resigned from the Board. Julie served as a Non-Executive Director since October 2018 and was my predecessor as Committee Chair.

2025 Policy review

Under the three-year Policy cycle, the Committee consulted with shareholders in the early part of 2025 and presented a new Policy at the Annual General Meeting (**AGM**) held on 24 June 2025. Full details of this Policy were set out in the Notice of AGM. In summary, we simplified the Policy, reverting to the Policy which was introduced in 2020 by removing the Saga Transformation Plan (**STP**). At the same time, the Restricted Share Plan (**RSP**) was reinstated back to its original levels (these were reduced by 20% per annum when the STP was introduced). Awards under the STP made to the new Group Chief Executive Officer (**CEO**) and Group Chief Financial Officer (**CFO**) and the former CEO of Insurance will lapse without value. No further changes were made to the Policy. The Committee was pleased to receive a 99.63% shareholder vote in favour of the new Policy at the 2025 AGM.

Remuneration outcomes in 2025/26

Salary increases for 2025/26

During 2025/26, the Group CEO and Executive Director⁵ (previously CEO of Insurance) received a salary increase of 2.5%, in line with the wider workforce rate. As disclosed last year, the Group CFO received a 10% salary increase following a review of his salary with reference to market benchmarks.

2025/26 bonus

The assessment of annual performance for the Executive Directors is 70% based on business performance against a scorecard of financial targets, with the remaining 30% based on their achievement of personal objectives, which are central to delivery of the strategy and operating model. The specific targets set are shown on pages 88-90, together with the degree of achievement of each.

The Committee's assessment of performance against the financial targets resulted in a final outcome of 70% out of the maximum 70% for the Group CEO and Group CFO, and the Executive Director⁵ (previously CEO of Insurance).

The Committee reviewed each Executive Director's performance against a number of bespoke objectives. The formulaic outcome for the universal scorecard was 19.5% out of a maximum 20.0% reflecting that the customer consent measure was not fully achieved on a formulaic basis. Having considered the quality of delivery against this metric, and the strength of overall performance during the year, the Committee's view was that the formulaic outcome did not fully reflect the quality of execution against the objective and exercised limited upward discretion to apply the full weighting under the universal scorecard. This resulted in a modest adjustment of 0.5% of maximum bonus for all senior leaders. The Committee was satisfied that this adjustment provided a fair and balanced reflection of performance in 2025, taking into account the Company's strong share price performance, the significant strategic progress delivered during the year and the overall experience of shareholders. Following this adjustment, the personal objective outcomes for Mike Hazell, Mark Watkins and Steve Kingshott would be 30% out of the maximum 30.0%. Further details of each Executive Director's individual contribution to the business can be found on pages 89-90.

Page 88 sets out the calculation for the 2025/26 bonus, which paid out at 100% of maximum for the Group CEO, Group CFO and Executive Director (previously CEO of Insurance).

³ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

⁴ Wholly owned UK subsidiaries of Ageas SA/NV

⁵ Steve Kingshott resigned from the Board with effect from 9 April 2025

Directors' Remuneration Report

Annual Statement continued

Mike Hazell will receive a bonus of £922,500, Mark Watkins will receive a bonus of £515,625 and Steve Kingshott will receive a bonus of £102,191⁶.

In line with our approved Policy, all bonus awards are paid one-third in deferred shares and two-thirds in cash.

2022 RSP vesting

RSP awards were made in 2022 to the former Group CEO and CFO at 100% of salary and 85% of salary respectively.

On vesting, the Committee carried out an assessment of the RSP to determine whether the underpin test had been met and whether the awards would result in a windfall gain on vesting. The Committee concluded that the terms of the underpin had been met and that there were no windfall gains over the vesting period. However, when considering overall business performance over the three-year vesting period, the Committee deemed it appropriate to exercise its discretion to apply a 10% reduction to the award at the point of vesting.

The 2022 RSP, therefore, vested at 90% of the maximum.

Salary increases for 2026/27

The average wider workforce salary increase in 2026/27 was 3.0% with higher increases awarded to high performers or to address specific talent needs. Saga also remains committed to being a Real Living Wage employer, ensuring all colleagues are fairly rewarded for the work they do.

After careful consideration, the Committee approved a salary increase of 13.8% for the Group CEO, taking his salary to £700,000. This adjustment recognises his outstanding performance in role since appointment as Group CEO and the pivotal role he has played in leading the Group's turnaround. This is evidenced by the significant increase in the Company's share price over the year and Saga's return to the FTSE 250, reflecting shareholder confidence in leadership, our strategy and Saga's prospects. The Committee also approved a salary increase of 6.7% for the Group CFO, taking his salary to £440,000, again considering his performance in role since appointment and the shareholder experience.

Although the Committee was mindful of the internal and external sensitivity associated with awarding salary increases higher than the wider workforce, the Committee felt strongly that the performance of the Group CEO and Group CFO merited the increase and it was in the best interests of shareholders. Independent market benchmarking against FTSE 250 companies also demonstrated that the higher level of salary and overall positioning of Group CEO and Group CFO compensation was appropriate, relative to companies of similar size and complexity to Saga and in the context of a turnaround strategy. The Committee also noted when approving the increase that the Group CEO's salary remains significantly below that of his predecessor £750,110 at the time of his departure in 2023. In conclusion, the Committee is satisfied that this increase appropriately reflects his contribution and ensures remuneration of the Group CEO and Group CFO remains competitive and retentive as the business enters its next phase of growth.

Where time was allocated during the year – matters discussed, decisions made and actions taken

- Approved Executive Director and Operating Board salary increases as part of the annual salary review for 2026/27.
- Approved the business and personal metrics for the 2025/26 annual bonus. Details of the personal objectives for the Executive Directors can be found on pages 89-90.
- Determined the level of bonus awards for 2025/26.
- Made grants under the RSP for the Operating Board and Senior Leadership Team.
- Agreed remuneration for the outgoing Executive Director, Steve Kingshott.
- Reviewed progress against the actions to reduce our gender pay gap and discussed the Company's wider diversity, equity, inclusion and belonging strategy.
- Consulted with shareholders on the Policy changes implemented.

- Noted the voting results on our Directors' Remuneration Report and Policy at the 2025 AGM and continued our constructive dialogue with shareholders.
- Discussed how the Committee would review wider workforce pay and ensure alignment of incentives throughout the Company with its culture and strategy.
- Carried out a review of our remuneration advisers, resulting in the appointment of Willis Towers Watson.

Wider workforce considerations

In making decisions on executive pay, the Committee considers wider workforce remuneration and conditions, as outlined on page 93.

We continue to be as focussed on our colleagues as we are on our customers. The Committee's aim is to ensure that our approach to rewarding colleagues at all levels is aligned to our business strategy, which places customer service and colleague engagement at its core.

As a Real Living Wage employer, Saga is committed to ensuring that colleagues are fairly rewarded for the work they do. This commitment underpins our broader approach to responsible employment and reinforces the alignment between our executive remuneration framework and the experiences of our wider workforce.

We continue to engage with colleagues on executive reward matters through our People Committee. Further details of our People Committee can be found in our 2026 Environmental, Social and Governance Report.

As part of our commitment to fairness, this report contains details of the pay and conditions of our wider workforce, the cascade of incentives throughout our business, and our Group CEO to colleague pay ratio. Details of Saga's gender pay report can be found on our website (www.saga.co.uk/gender-pay-review).

Shareholder consultation and looking ahead

The Committee continues to uphold an open and constructive dialogue with shareholders. We consulted with major shareholders in the lead up to the 2025 AGM and ahead of the adoption of the new Policy. As a result, we received a voting outcome of 99.56% in support of the 2025 Directors' Remuneration Report, and 99.63% in support of the Directors' Remuneration Policy. We will continue to engage with shareholders and seek to incorporate feedback within our future remuneration decisions.

Conclusion

I hope you find the information contained in this report helpful, thoughtful and clear.

I am always happy to hear from our shareholders, and you can contact me at any time at remco.chair@saga.co.uk if you have any questions or comments on this report.

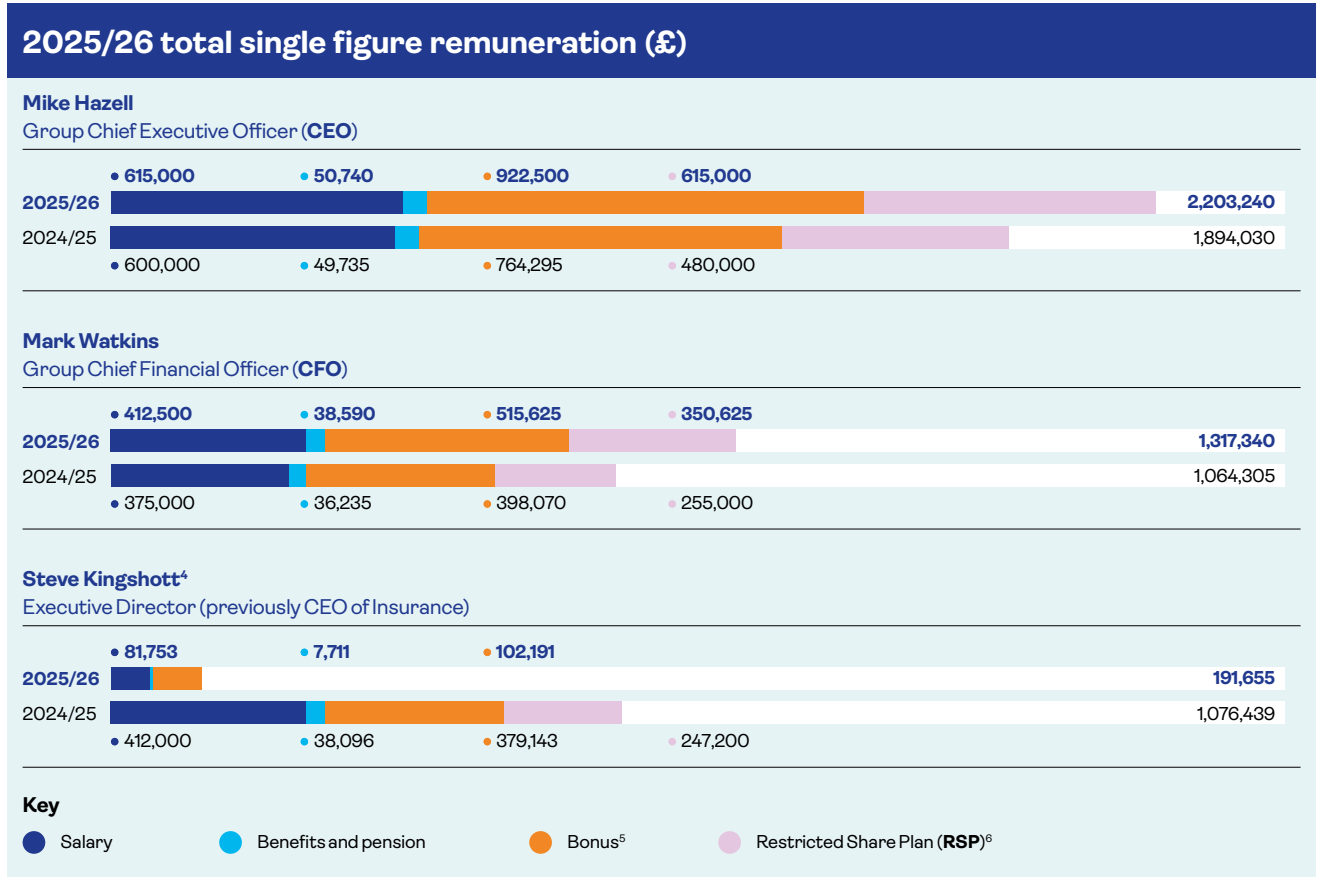


Gemma Godfrey
Chair, Remuneration Committee

6 Following Steve Kingshott's resignation from the Board with effect from 9 April 2025, the bonus shown is pro-rated for two months and seven days

Remuneration at a glance

Remuneration in the Group		
Total spend on pay¹ £129.9m 2024/25 – £119.4m 2023/24 – £161.6m 2022/23 – £132.0m	Group CEO pay ratio to the median colleague 62:1 2024/25 – 50:1 2023/24 – 63:1 2022/23 – 56:1	General increase for all colleagues 2.5% 2024/25 – 4.0% ² 2023/24 – Nil ³ 2022/23 – 7.5% ³



RSP awards vesting in 2025

No awards vested during the year for any current Executive Directors, however, the 2022 RSP vested on 13 July 2025 at 90% of maximum for the former Group CEO and CFO. Full details are set out on page 92 under payments to past directors.

1 Total spend on pay, including Executive Directors
 2 Executive Directors did not receive any increase in salary in February 2024. The average increase awarded to the broader colleague group was 4.0%
 3 All colleagues received a 2.5% increase in base pay in February 2022, with colleagues below senior leadership receiving a further increase of 5.0% in December 2022, which was brought forward from February 2023, to support colleagues with the rising cost of living
 4 Steve Kingshott's salary and remuneration for 2025/26 is prorated to the 9 April 2025 when he resigned from the Board
 5 As per the Remuneration Policy (the **Policy**), a third of Executive Directors' bonus is deferred in shares, which vest after three years
 6 RSP awards vest after three years






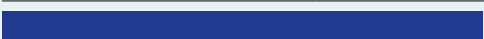
Shareholdings of the Executive Directors

The table sets out the shareholdings of the Executive Directors at 31 January 2026. Further detail is set out on page 91.

Director	Shareholding requirement (% of salary)	Shares owned outright (% of salary) ^{7,8}	Shares subject to continued employment holding periods (% of salary) ^{8,9}
Mike Hazell Group CEO	250%	66%	613%
Mark Watkins Group CFO	200%	1%	359%






2025/26 annual bonus outcome for the Group CEO and Group CFO

For 2025/26, the Group CEO and Group CFO had a maximum bonus opportunity of 150% of salary and 125% of salary respectively. The overall bonus outcome is set out in the table below. No discretion was applied to the formulaic outcome. Further details are set out on pages 88-90.

Performance condition	Weighting	Threshold (20% payout)	Target (50% payout)	Maximum (100% payout)	Outcome achieved (% of maximum bonus)
Underlying Profit Before Tax ¹⁰ from continuing operations	55.0%				55.0%
Net Debt ¹⁰	15.0%				15.0%
Personal objectives	30.0%				Group CEO: 30.0%
					Group CFO: 30.0%
Total	100.0%				Group CEO: 100.0%
					Group CFO: 100.0%

2025/26 annual bonus outcome for the Executive Director (previously CEO of Insurance)

For 2025/26, the Executive Director (previously CEO of Insurance) had a maximum bonus opportunity of 125% of salary. The overall bonus outcome is set out in the table below. Further details are set out on pages 88-90 in the Annual Report on Remuneration.

Performance condition	Weighting	Threshold (20% payout)	Target (50% payout)	Maximum (100% payout)	Outcome achieved (% of maximum bonus)
Underlying Profit Before Tax ¹⁰ from continuing operations	27.5%				27.5%
Insurance Underlying Profit Before Tax ¹⁰ from continuing operations	27.5%				27.5%
Net Debt ¹⁰	15.0%				15.0%
Personal objectives	30.0%				30.0%
Total	100.0%				100.0%

7 Represents actual shares owned at 31 January 2026

8 Based on mid-market quotation share price of 520p at 31 January 2026 and the year-end salaries of the Executive Directors

9 Represents unvested RSP awards and annual bonus deferred share awards

10 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Annual Report on Remuneration

The Policy and its implementation in 2025/26

The table below sets out a summary of the key elements of the Remuneration Policy (the **Policy**) along with their operation in 2025/26 and proposed operation in 2026/27.

Policy element	Summary of the Policy	Operation in 2025/26	Proposed operation in 2026/27
<p>Base salary</p> <p>Provides a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Group's strategy.</p>	<p>Salaries are set on appointment and reviewed annually. When determining an appropriate level of salary, the Remuneration Committee (the Committee) considers:</p> <ul style="list-style-type: none"> • pay increases to other colleagues; • remuneration practices within the Group; • any change in scope, role or responsibilities; • the general performance of the Group and each individual; • the experience of the relevant Director; and • the economic environment. 	<p>The Group CEO and Executive Director (previously CEO of Insurance) received a 2.5% increase in salary in February 2025, aligned to the wider workforce. The Group CFO received a 10% increase in salary.</p> <p>As a result, the salaries for the Executive Directors were:</p> <ul style="list-style-type: none"> • Mike Hazell: £615,000 • Mark Watkins: £412,500 • Steve Kingshott: £422,300 	<p>As outlined in the Annual Statement, the Group CEO received a 13.8% increase in salary and the Group CFO a 6.7% increase in salary. The wider workforce received an average of 3.0% increase in salary.</p> <p>As a result, the salaries for the Executive Directors are:</p> <ul style="list-style-type: none"> • Mike Hazell: £700,000 • Mark Watkins: £440,000
<p>Benefits</p> <p>Provides a market-standard level of benefits.</p>	<p>Benefits may include family private health cover, death in service life assurance, a car allowance, subsistence expenses and discounts in line with other colleagues.</p>	<p>Standard benefits provided.</p>	<p>No change.</p>
<p>Pension</p> <p>Provides a fair level of pension provision for all colleagues.</p>	<p>Directors may participate in a defined contribution scheme. Maximum pension contributions for Executive Directors are aligned with those of the wider workforce (6% of salary).</p>	<p>Executive Directors received the following:</p> <ul style="list-style-type: none"> • Mike Hazell: 6% of salary • Mark Watkins: 6% of salary • Steve Kingshott: 6% of salary 	<p>No change.</p>
<p>Bonus</p> <p>The Annual Bonus Plan provides a significant incentive to the Executive Directors, linked to achievement in delivering goals that are closely aligned with the Company's strategy and the creation of value for shareholders.</p> <p>In particular, the Annual Bonus Plan supports the Company's objectives, allowing the setting of annual targets based on the business' strategic objectives at that time, meaning that a wider range of performance metrics can be used that are relevant.</p>	<p>Awards are granted annually, with performance measured over one financial year.</p> <p>The Committee will determine the maximum participation in the Annual Bonus Plan for each year, which will not exceed 150% of salary.</p> <p>70% of awards will be linked to financial measures. Specific measures, targets and weightings may vary from year to year.</p> <p>At least one-third of the bonus will be deferred into shares vesting after three years.</p> <p>Payout range is as follows (% of maximum payout):</p> <ul style="list-style-type: none"> • Threshold: up to 20% • Target: 50% • Maximum: 100% <p>Malus and clawback arrangements apply.</p> <p>Good/bad leaver provisions apply.</p>	<p>Maximum bonus opportunities were:</p> <ul style="list-style-type: none"> • Mike Hazell: 150% of salary • Mark Watkins: 125% of salary • Steve Kingshott: 125% of salary <p>Performance measures and weightings for the bonus for Mike and Mark were as follows:</p> <ul style="list-style-type: none"> • Underlying Profit Before Tax¹ from continuing operations: 55% • Net Debt¹: 15% • Personal objectives: 30% <p>Performance measures and weightings for the bonus for Steve were as follows:</p> <ul style="list-style-type: none"> • Underlying Profit Before Tax¹ from continuing operations: 27.5% • Insurance Underlying Profit Before Tax¹ from continuing operations: 27.5% • Net Debt¹: 15% • Personal objectives: 30% 	<p>The maximum opportunities for Executive Directors are unchanged and are as follows:</p> <ul style="list-style-type: none"> • Mike Hazell: 150% of salary • Mark Watkins: 125% of salary <p>The current intention is to set performance measures and weightings for the 2026/27 bonus as follows:</p> <ul style="list-style-type: none"> • Underlying Profit Before Tax¹: 55% • Net Debt¹: 15% • Personal objectives: 30%

1 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Annual Report on Remuneration continued

Policy element	Summary of the Policy	Operation in 2025/26	Proposed operation in 2026/27
Restricted Share Plan (RSP) Awards are designed to incentivise the Executive Directors over the longer term to successfully implement the Company's strategy.	Awards of nil-cost options are granted annually up to a maximum of 100% of salary. RSP awards do not have any performance conditions but are subject to an underpin on vesting. Awards vest after three years and are subject to a further two-year holding period, during which time shares may not be sold other than for tax.	RSP awards were made at the original levels following removal of the Saga Transformation Plan (STP) in the new Policy: <ul style="list-style-type: none"> • Mike Hazell: 100% of salary • Mark Watkins: 85% of salary The Committee will review share price performance on vesting to determine whether any windfall gains were made.	No change.
Shareholding requirement To ensure Executive Directors' interests are aligned with shareholders over the long term.	The Committee sets formal shareholding guidelines that will encourage the Executive Directors to build up over a five-year period, and then subsequently hold, a shareholding equivalent to a percentage of salary.	<ul style="list-style-type: none"> • Mike Hazell: 250% of salary • Mark Watkins: 200% of salary • Steve Kingshott: 200% of salary 	No change.
All-colleague share plan The Company operates a HM Revenue and Customs Share Incentive Plan (SIP).	Shares that are kept in the plan for five years will be exempt from income tax and national insurance on their value.	Saga continued to operate the SIP for all colleagues in 2025/26.	No change.
Chairman and Non-Executive Director fees Monetary incentives for the Chairman and Non-Executive Directors	The fees for Non-Executive Directors are set at broadly the median of the comparator group. In general, the level of fee increase for the Non-Executive Directors will be set, taking account of any change in responsibility and considering the general rise in salaries across the UK workforce.	Fees for 2025/26 were as follows (Roger De Haan waived his fee since becoming Chairman in 2020): <ul style="list-style-type: none"> • Roger De Haan: Nil • Board member fee: £67,137 • Committee Chair fee: £10,000 • Senior Independent Director and Nomination Committee Chair fee: £22,000 	Fees for 2026/27 are as follows: <ul style="list-style-type: none"> • Roger De Haan: £150,000² • Board member fee: £69,152 • Risk and Audit Committee Chair fee: £12,500 • Remuneration Committee Chair fee: £10,000 • Senior Independent Director and Nomination Committee Chair fee: £22,000

² Given the strong performance of the business, it is now the appropriate time to reinstate a Chair fee. This follows Roger De Haan waiving his fee since 2020 when he became Non-Executive Chairman, which was one of the many ways he actively supported the business. The £150,000 fee for 2026/27 is below the £200,000 originally set for the role

2025/26 actual performance and remuneration outcomes

Single total figure of remuneration for Executive Directors for the 2025/26 financial year (audited)

The table below sets out the single total figure of remuneration and breakdown for each Director in respect of the 2025/26 financial year. Comparative figures for the 2024/25 financial year are also provided. Figures provided have been calculated in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended in 2013.

	Period	Salary £	Taxable benefits £	Pension £	Other £	Total fixed £	Bonus ³ £	RSP ⁴ £	Total variable £	Single figure £
Mike Hazell (Group CEO)	2025/26	615,000	13,840	36,900	-	665,740	922,500	615,000	1,537,500	2,203,240
	2024/25	600,000	13,735	36,000	-	649,735	764,295	480,000	1,244,295	1,894,030
Mark Watkins (Group CFO)	2025/26	412,500	13,840	24,750	-	451,090	515,625	350,625	866,250	1,317,340
	2024/25	375,000	13,735	22,500	-	411,235	398,070	255,000	653,070	1,064,305
Steve Kingshott⁵ (Executive Director (previously CEO of Insurance))	2025/26	81,753	2,806	4,905	-	89,464	102,191	-	102,191	191,655
	2024/25	412,000	13,376	24,720	-	450,096	379,143	247,200	626,343	1,076,439
Roger De Haan (Non-Executive Chairman)	2025/26	Nil	-	-	-	Nil	-	-	Nil	Nil
	2024/25	Nil	-	-	-	Nil	-	-	Nil	Nil
Julie Hopes⁶ (Non-Executive Director, Remuneration Committee Chair, Risk Committee Chair, Chair of Saga Services Limited)	2025/26	148,660	-	-	-	148,660	-	-	-	148,660
	2024/25	151,000	-	-	-	151,000	-	-	-	151,000
Gareth Hoskin⁷ (Senior Independent Non-Executive Director, Audit Committee Chair, Nomination Committee Chair)	2025/26	122,965	-	-	-	122,965	-	-	-	122,965
	2024/25	141,000	-	-	-	141,000	-	-	-	141,000
Gemma Godfrey (Non-Executive Director, Chair of Saga Personal Finance (SPF) Limited)	2025/26	134,275	-	-	-	134,275	-	-	-	134,275
	2024/25	131,000	-	-	-	131,000	-	-	-	131,000
Peter Bazalgette⁸ (Senior Independent Non-Executive Director, Nomination Committee Chair)	2025/26	22,360	-	-	-	22,360	-	-	-	22,360
	2024/25	115,500	-	-	-	115,500	-	-	-	115,500
Anand Aithal (Non-Executive Director, Innovation and Enterprise Committee Chair)	2025/26	77,137	-	-	-	77,137	-	-	-	77,137
	2024/25	75,500	-	-	-	75,500	-	-	-	75,500

3 One third of the bonus award is deferred into shares vesting after three years

4 The face value on grant of the RSP awards is shown in the table above as there are no performance conditions other than underpins tested on vesting. The RSP award vests after three years

5 Steve Kingshott resigned from the Board with effect from 9 April 2025

6 With effect from 9 July 2025, the Audit and Risk Committees merged and, as a result, Julie Hopes' role as Chair of the Risk Committee ceased. Julie Hopes resigned from the Board with effect from 27 February 2026

7 Gareth Hoskin became a Senior Independent Non-Executive Director and Nomination Committee Chair on 9 April 2025 and, up until 30 June 2025, Gareth chaired Acromas Insurance Company Limited, which ceased following its sale to wholly owned UK subsidiaries of Ageas SA/NV

8 Peter Bazalgette resigned from the Board with effect from 9 April 2025

Annual Report on Remuneration continued

How we performed in 2025/26

Bonus (audited in conjunction with details on pages 144-145)

The details of the performance conditions and outcomes against the targets for the annual bonus in respect of the 2025/26 financial year are shown in the table below. No discretion was applied to the formulaic outcome. For 2025/26, the Group CEO had a maximum bonus opportunity of 150% of salary and the Group CFO and Executive Director (previously CEO of Insurance) had a maximum bonus opportunity of 125% of salary.

Saga plc bonus scorecard

Performance condition	Weighting (based on 100% max)	Threshold performance required (£m)	50% target performance required (£m)	Maximum performance required (£m)	Actual performance (£m)	Annual bonus for threshold and maximum performance (% of max)	Actual annual bonus achieved (% of maximum bonus)	
							Mike Hazell	Mark Watkins
Underlying Profit Before Tax ⁹ from continuing operations	55.0%	13.5	21.0	33.5	44.2	20% 100%	55.0%	55.0%
Net Debt ⁹	15.0%	604.6	585.9	554.6	499.5	20% 100%	15.0%	15.0%
Personal objectives	30.0%					0% 100%	30.0%	30.0%
Total	100.0%						100.0%	100.0%
Total calculated (£)							£922,500	£515,625
Total payable (£)							£922,500	£515,625

Insurance bonus scorecard

Performance condition	Weighting (based on 100% max)	Threshold performance required (£m)	50% target performance required (£m)	Maximum performance required (£m)	Actual performance (£m)	Annual bonus value for threshold and maximum performance (% of max)	Actual annual bonus achieved (% of maximum bonus)	
							Steve Kingshott ¹⁰	
Underlying Profit Before Tax ⁹ from continuing operations	27.5%	13.5	21.0	33.5	44.2	20% 100%		5.3%
Insurance Underlying Profit Before Tax ⁹ from continuing operations	27.5%	4.6	8.4	14.6	16.9	20% 100%		5.3%
Net Debt ⁹	15.0%	604.6	585.9	554.6	499.5	20% 100%		2.9%
Personal objectives	30.0%					0% 100%		5.8%
Total	100.0%							19.3%
Total calculated (£)								£102,191
Total payable (£)								£102,191

⁹ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

¹⁰ Steve Kingshott resigned from the Board with effect from 9 April 2025 and, therefore, the bonus shown is pro-rated for two months and seven days

Individual performance assessment

The Committee assessed Executive Directors on their individual performance in the year, against a set of universal strategic objectives, which account for 30% of their maximum bonus. Details of these universal strategic objectives for each of the individuals are noted below:

Objective	Weighting (based on 100% max)		20% threshold performance required	50% target performance required	Maximum performance required	Actual performance	Actual annual bonus achieved (% of maximum bonus)		
							Mike Hazell	Mark Watkins	Steve Kingshott
Culture and colleagues									
Objective									
Maintain high levels of colleague engagement, measured by the engagement score from the colleague survey.									
Outcome									
5.0%		Saga plc	7.5	7.6	7.7	8.1	5.0%	5.0%	-
		Insurance	7.3	7.4	7.5	8.0	-	-	5.0%
Customer engagement									
Objective									
Grow our customer base and deepen customer relationships, measured by customer consent capture and website visits.									
Outcome – customer consent¹¹									
2.5%		Saga plc	32%	34%	36%	35%	2.0%	2.0%	-
		Insurance	32%	34%	36%	35%	-	-	2.0%
Outcome – website visits									
2.5%		Saga plc	3.4m	3.6m	3.8m	3.9m	2.5%	2.5%	2.5%
Customer satisfaction									
Objective									
Increase the strength of the Saga brand, using it to improve customer experience, measured by customer transactional net promoter score (tNPS) and retention.									
Outcome – tNPS¹²									
2.5%		Saga plc	61	62	63	67	2.5%	2.5%	-
		Insurance	61	62	63	64	-	-	2.5%
Outcome – retention rates									
2.5%		Saga plc	Average of outcomes from all business units				2.5%	2.5%	-
		Insurance	80%	81%	82%	84%	-	-	2.5%
Environmental, Social and Governance (ESG)									
Objective									
Achieve the ESG targets set in the 2025 ESG Report.									
Outcome									
5.0%		Saga plc					5.0%	5.0%	-
		Insurance					-	-	5.0%
1. Continued to report complete carbon footprint against baseline carbon footprint by December 2025 and launched net zero roadmap, including internal KPIs and targets, by December 2025.									
2. Continued to support our charity partnerships with fundraising and volunteering opportunities.									
3. Reviewed and set targets on colleague diversity representation (following the Ageas ¹³ partnership).									
Personal growth objective									
10.0%							10.0%	10.0%	10.0%
Outcome									
Details of the individual objectives under personal growth projects, and their assessment, are noted overleaf.									
Discretionary adjustment¹⁴							+0.5%	+0.5%	+0.5%
Overall							30.0%	30.0%	30.0%

11 The consent outcome disclosed in the 2025 Annual Report and Accounts was incorrectly stated as 37%, the actual outcome was 42%. There is no financial impact as the incorrectly stated 37% was already above bonus targets

12 The method of calculation for tNPS has been updated in 2025/26 applying equal weighting across all business units, removing volatility caused by changes in survey volumes and providing a more consistent and representative measure of performance

13 Wholly owned UK subsidiaries of Ageas SA/NV

14 The Committee exercised discretion on the customer consent element, increasing the formulaic outcome from 2.0% to the maximum 2.5% of overall bonus. The basis for this adjustment is set out in the Committee Chair's statement

Individual performance assessment continued

Details of the individuals' achievements are set out in the tables below.

Personal growth project overview	Committee assessment and basis of achievement for 2025/26
Mike Hazell: maximum 10% of overall bonus, achievement 10% of overall bonus	
Drive strategic growth	Identified and created plans to deliver growth, putting foundations in place and starting to execute growth plans to deliver Underlying Profit Before Tax ¹⁵ growth to £100.0m.
Drive cultural change to create a more agile way of working across Saga	Cultural changes to support our growth plans are underway, including simplifying the business and transforming the Operating Board.
Mark Watkins: maximum 10% of overall bonus, achievement 10% of overall bonus	
Delivering a cost base to support the changing operating model and delivery of strategic initiatives	Delivered a restructured, efficient and sustainable cost base to support the changing operating model. Leveraging more Group resources to implement business unit projects, including the Insurance transformation and the consolidation of the Cruise and Holidays businesses.
Steve Kingshott: maximum 10% of overall bonus, achievement 10% of overall bonus	
Support the successful transition to Ageas ¹⁶	Successfully supported the first phase of the Ageas ¹⁶ partnership implementation.

RSP scheme interests vesting during the financial year

No awards vested during the year for any current Executive Directors, however, the 2022 RSP vested on 13 July 2025 at 90% of maximum for the former Group CEO and CFO. Full details are set out on page 92 under payments to past directors.

RSP scheme interests awarded during the financial year (audited)

On 25 June 2025, the RSP award was granted to the Group CEO and Group CFO. Details of the awards are set out below.

Director	Award type	Basis of award	Date of grant	Date of vesting	Number of shares granted	Face value per share ¹⁷	Total face value of award
Mike Hazell Group CEO	Nil-cost options	100% of salary	25 June 2025	25 June 2028	350,227	175.6p	£615,000
Mark Watkins Group CFO	Nil-cost options	85% of salary	25 June 2025	25 June 2028	199,672	175.6p	£350,625

Deferred Bonus Plan (DBP)

On 28 May 2025, the deferred element of the executive annual bonus award was granted to the Group CEO, Group CFO and the former CEO of Insurance. Details of the award are set out below.

Director	Award type	Number of shares granted	Face value per share ¹⁷	Total face value of award	End of deferral period
Mike Hazell Group CEO	Deferred shares	177,412	143.6p	£254,765	28 May 2028
Mark Watkins Group CFO	Deferred shares	92,402	143.6p	£132,690	28 May 2028
Steve Kingshott Executive Director (previously CEO of Insurance)	Deferred shares	88,009	143.6p	£126,381	28 May 2028

¹⁵ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

¹⁶ Wholly owned UK subsidiaries of Ageas SA/NV

¹⁷ Represents the mid-market quotation (MMQ) share price on the day prior to the grant

Directors' share interests (audited)

Executive Directors are required to build up their shareholdings over a reasonable amount of time, which would normally be five years, and then subsequently hold a shareholding equivalent to a percentage of base salary. The following table sets out the equity interests held by the Executive and Non-Executive Directors (including those of their connected persons). If there are any changes to equity interests between the end of the reporting year and the Notice of Annual General Meeting (the **Notice**), we will include an updated position in our Notice.

Director	Shareholding requirement (% salary) ¹⁸	Current shareholding (% salary)	Shares counting towards shareholder requirements ¹⁹	Beneficially owned	Unvested nil-cost options held			Other awards	Vested but unexercised nil-cost options held	Unvested SIP shares not subject to performance conditions	Shareholding requirement met?
					Long-term Incentive Plan (LTIP) nil-cost options subject to performance conditions	RSP nil-cost options not subject to continued service	Deferred bonus nil-cost options subject to continued service				
Executive Directors											
Mike Hazell	250%	613%	724,405	78,125	–	991,174	227,744	–	–	253	Yes
Mark Watkins	200%	359%	284,392	443	–	428,576	106,700	–	–	253	Yes
Former Executive Directors											
Steve Kingshott	200%	346%	280,649	95,352	–	131,804	216,907	–	–	–	Yes
Non-Executive Directors²⁰											
Roger De Haan ²¹	–	–	–	39,897,105	–	–	–	–	–	–	n/a
Julie Hopes ²²	–	–	–	4,419	–	–	–	–	–	–	n/a
Gareth Hoskin	–	–	–	19,018	–	–	–	–	–	–	n/a
Gemma Godfrey	–	–	–	12,438	–	–	–	–	–	–	n/a
Anand Aithal	–	–	–	24,500	–	–	–	–	–	–	n/a

Taxable benefits

The taxable benefits for Executive Directors are in line with our wider workforce policies. Mike Hazell and Mark Watkins received private medical insurance and a company car during the year.

Pension entitlements

Pension contributions for all Executive Directors are aligned with those of the majority of colleagues (6% of salary). Colleagues can, however, opt to increase their contribution to a maximum of 10%, which the Company will match. This does not apply to Executive Directors. No Executive Director receives an entitlement under a defined benefit plan.

¹⁸ Shareholding requirements are those that were in existence throughout the course of the year and at 31 January 2026

¹⁹ The number of shares counting towards the shareholding requirement is calculated by summing beneficially owned shares with unvested nil-cost options which are not subject to performance conditions, on a net of tax basis as well as any vested but unexercised options on a net of tax basis. The MMQ share price of 520.0p at 31 January 2026 was used for the purpose of calculating the current shareholding (i.e. value of beneficially owned shares and value of/gain on interests over shares) as a percentage of salary

²⁰ Values are not calculated for Non-Executive Directors as they are not subject to shareholding requirements

²¹ The connected persons of Roger De Haan include Allison De Haan, who holds 20,750 shares

²² Julie Hopes resigned from the Board with effect from 27 February 2026

Payments for loss of office (audited)

As disclosed in the 2025 Annual Report and Accounts, Steve Kingshott stepped down from the Board on 9 April 2025. The Committee determined that Steve would be treated as a good leaver under the Policy approved by shareholders at the Annual General Meeting on 5 July 2022. The full details of the remuneration arrangements are outlined below.

Steve Kingshott

- Steve remained a colleague, receiving a salary, benefits and his pension allowance in line with the Policy until cessation of employment on 9 April 2025 (the **Termination Date**) to a total of £89,464.
- Within 28 days of the Termination Date, Steve received compensation payment for the termination of his employment to a total of £501,801. This was inclusive of his entitlement to a statutory redundancy payment (£48,727), a payment in lieu of notice, comprising salary (£422,300), pension allowance (£25,338), benefits (£12,000) and a payment for unused accrued holiday entitlement (£2,436).
- Subject to the satisfaction of performance measures, and being employed until the Termination Date, a pro rata bonus for 2025/26 was awarded. This was subject to approval by the Committee, with the bonus satisfied two-thirds in cash and one-third in deferred shares pursuant to the DBP, in line with the Policy as determined by the Committee.
- Awards made to Steve under the DBP on 28 April 2022, 26 May 2023, 28 May 2024, 28 May 2025 and any potential award in 2026 will vest at the normal vesting date and remain subject to the plan rules, including malus and clawback provisions. Awards will be exercisable for six months after vesting.
- Awards made to Steve under the DBP as part of his recruitment award on 28 June 2022 and 6 July 2022 will vest at the normal vesting date and remain subject to the plan rules, including malus and clawback provisions. Awards will be exercisable for six months after vesting.
- Awards made to Steve under the RSP granted on 13 July 2022 will not be subject to pro rata calculation; awards made on 12 June 2023 and 8 July 2024 will be pro-rated to reflect the period from award date to the Termination Date. All awards will vest at the normal vesting date subject to the plan rules, including malus and clawback provisions. Awards will be exercisable for six months after vesting.
- No further RSP awards will be granted to Steve.
- The 2023 RSP and DBP awards are subject to post-cessation shareholding requirements (**PCSR**) applicable to the Executive Directors for a two-year period following the Termination Date. None of Steve's other RSP and DBP awards are subject to any PCSR.
- Awards granted under the STP will lapse in full on the Termination Date.
- Steve is required to retain 200% of his salary or (if lower) his final shareholding in shares for a period of two years from the Termination Date, i.e. until 9 April 2027. On the Termination Date, Steve had an estimated effective shareholding of c.236% of salary (based on a closing share price of 520.0p at 31 January 2026), which will be subject to the post-cessation holding requirement.
- In September 2025 Steve exercised his vested DBP awards from June and July 2022 and his RSP 2022, giving a total vested share award of £324,660.

Peter Bazalgette

Peter Bazalgette resigned from the Board on 9 April 2025 and received no payments for loss of office.

Payments to past directors (audited)

As previously disclosed in the 2024 Annual Report and Accounts, both Euan Sutherland and James Quin stepped down from the Board of Directors in their roles as the Group CEO and Group CFO in 2023. The full details of the remuneration arrangements for both were fully disclosed in the 2024 Annual Report and Accounts. The remuneration elements received for the period ending 31 January 2026 are outlined below.

Vesting of 2022 RSP awards

The RSP award granted on 13 July 2022 vested on 13 July 2025 at 90% of maximum for both Euan and James. The Committee reviewed the performance of the award and made an adjustment to the final vesting level to take into account the experience and expectation of our shareholders and the value of their shareholdings over the life of this award. The table below sets out the number of shares that vested.

Director	Face value of award (% of salary)	Shares awarded	Value of award at grant (£)	End of vesting period	Pro-rated for step down	Proportion of award vesting as percentage of maximum	No. shares vesting	Value of award vesting (£)
Former Group CEO Euan Sutherland	80%	333,300	582,610	13 July 2025	166,650 ²³	90%	149,985	274,772
Former Group CFO James Quin	68%	171,458	299,170	13 July 2025	100,017 ²³	90%	90,015	164,907

Fees retained for external non-executive directorships

Executive Directors may hold positions in other companies as non-executive directors and retain the fees. Mike Hazell does not hold any external directorships. Steve Kingshott did not hold any external directorships prior to departure from the Board. Mark Watkins was appointed as a Director for Creative Folkestone on 23 September 2024 but does not receive a fee.

23 The RSP original award to the former Group CEO and former Group CFO were pro-rated under the scheme rules, given their leave dates prior to the date of the award vesting

Governance of remuneration

Wider workforce

For the Committee to review the wider workforce pay, policies and incentives, reports are regularly considered at Committee meetings, setting out key details of remuneration throughout the Company. Alongside its review of the wider workforce remuneration, the Committee considers the approach applied to the Executive Directors and senior management. In particular, the Committee is focussed on ensuring the approach to the remuneration of the Executive Directors and senior management is consistent with that applied to the wider workforce.

The table summarises some of the key workforce reward elements that are regularly discussed by the Committee:

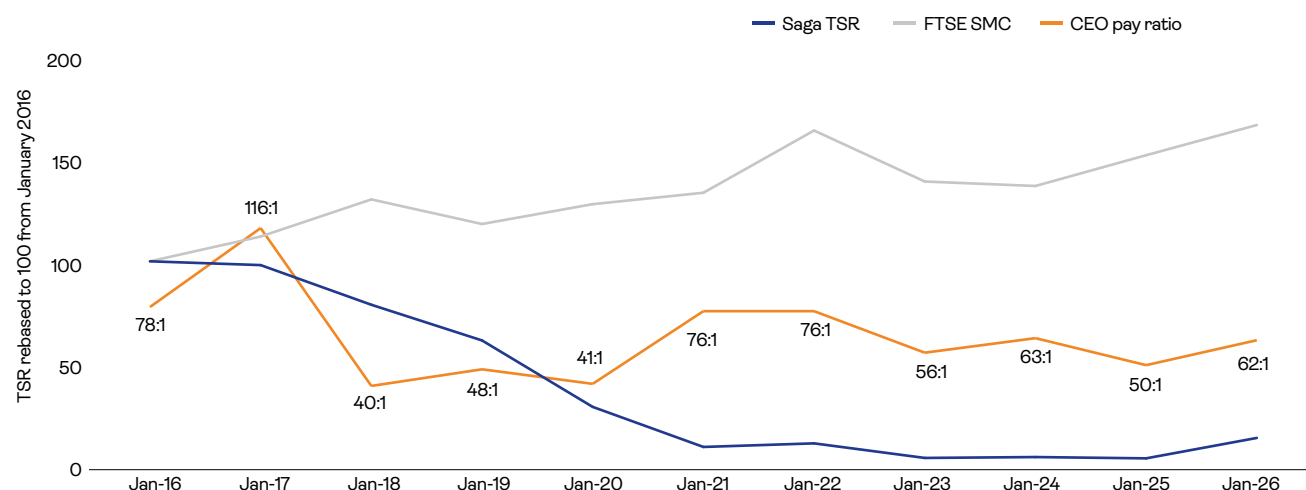
Bonus	Bonus schemes contain both financial and personal measures. A financial scorecard is used for all colleagues at Saga linked to their business unit, including Executive Directors. Malus and clawback are in place for the colleagues in our Senior Leadership Team.
Other incentive schemes	Incentive arrangements that are paid more frequently are also operated in our contact centres. These incentive schemes are reviewed regularly to ensure best practice and market alignment. The method of calculation and frequency of payment varies, depending on business area and product.
Base pay	All colleagues received an increase of 2.5% of base pay in February 2025.
National Living Wage	Saga continues to be committed to paying above National Living Wage for all UK colleagues and, in 2025, maintained accreditation as a Real Living Wage employer.
RSP	RSP awards are granted across senior leadership at Saga. Eligible colleagues received an RSP grant in 2025, ranging from 20% to 50% of salary.
SIP	We continue to promote our SIP, so that all colleagues can invest in the Company's success. The plan enables colleagues to purchase shares through payroll.
Pension	Saga operates a single defined contribution Master Trust arrangement with Aviva. At 31 January 2026, there were 1,597 colleagues in this scheme.

The Committee Chair engages regularly with the People Committee, gaining regular feedback and outlining executive remuneration. Feedback from this engagement is then shared with the Committee. Find out more in our 2026 Environmental, Social and Governance Report.

Pay comparisons

Group CEO ratio

Our Group CEO to average colleague pay ratio for 2025/26 was 62:1. To give context to this ratio, we include a chart below which tracks the CEO to average colleague pay ratio since 2015/16 alongside Saga's total shareholder return (TSR) performance over a 10-year period. We also show this against the performance of the FTSE Small Cap (SMC) during the same time span.



The chart shows the value of £100 invested in the Company's shares compared with the FTSE SMC index. The graph shows the TSR generated by the movement in share value and the reinvestment over the same period of dividend income. This graph was calculated in accordance with the Financial Conduct Authority UK Listing Rules.

In summary, there has been significant volatility in Group CEO pay, and we believe that this is caused by the factors set out below.

- Our Group CEO's pay is made up of a higher proportion of incentive pay than that of our colleagues, in line with the expectations of our shareholders and accepted market practice for senior executive roles. This introduces a higher degree of variability in pay each year, which, in turn, affects the ratio.
- The value of long-term incentives, which measure performance over three years, is disclosed in the year they vest, which increases the Group CEO's pay in that year, again impacting the ratio.
- We recognise that the ratio is driven by the different structure of pay for our Group CEO versus that of our colleagues, as well as the make-up of our workforce. This ratio varies between businesses in the same sector. What is important from our perspective is that this ratio is influenced only by the differences in structure, and not by divergence in fixed pay between the Group CEO and wider workforce.

Where the structure of remuneration is similar, as for the Operating Board and the Group CEO, the ratio is much more stable over time.

Directors' Remuneration Report

Annual Report on Remuneration continued

Colleague and CEO ratios

The table below sets out the total remuneration received by the Group CEO using the methodology applied to the single total figure of remuneration.

Group Chief Executive Officer		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total single figure (£)	Lance Batchelor	2,490,617	1,025,146 ²⁴	1,191,743	946,353	-	-	-	-	-	-
	Euan Sutherland	-	-	-	116,535	2,118,471	2,401,273 ²⁵	1,753,093	1,835,610 ²⁶	-	-
	Mike Hazell	-	-	-	-	-	-	-	223,363 ²⁶	1,894,030	2,203,240
Annual bonus payment level achieved (percentage of maximum opportunity)	Lance Batchelor	67.5%	-	35.1%	18.2%	-	-	-	-	-	-
	Euan Sutherland	-	-	-	66.8%	83.1%	85.4%	35.3%	61.4%	-	-
	Mike Hazell	-	-	-	-	-	-	-	71.9%	84.9%	100%
LTIP vesting level achieved (percentage of maximum opportunity) ²⁷	Lance Batchelor	65.6%	26.0%	-	-	-	-	-	-	-	-
	Euan Sutherland	-	-	-	-	n/a ²⁸	10.0%	n/a ²⁸	90.0% ²⁹	90.0% ²⁹	-
	Mike Hazell	-	-	-	-	-	-	-	n/a	n/a	n/a
Ratio of Group CEO single total remuneration figure to all colleagues ^{30,31}	Option used		Option B ³⁰	Option B ³⁰	Option B ³⁰	Option B ³⁰	Option B ³⁰	Option B ³⁰	Option B ³⁰	Option B ³⁰	Option B ³⁰
	25 th percentile	n/a	8:1	59:1	46:1	97:1	104:1	66:1	71:1	67:1	75:1
	Median	116:1	40:1 ³²	48:1 ³³	41:1 ³⁴	76:1 ³⁵	76:1 ³⁶	56:1 ³⁷	63:1 ³⁸	50:1 ³⁹	62:1 ⁴⁰
	75 th percentile	n/a	33:1	36:1	29:1	55:1	55:1	42:1	41:1	36:1	38:1
Ratio of single total remuneration figure shown to executive members		4:1	3:1	3:1	2:1	4:1	3:1	3:1	3:1	3:1	3:1

The colleague pay figures used to calculate the ratio are as follows:

		25 th percentile	Median	75 th percentile
2025/26	Salary	£25,744	£30,403	£47,046
	Total pay	£29,317	£35,428	£57,859

24 For 2017/18, the final value of the 2015 LTIP award at vesting date is shown and is restated from the 2017/18 Annual Report and Accounts. The share price at the vesting date of 30 June 2018 was 125.6p

25 The final value of the 2019 LTIP award had not been confirmed at the time the 2022 Annual Report and Accounts was published and, therefore, was not included in the 2021/22 single figure. The final vesting of the 2019 LTIP was confirmed as 10% of maximum and, therefore, the 2021/22 single figure was restated

26 Mike Hazell was appointed as the Group CEO on 28 November 2023. Euan Sutherland's payments reflect the period until he stepped down as Group CEO on 28 November 2023

27 As disclosed in the 2021 Annual Report and Accounts, in 2020, the LTIP was replaced with an RSP and, therefore, 2023/24 was the first year the RSP vested

28 No LTIP awards were eligible to vest for the Group CEO in post during 2020/21 and 2022/23

29 The 2021 and 2022 RSP awards vesting in April 2024 and July 2025 vested at 90% of maximum, including a discretionary 10% reduction applied by the Committee

30 For the colleague ratio, Saga chose to use Option B, identifying colleagues using our gender pay gap data. This was the preferred option due to the availability of data for our many UK-based, overseas and part-time colleagues for whom single total figure data is difficult to calculate. Figures have been completed for 2017/18 to 2025/26, using the April gender pay gap data for that year. To mitigate any anomalies, 11 individuals were identified at each percentile point from the gender pay gap data and the median of pay in the years 2017/18 to 2025/26 for these colleagues was calculated in line with the single total figure methodology

31 The median ratios shown for 2016/17 were recalculated to allow a comparison with the 2017/18 to 2025/26 figures, which were calculated in line with the methodology prescribed by the regulations

32 The fall in ratio in 2017/18 was due to the forfeiture of bonus by the Group CEO and the relatively low payout on the LTIP. This reflects the fact that shareholders want executives to have a higher proportion of pay at risk and this is reflected in the volatility in the chart. The percentage change in Group CEO remuneration set out in the table on page 95 shows that year-on-year, when the volatility of payouts from equity-based awards is excluded, the changes in remuneration for the Group CEO and average colleagues are broadly in line. This demonstrates that the underlying compensation ratio is not increasing year on year

33 The increase in ratio for 2018/19 was due to the Group CEO receiving a bonus in 2018/19. This increase remained low due to a relatively low bonus and LTIP payout

34 The fall in ratio for 2019/20 was due to the rebalancing of base pay and commission in our contact centres

35 The increase in ratio in 2020/21 was due to the relatively high bonus payout in 2020/21 and RSP award granted to the Group CEO in 2020/21

36 No change in ratio in 2021/22 due to the similar payout in bonus

37 The fall in ratio in 2022/23 was due to the lower bonus payout

38 The increase in ratio in 2023/24 was due to the relatively high bonus payout

39 The decrease in ratio in 2024/25 was due to a lower CEO total single figure in comparison with previous years and the result of aligning base pay to the Real Living Wage

40 The increase in ratio in 2025/26 was due to higher CEO total figure as a result of higher annual bonus outcome

Annual percentage change in remuneration of Directors and other colleagues

The following table sets out the change in the remuneration paid to each Director from 2019/20 to 2025/26, compared with the average percentage change for other colleagues.

The percentage change for each Director's remuneration in the table below is based on the figures in the single total figure table on page 87. Average colleague pay has been calculated using the following elements:

- Annual salary: base salary and standard monthly allowances.
- Taxable benefits: car allowance and private medical insurance premiums.
- Annual bonus: company bonus, management bonus, commission and incentive payments.

	% increase/(decrease) in remuneration in 2020/21 compared with previous year (2019/20)			% increase/(decrease) in remuneration in 2021/22 compared with previous year (2020/21)			% increase/(decrease) in remuneration in 2022/23 compared with previous year (2021/22)			% increase/(decrease) in remuneration in 2023/24 compared with previous year (2022/23)			% increase/(decrease) in remuneration in 2024/25 compared with previous year (2023/24)			% increase/(decrease) in remuneration in 2025/26 compared with previous year (2024/25)		
	Salary/fees	Taxable benefits	Annual bonus	Salary/fees	Taxable benefits	Annual bonus	Salary/fees	Taxable benefits	Annual bonus	Salary/fees	Taxable benefits	Annual bonus	Salary/fees	Taxable benefits	Annual bonus	Salary/fees	Taxable benefits	Annual bonus
Mike Hazell ⁴¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.9%	2.3%	28.8%	2.5%	0.8%	20.7%
Mark Watkins ⁴²	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	2.3%	18.1%	10.0%	0.8%	29.5%
Steve Kingshott ⁴³	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.0%	0.3%	10.9%	–	1.9%	104.5%	2.5%	14.4% ⁴⁴	46.9%
Roger De Haan ⁴⁵	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Julie Hopes ⁴⁶	41.7% ⁴⁶	n/a	n/a	(1.0%) ⁴⁶	n/a	n/a	(0.8%) ⁴⁶	n/a	n/a	(19.0%) ⁴⁶	n/a	n/a	6.5% ⁴⁶	n/a	n/a	(1.5%)	n/a	n/a
Gareth Hoskin	9.3% ⁴⁷	n/a	n/a	2.9% ⁴⁷	n/a	n/a	–	n/a	n/a	2.7%	n/a	n/a	–	n/a	n/a	(12.8%) ⁴⁷	n/a	n/a
Gemma Godfrey ⁴⁸	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	24.2% ⁴⁹	n/a	n/a	–	n/a	n/a	2.5%	n/a	n/a
Peter Bazalgette ⁴⁸	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10.9% ⁵⁰	n/a	n/a	–	n/a	n/a	–	n/a	n/a
Anand Aithal ⁴⁸	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8.4% ⁵¹	n/a	n/a	–	n/a	n/a	2.2%	n/a	n/a
Average per colleague	3.2% ⁵²	2.7%	67.8%	4.1% ⁵²	6.6%	5.4%	13.3% ⁵²	3.6%	(49.9%)	4.6% ⁵²	2.5%	58.2%	6.3% ⁵²	5.8%	47.1%	7.7% ⁵²	(0.7%)	96.7%

Relative importance of the spend on pay

The table below sets out the relative importance of spend on pay in the 2025/26 and 2024/25 financial years, compared with other disbursements. All figures provided are taken from the relevant Company accounts.

	Disbursements from profit in 2025/26 financial year £m	Disbursements from profit in 2024/25 financial year £m	Percentage change
Profit distributed by way of dividend	–	–	–
Total tax contributions ⁵³	30.1	22.0	36.8%
Overall spend on pay including Executive Directors	131.3	119.4	10.0%

41 No comparison for Mike Hazell prior to 2024/25 due to him becoming a Director on 9 October 2023. The increase in salary in 2024/25 was due to moving from CFO to CEO on 28 November 2023

42 No comparison for Mark Watkins prior to 2024/25 due to him becoming a Director on 28 November 2023

43 No comparison for Steve Kingshott prior to 2023/24 due to him becoming a Director on 3 January 2023

44 The increase in taxable benefit for Steve Kingshott is due to his settlement agreement paid in April 2025 covering 12 months so also covers February to April 2026

45 Roger De Haan has waived his fee since becoming Chairman in 2020

46 The increase in fees for Julie Hopes in 2020/21 was due to her becoming Chair of the Saga Personal Finance (SPF) board on 1 February 2020 and assuming the position of Risk Committee Chair on 31 December 2020. The decrease in fees in 2021/22 was due to the reduction in the fee for the Chair of SPF role on 1 January 2021 following a review of the role. The decrease in fees in 2022/23 and 2023/24 is due to her stepping down from the role as Chair of SPF on 10 January 2023. She also assumed the position of Remuneration Chair on 31 December 2023. Julie Hopes resigned from the Board with effect from 27 February 2026

47 The increase in fees for Gareth Hoskin in 2020/21 and 2021/22 was due to him becoming Chair of the Audit Committee on 22 June 2020. The fall in fees in 2025/26 is due to Gareth previously chairing Acromas Insurance Company Limited, which ceased following its sale to wholly owned UK subsidiaries of Ageas SA/NV

48 No comparison for Gemma Godfrey, Peter Bazalgette and Anand Aithal prior to 2022/23 due to them joining in September 2022

49 The increase in fees for Gemma Godfrey in 2023/24 was due to her becoming Chair of SPF on 10 January 2023

50 The increase in fees for Peter Bazalgette in 2023/24 was due to him becoming Senior Independent Director and Chair of the Nomination Committee on 30 September 2022

51 The increase in fees for Anand Aithal in 2023/24 was due to him becoming Chair of the Innovation and Enterprise Committee on 1 November 2022

52 The average salary per colleague increased in 2020/21 and 2021/22 due to a combination of the annual salary increase, Company restructuring, which altered our colleague base, and the impacts of the COVID-19 pandemic. The increase in salary in 2022/23 was due to a combination of two pay increases for the wider workforce and further investment in base pay. The increase in salary in 2023/24 was a result of Company restructuring, which altered our colleague base, and an uplift in the entry salary within our contact centres.

The increase in salary in 2024/25 is a result of the annual pay review and alignment to the Real Living Wage. The increase in salary in 2025/26 was a result of investment in base pay including Real Living Wage alignment and also due to our colleague base changing as a result of our partnership with wholly owned UK subsidiaries of Ageas SA/NV

53 Total tax contributions include corporation tax, national insurance contributions, irrecoverable value added tax and air passenger duty

Advisers to the Committee

Saga plc appointed Willis Towers Watson (**WTW**) to act as independent adviser to the Committee in 2025/26, following a competitive tender process undertaken by the Committee. PricewaterhouseCoopers (**PwC**) continued to act as independent adviser to the Committee until 1 December 2025, at which point WTW commenced work for the Committee.

Both WTW and PwC are members of the Remuneration Consultants Group and, as such, operate under the code of conduct in relation to executive remuneration consulting in the UK. The Committee is therefore satisfied that the advice received from its advisers is objective and independent.

Fees of £65,241 were paid to PwC and fees of £45,000 were paid to WTW in respect of the advice provided to the Committee in relation to director remuneration in 2025/26. Fees were charged at a combination of fixed amounts for specific items of work and hourly rates.

The Committee receives support from the Chief People Officer and Group Company Secretary.

Shareholder voting

The current Policy was approved by shareholders at the AGM held on 24 June 2025. Outlined below are the voting outcomes for this and in respect of approving the Directors' Remuneration Report.

Resolution	AGM date	Votes for	% of votes cast	Votes against	% of votes cast	Votes cast⁵⁴	% of issued share capital voted	Votes withheld
To approve the Directors' Remuneration Report	24 June 2025	82,956,453	99.56	366,879	0.44	83,461,141	58.2	137,809
To approve the Directors' Remuneration Policy	24 June 2025	82,951,796	99.63	305,884	0.37	83,461,141	58.2	203,461

⁵⁴ Votes cast figures include votes withheld as well as votes for and against

Directors' Remuneration Policy

This document sets out the Saga plc (the **Company**) Policy on remuneration for Executive and Non-Executive Directors (the **Policy**), which was approved by shareholders at the 2025 Annual General Meeting (**AGM**) to take effect immediately afterwards. The Policy was prepared in accordance with the requirements of the UK Companies Act 2006 (the **Act**), Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the **Regulations**) and the UK Listing Rules. The Remuneration Committee (the **Committee**) built in a degree of flexibility to ensure the practical application of the Policy. Where such discretion is reserved, the extent to which it may be applied is described. The Policy retains, as its primary goal, the ability to attract, retain and motivate its leaders and to ensure they are focussed on delivering business priorities within a framework designed to promote the long-term success of Saga, aligned with shareholder interests.

The Board delegated its responsibility to the Committee to establish the Policy on the remuneration of the Executive Directors and the Chair. The Board established the Policy on the remuneration of the other Non-Executive Directors.

Summary of the Policy approved at the 2025 AGM

Remuneration elements	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Fixed pay Salary	Salary						
Fixed pay Benefits and pension	Benefits and pension						
Annual bonus (Malus and clawback provisions apply)	Maximum two-thirds cash	Minimum one-third shares Three-year deferral period subject to continued service					
Restricted Share Plan (RSP) (Malus and clawback provisions apply)	Up to 100% of salary Three-year performance			Two-year holding period			
Shareholding requirements	Executive Directors build and maintain a 200% of salary (250% of salary for Group Chief Executive Officer (CEO)) minimum shareholding requirement while in employment and post-employment						

Changes made to the previous Policy

Element	Changes to Policy	Rationale
Long-term incentives – Saga Transformation Plan (STP)	Removal of the STP which provided participants with a portion of the value created above a stretching hurdle over a five-year period.	To simplify and de-leverage the executives' remuneration package. The highly geared nature of the STP is no longer aligned to the updated business strategy and is neither motivational nor retentive for the current executives.
Long-term incentives – RSP	Awards will be made at the levels approved and operated prior to the introduction of the STP. The 20% reduction applied to the RSP award levels upon STP introduction was removed for future RSP awards.	The RSP is highly retentive and supports executives in the delivery of the business strategy. Stability of leadership during the Ageas' transaction is critical to the long-term success of the business. Additionally, the RSP maintains the link to shareholder experience through incentivisation of share price growth and the performance underpin is retained for the Committee to adjust vesting if business performance, individual performance or wider Company considerations mean, in their view, that an adjustment is required.

1 Wholly owned UK subsidiaries of Ageas SA/NV

Directors' Remuneration Policy continued

Policy table

Base salary	
Element and link to strategy	Provides a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Group's strategy.
Operation	<p>An Executive Director's basic salary is set on appointment and reviewed annually, or when there is a change in position or responsibility. When determining an appropriate level of salary, the Committee considers:</p> <ul style="list-style-type: none"> • pay increases to other colleagues; • remuneration practices within the Group; • any change in scope, role and responsibilities; • the general performance of the Group and each individual; • the experience of the relevant Director; and • the economic environment. <p>Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases, subsequent increases in salary may be higher than the general rises for colleagues until the target positioning is achieved.</p>
Maximum potential value	<p>The Committee ensures that maximum salary levels are positioned in line with companies of a similar size and complexity to Saga and validated against an appropriate comparator group so that they are competitive against the market.</p> <p>The Committee continues to review the comparators each year and will add or remove companies from the comparator group as it considers appropriate.</p> <p>In general, salary increases for Executive Directors will be in line with the increase for colleagues. However, larger increases may be offered if there is a material change in the size and responsibilities of the role (which covers significant changes in Group size and/or complexity).</p> <p>The Company will set out the Executive Directors' salaries for the following financial year in each Directors' Remuneration Report.</p>
Performance conditions and recovery provisions	A broad assessment of individual and business performance is used as part of the salary review. No recovery provisions apply.
Changes to previous Policy	No changes.

Pension	
Element and link to strategy	Provides a fair level of pension provision for all colleagues.
Operation	<p>The Company provides a pension contribution allowance that is fair, competitive and in line with governance best practice.</p> <p>Pension contributions will be a non-consolidated allowance and will not impact any incentive calculations.</p>
Maximum potential value	The maximum value of the pension contribution allowance for both current and newly appointed Executive Directors is aligned with the majority of colleagues, currently 6% of salary.
Performance conditions and recovery provisions	No performance or recovery provisions apply.
Changes to previous Policy	No changes.

Benefits	
Element and link to strategy	Provides a market-standard level of benefits.
Operation	<p>Benefits may include family private health cover, death in service life assurance, car allowance, subsistence expenses and discounts, in line with other colleagues.</p> <p>The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support the objective of attracting, and retaining, colleagues in order to deliver the Group strategy. Additional benefits which are available to other colleagues on broadly similar terms may therefore be offered, such as relocation allowances on recruitment.</p>
Maximum potential value	The maximum is the cost of providing the relevant benefits.
Performance conditions and recovery provisions	No performance or recovery provisions apply.
Changes to previous Policy	No changes.

Annual Bonus Plan

Element and link to strategy	<p>The Annual Bonus Plan provides a significant incentive to the Executive Directors, linked to achievement of goals that are closely aligned with the Company's strategy and the creation of value for shareholders.</p> <p>In particular, the Annual Bonus Plan supports the Company's objectives, allowing the setting of annual targets based on the business' strategic objectives at that time, meaning that a wider range of performance metrics can be used that are relevant and achievable.</p>
Operation	<p>The Committee will determine the maximum annual participation in the Annual Bonus Plan for each year, which will not exceed 150% of salary.</p> <p>The Company will set out in the Directors' Remuneration Report, in the following financial year, the nature of the targets and their weighting for each year.</p> <p>Details of the performance conditions, targets and their level of satisfaction for the year being reported will be set out in the Annual Report on Remuneration.</p> <p>The Committee can determine that part of the bonus earned under the Annual Bonus Plan is provided as an award of shares under the Deferred Bonus Plan (DBP) element. The minimum level of deferral is one-third of the bonus; however, the Committee may determine that a greater portion, or in some cases the entire bonus, be paid in deferred shares. The main terms of these awards are:</p> <ul style="list-style-type: none"> • minimum deferral period of three years; and • the participant's continued employment at the end of the deferral period, unless they are a good leaver. <p>The Committee may award dividend equivalents on those shares to plan participants to the extent that they vest. The Committee has the discretion to apply a holding period of two years post-vesting for DBP shares.</p>
Maximum potential value	<p>The Committee will determine the maximum annual participation in the Annual Bonus Plan for each year, which will not exceed 150% of salary. Percentage of bonus maximum earned for levels of performance:</p> <ul style="list-style-type: none"> • Threshold: up to 20% of maximum opportunity • Target: 50% of maximum opportunity • Maximum: 100% of maximum opportunity
Performance conditions and recovery provisions	<p>The Annual Bonus Plan is based on a mix of financial and strategic/operational conditions and is measured over a period of one financial year. The financial measures will account for no less than 50% of the bonus opportunity.</p> <p>The Committee retains discretion, in exceptional circumstances, to change performance measures and targets and the weightings attached to performance measures part-way through a performance year if there is a significant and material event which causes the Committee to believe the original measures, weightings and targets are no longer appropriate. Discretion may also be exercised in cases where the Committee believes that the bonus outcome is not a fair and accurate reflection of business, individual or wider Company performance. The exercise of this discretion may result in a downward, or upward, movement in the amount of bonus earned resulting from the application of the performance measures.</p> <p>Any adjustments or discretion applied by the Committee will be fully disclosed in the following year's Directors' Remuneration Report. The Committee is of the opinion that, given the commercial sensitivity arising in relation to the detailed financial targets used for the annual bonus, disclosing precise targets for the Annual Bonus Plan in advance would not be in shareholders' interests. Actual targets, performance achieved, and awards made will be published at the end of the performance period so shareholders can fully assess the basis for any payouts under the Annual Bonus Plan.</p> <p>Both the Annual Bonus Plan and the DBP contain malus and clawback provisions.</p>
Changes to previous Policy	No changes.

Directors' Remuneration Policy continued**Directors' Remuneration Policy table continued**

RSP	
Element and link to strategy	Awards are designed to incentivise the Executive Directors over the longer term to successfully implement the Company's strategy.
Operation	<p>Awards are granted annually to Executive Directors in the form of Restricted Shares. Restricted Shares vest at the end of a three-year period subject to:</p> <ul style="list-style-type: none"> • the Executive Director's continued employment at the date of vesting; and • the satisfaction of an underpin as determined by the Committee, whereby the Committee can adjust vesting for business, individual and wider Company performance. <p>A two-year holding period will apply following the three-year vesting period for all awards granted to the Executive Directors.</p> <p>Upon vesting, sufficient shares may be sold to pay tax on the shares.</p> <p>The Committee may award dividend equivalents on awards to the extent that they vest.</p>
Maximum potential value	Maximum value of 100% of salary per annum based on the market value at the date of grant set in accordance with the rules of the plan.
Performance conditions and recovery provisions	<p>No specific performance conditions are required for the vesting of Restricted Shares but there will be an underpin in that the Committee will have the discretion to adjust vesting taking into account business, individual and wider Company performance.</p> <p>The Committee will take into account the following factors (among others) when determining whether to exercise its discretion to adjust the number of shares vesting:</p> <ul style="list-style-type: none"> • Whether threshold performance levels have been achieved for the performance conditions for the Annual Bonus Plan for each of the three years covered by the vesting period for the Restricted Shares. • Whether there have been any sanctions or fines issued by a regulatory body; participant responsibility may be allocated collectively or individually. • Whether there has been material damage to the reputation of the Company; participant responsibility may be allocated collectively or individually. • The potential for windfall gains. • The level of colleague and customer engagement over the period. • The RSP is subject to malus and clawback provisions.
Changes to previous Policy	Awards will be made at the levels approved and operated prior to the introduction of the STP. The 20% reduction applied to the RSP award levels upon STP introduction is being removed for future RSP awards.

Shareholding requirement

The Committee already had in place strong shareholding requirements (as a percentage of base salary) that encourage Executive Directors to build up their holdings over a five-year period. Adherence to these guidelines is a condition of continued participation in the equity incentive arrangements. This policy ensures that the interests of Executive Directors and those of shareholders are closely aligned.

In addition, Executive Directors will be required to retain 50% of the post-tax amount of vested shares from the Company incentive plans until the minimum shareholding requirement is met and maintained. The following table sets out the minimum shareholding requirements:

Role	Shareholding requirement (percentage of salary)
Group CEO	250%
Other Executive Directors	200%

The Committee retains the discretion to increase the shareholding requirements.

The Committee has introduced a post-cessation shareholding requirement of the full in-employment requirement as listed above (or the Executive's actual shareholding on cessation, if lower) for two years following cessation.

Chair and Non-Executive Director fees

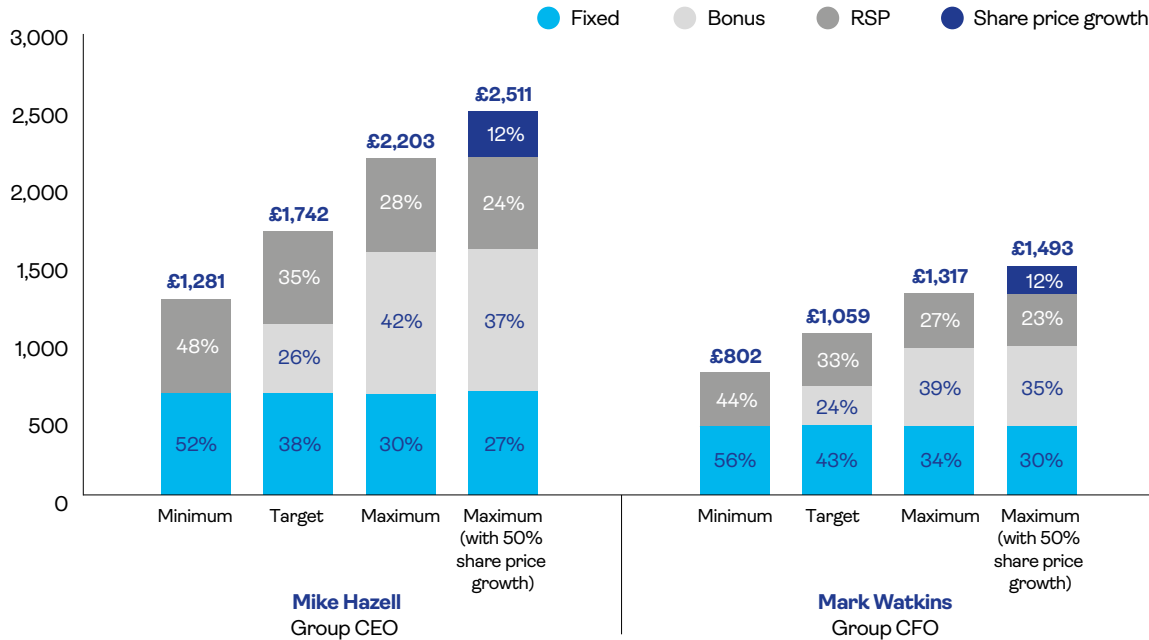
Purpose	Provides a level of fees to support recruitment and retention of a Non-Executive Chairman and Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives.
Operation	<p>The Board is responsible for setting the remuneration of the Non-Executive Directors. The Committee is responsible for setting the Non-Executive Chairman's fees.</p> <p>Non-Executive Directors are paid an annual fee and additional fees for chairing committees. The Company retains the flexibility to pay fees for the membership of committees. Non-Executive Directors will be entitled to an additional fee if they are required to perform any specific and additional services.</p> <p>Chair and membership fees may be introduced for any new committees.</p> <p>The Non-Executive Chairman does not receive any additional fees for membership of committees.</p> <p>Fees are reviewed annually, taking into account time commitment, responsibilities and equivalent roles in the comparator group used to review salaries paid to the Executive Directors. Non-Executive Directors and the Non-Executive Chairman do not participate in any variable remuneration or benefits arrangements.</p>
Maximum potential value	<p>The fees for Non-Executive Directors are broadly set at a competitive level against the comparator group.</p> <p>In general, the level of fee increase for the Non-Executive Directors and the Non-Executive Chairman will be set taking account of any change in responsibility and the general rise in salaries across the UK workforce. The aggregate fee for the Non-Executive Directors and the Non-Executive Chairman will not exceed £2.0m.</p> <p>The Company will pay reasonable expenses incurred by the Non-Executive Directors and Non-Executive Chairman and may settle any tax incurred.</p>
Performance metrics	No performance or recovery provisions apply.

Directors' Remuneration Policy continued

Illustration of application of the Policy

The chart below shows an estimate of the remuneration that could be received by Executive Directors under the first year of the operation of the Policy set out in this report.

Figures shown (£'000)



Element	Minimum	Target	Maximum	Maximum with 50% share price growth
Fixed elements	Base salary for 2025/26. Benefits paid for 2024/25. Pension in line with policy at 6% of salary.			
Annual bonus	Nil.	50% of the maximum opportunity.	100% of the maximum opportunity.	100% of the maximum opportunity.
Restricted Shares	100% vesting of Restricted Shares. Award levels are 100% of salary for the Group CEO, 85% of salary for the Group Chief Financial Officer (CFO).	100% vesting of Restricted Shares. Award levels are 100% of salary for the Group CEO, 85% of salary for the Group CFO.	100% vesting of Restricted Shares. Award levels are 100% of salary for the Group CEO, 85% of salary for the Group CFO.	100% vesting of Restricted Shares plus 50% share price growth. Award levels are 100% of salary for the Group CEO, 85% of salary for the Group CFO.

Scenario charts show minimum, target and maximum scenarios in accordance with the Regulations, as well as the impact of a 50% share price growth on the long-term incentives for the maximum scenario. All scenarios do not account for dividend equivalents on DBP shares or RSP shares.

Discretion within the Policy

The Committee has discretion in several areas of policy as set out in this report. The Committee may also exercise operational and administrative discretions under relevant plan rules as set out in those rules. In addition, the Committee has the discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

Malus and clawback

Malus is the adjustment of the annual bonus payments or unvested RSP awards because of the occurrence of one or more of the circumstances listed below. The adjustment may result in the value being reduced to nil.

Clawback is the recovery of payments made under the Annual Bonus Plan or vested RSP awards as a result of the occurrence of one or more of the circumstances listed below. Clawback may apply to all, or part, of a participant's payment under the Annual Bonus Plan and RSP award and may be affected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards or bonuses. The circumstances in which malus and clawback could apply are as follows:

- Discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group, or any Group company.
- The discovery that any information used to determine the award was based on error, or inaccurate or misleading information.
- Action or conduct of a participant which amounts to fraud or gross misconduct.
- Events, or the behaviour of a participant, which have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company, provided that the Committee is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the participant.
- Failure of risk management including, but not limited to, a material breach of risk appetite and regulatory standards.
- Corporate failure.

Element	Annual bonus (cash)	Annual bonus (deferred shares)	Restricted Shares
Malus	Up to the date of the cash payment.	To the end of the three-year vesting period.	To the end of the three-year vesting period.
Clawback	Two years post the date of any cash payment.	n/a	Two years post vesting.

The Committee believes that the rules of the plans provide sufficient powers to enforce malus and clawback where required and undertakes an annual review to assess if there are reasonable grounds for the malus and clawback provisions to be enforced.

Loss of office policy

When considering compensation for loss of office, the Committee will always seek to minimise the cost to the Company while applying the following philosophy:

Remuneration element	Treatment on cessation of employment
General	<p>The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited, or no, abatement on severance or early retirement. There is no agreement between the Company and its Directors, or other colleagues, providing for compensation for loss of office or employment that occurs because of a takeover bid.</p> <p>The Committee reserves the right to make additional payments, where such 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 settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.</p>
Salary, benefits and pension	These will be paid over the notice period. The Company has discretion to make a lump sum payment in lieu.

Directors' Remuneration Policy continued

Element	Good leaver reason	Other reason	Discretion
Bonus cash	Performance conditions will be measured at the bonus measurement date. Bonus will normally be pro-rated for the period worked during the financial year.	No bonus payable for year of cessation.	The Committee has the following elements of discretion: <ul style="list-style-type: none"> To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders. To determine whether to pro-rate the bonus to time. The Committee's normal policy is that it will pro-rate bonus for time. It is the Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders.
Bonus deferred share awards	All subsisting deferred share awards will vest.	Lapse of any unvested deferred share awards.	The Committee has the following elements of discretion: <ul style="list-style-type: none"> To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders. To vest deferred shares at the end of the original deferral period or at the date of cessation. The Committee will make this determination depending on the type of good leaver reason resulting in the cessation. To determine whether to pro-rate the maximum number of shares to the time from the date of grant to the date of cessation. The Committee's normal policy is that it will not pro-rate awards for time. The Committee will determine whether or not to pro-rate based on the circumstances of the Executive Director's departure.
RSP for the year of cessation	The award will normally be pro-rated for the period worked during the financial year.	No award for year of cessation.	The Committee has the following elements of discretion: <ul style="list-style-type: none"> To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders. To determine whether to pro-rate the Company award to time. The Committee's normal policy is that it will pro-rate for time. It is the Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders. To determine whether the award will vest on the date of cessation or the original vesting date. The Committee will make its determination based, among other factors, on the reason for the cessation of employment.
RSP	Awards will be pro-rated to time and will vest on their original vesting dates and remain subject to the holding period.	Unvested awards will be forfeited on cessation of employment. Vested awards will remain subject to the holding period.	The Committee has the following elements of discretion: <ul style="list-style-type: none"> To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders. To determine whether to pro-rate the award to the date of cessation. The Committee's normal policy is that it will pro-rate. The Committee will determine whether to pro-rate based on the circumstances of the Executive Director's departure. To determine whether the awards vest on the date of cessation or the original vesting date. The Committee will make its determination based, among other factors, on the reason for the cessation of employment. To determine whether the holding period for awards applies in part or in full. The Committee will make its determination based, among other factors, on the reason for the cessation of employment.

The following definition of leavers will apply to all of the above incentive plans.

A good leaver reason is defined as cessation in the following circumstances:

- Death.
- Ill-health.
- Injury or disability.
- Retirement.
- Employing company ceasing to be a Group company.
- Transfer of employment to a company which is not a Group company.
- At the discretion of the Committee (as described above). The Committee retains the authority to exercise its discretion to determine good leaver treatment separately in respect of each element of remuneration.

Cessation of employment in circumstances other than those set out above is cessation for other reasons.

Change of control policy

Name of incentive plan	Change of control	Discretion
Bonus cash	Pro-rated to time and performance to the date of the change of control.	The Committee has discretion regarding whether to pro-rate the bonus to time. The Committee's normal policy is that it will pro-rate the bonus for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case which will be explained in full to shareholders.
Bonus deferred share awards	Subsisting deferred share awards will vest on a change of control.	The Committee has discretion regarding whether to pro-rate the award to time. The Committee's normal policy is that it will not pro-rate awards for time. The Committee will make this determination depending on the circumstances of the change of control.
RSP	The number of shares subject to subsisting RSPs will vest on a change of control pro-rated for time and performance against any underpins.	The Committee has discretion regarding whether to pro-rate the RSPs for time. The Committee's normal policy is that it will pro-rate the RSPs for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case which will be explained in full to shareholders. The Committee also has discretion to consider attainment of any underpins.

Recruitment and promotion policy

The Company's principle is that the remuneration of any new recruit will be assessed in line with the same principles as for the Executive Directors, as set out in the Policy table. The Committee is mindful that it wishes to avoid paying more than it considers necessary to secure a preferred candidate with the appropriate calibre and experience needed for the role. In setting the remuneration for new recruits, the Committee will have regard to guidelines and shareholder sentiment regarding one-off or enhanced short-term or long-term incentive payments, as well as giving consideration for the appropriateness of any performance measures associated with an award. The Company's policy when setting remuneration for the appointment of new Directors is summarised in the table below:

Remuneration element	Policy
Salary, benefits and pension	Salary and benefits will be set in line with the policy for existing Executive Directors. Maximum pension contribution will be aligned with that of the majority of colleagues.
Annual Bonus Plan	Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 150% of salary.
RSP	Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 100% of salary.
Maximum variable remuneration	The maximum variable remuneration which may be granted is the sum of the annual bonus and RSP (excluding the value of any buyouts).
Buyout of incentives forfeited on cessation of employment	<p>Forfeited on cessation of employment.</p> <p>Where the Committee determines that the individual circumstances of recruitment justify the provision of a buyout, the equivalent value of any incentives that will be forfeited on cessation of an Executive Director's previous employment will be calculated taking into account the following:</p> <ul style="list-style-type: none"> • The proportion of the performance period completed on the date of the Executive Director's cessation of employment. • The performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied. • Any other terms and conditions having a material effect on their value (lapsed value). The Committee may then grant up to the same value as the lapsed value, where possible, under the Company's incentive plans. To the extent that it was not possible, or practical, to provide the buyout within the terms of the Company's existing incentive plans, a bespoke arrangement would be used.
Relocation policies	In instances where the new Executive Director is required to relocate or spend significant time away from their normal residence, the Company may provide one-off compensation to reflect the cost of relocation for the Executive Director. The level of the relocation package will be assessed on a case-by-case basis but will take into consideration any cost-of-living differences/housing allowance and schooling, and will not exceed a period of two years from recruitment.

Where an existing colleague is promoted to the Board, the policy set out above would apply from the date of promotion but there would be no retrospective application of the policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing colleague would be honoured and form part of the ongoing remuneration of the person concerned. These would be disclosed to shareholders in the Directors' Remuneration Report for the relevant financial year.

The Company's policy, when setting fees for the appointment of a new Chairman or Non-Executive Director, is to apply the policy which applies to current Non-Executive Directors.

Directors' Remuneration Policy continued**Service contracts and letters of appointment**

The Committee's policy for setting notice periods is that normally they will be a maximum of 12 months. The Committee may, in exceptional circumstances arising on recruitment, allow a longer period, which would in any event reduce to 12 months following the first year of employment. The Non-Executive Directors of the Company do not have service contracts and are appointed by letters of appointment. Each independent Non-Executive Director's term of office runs for a three-year period.

The Company follows the UK Corporate Governance Code 2024 (the **Code**) recommendation that all Directors be subject to annual re-appointment by shareholders.

Executive Director					
Name	Date appointed	Nature of contract	Notice periods		Compensation provisions for early termination
			From Company	From Director	
Mike Hazell	9 October 2023	Rolling	12 months	12 months	None
Mark Watkins	28 November 2023	Rolling	12 months	12 months	None

Non-Executive Director				
Name	Original appointment	Appointment of current term	Arrangement	Notice period/unexpired term at AGM
Gareth Hoskin	11 March 2019	11 March 2025	Letter of appointment	3 months/20 months
Gemma Godfrey	1 September 2022	1 September 2025	Letter of appointment	3 months/26 months
Anand Aithal	1 September 2022	1 September 2025	Letter of appointment	3 months/26 months

The Board allows Executive Directors to accept appropriate outside non-executive director appointments provided the aggregate commitment is compatible with their duties as Executive Directors. The Executive Directors concerned may retain fees paid for these services, which will be subject to approval by the Board.

Choice of performance measures and targets**Annual Bonus Plan**

Performance for the Annual Bonus Plan will be measured against financial and non-financial measures with respective targets for each measure set by the Committee each financial year. The Policy provides the Committee with the flexibility to choose measures that are strongly linked to the specific strategic and financial priorities in any given financial year.

For financial measures, the targets are set with reference to internal forecasts, external forecasts, and other circumstances, as appropriate, to ensure that targets are suitably stretching and motivational to Executives.

Non-financial targets are set each financial year with reference to the key strategic objectives of the Company and are linked to the long-term success of the business.

RSP

No specific performance conditions are required for the vesting of Restricted Shares but there will be an underpin in that the Committee will have the discretion to adjust vesting taking into account business, individual and wider Company performance.

Consideration of employment conditions elsewhere in the Group

Each year, prior to reviewing the remuneration of the Executive Directors and the members of the Operating Board, the Committee considers a report prepared by the Chief People Officer, detailing base pay and share scheme practices across the Company. The report provides an overview of how colleague pay compares with the market, alongside any material changes during the year and includes detailed analysis of basic pay and variable pay changes within the UK.

While the Company does not directly consult with colleagues as part of the process of reviewing executive pay and formulating the Policy, the Company engages with colleagues via its People Committee, where the approach to Executive remuneration is also discussed. The Chair of the Remuneration Committee is the Non-Executive Director nominated as 'People Champion'. In addition, the Committee receives an update and feedback from the broader colleague population on an annual basis using an engagement survey which includes a number of questions relating to remuneration. The Company does not use remuneration comparison measurements.

The Group aims to provide a remuneration package for all colleagues that is market competitive and operates the same core structure as for the Executive Directors. The Group operates colleague share and variable pay plans, with pension provisions provided for all Executive Directors and colleagues. Any salary increases for Executive Directors are expected to be generally in line with those for UK-based colleagues. The Committee annually publishes a section on fairness, diversity and wider workforce considerations as part of the Directors' Remuneration Report.

Consideration of shareholder views

The Committee takes the views of the shareholders seriously and these views are taken into account in shaping remuneration policy and practice. Shareholder views are considered when evaluating and setting remuneration strategy and the Committee welcomes an open dialogue with its shareholders on all aspects of remuneration. The Committee consulted its major shareholders and the main shareholder representative bodies prior to proposing this Policy. The Committee is grateful for the time taken to consider the Committee proposals and provide feedback. At the end of the consultation, the majority of shareholders indicated they were supportive of this Policy.

Compliance with the Code

The following table sets out how the Policy aligns with the Code, whose objective is to ensure the remuneration operated by the Company is aligned with all stakeholder interests, including those of shareholders:

Key remuneration element of the Code	Alignment with the Policy
Five-year period between the date of grant and realisation for equity incentives	The RSP meets this requirement through the implementation of the two-year post-vesting holding period for the RSP.
Phased release of equity awards	The RSP meets this requirement as awards are made in an annual cycle.
Discretion to override formulaic outcomes	Included in the terms and conditions of the Annual Bonus Plan and the RSP.
Post-cessation shareholding requirement	The full in-employment requirement for two years following cessation of employment.
Pension alignment	The pension contribution for all Executive Directors is aligned with the majority of colleagues at 6%.
Extended malus and clawback	The malus and clawback provisions align with the Financial Reporting Council's Board Effectiveness Guidance.



Gemma Godfrey
Chair, Remuneration Committee
20 April 2026

This report has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in 2013, 2018 and 2019, the Provisions of the current Code and the UK Listing Rules.

Directors' Report

Management Report

The Directors' Report, together with the Strategic Report set out on pages 1-57, form the Management Report for the purposes of Disclosure Guidance and Transparency Rule (DTR) 4.1.5 R (the **Management Report**).

Statutory information contained elsewhere in the Annual Report and Accounts

Information required to be part of this Directors' Report can be found elsewhere in the Annual Report and Accounts as indicated in the table below and is incorporated into this report by reference.

Information	Location in Annual Report and Accounts
Likely future developments in the business of the Company or its subsidiaries	Pages 1-57
Environmental, Social and Governance, including Task Force on Climate-related Financial Disclosures	Pages 41-48
Greenhouse gas emissions	Pages 47-48
Suppliers, customers and others in a business relationship engagement	Pages 24-25
Colleagues (employment of disabled persons, workforce engagement and policies)	Pages 48 and 56
Corporate Governance Statement	Pages 58-79
Directors' details (including changes made during the year)	Pages 60, 62-63 and 71-74
Related-party transactions	Note 40 on page 187
Diversity	Pages 48, 71 and 73-74
Board and executive diversity targets	Pages 48, 71 and 73-74
Share capital	Note 33 on page 178
Employee share schemes (including long-term incentive schemes)	Note 36 on pages 179-181
Financial instruments: information on the Group's financial instruments and risk management objectives and policies, including our policy for hedging	Notes 2, 3, 7, 8, 19 and 20 on pages 123-141, 144 and 154-164
Statements of responsibilities	Page 111
Additional information	Pages 194-200

Disclosure table pursuant to UK Listing Rule (UKLR) 6.6.1

The following table provides references to where the information required by UKLR 6.6.1 is disclosed:

UKLR	UKLR requirement	Disclosure
6.6.1(1)	Interest capitalised by the Group and any related tax relief	Note 17 on page 152
6.6.1(2)	Unaudited financial information (UKLR 6.2.23 R)	Group Chief Financial Officer's Review, pages 26-40
6.6.1(3)	Long-term incentive schemes (UKLR 9.3.3 R)	Directors' Remuneration Report, pages 80-107
6.6.1(4)	Directors' waivers of emoluments	Directors' Remuneration Report, pages 80-107
6.6.1(5)	Directors' waivers of future emoluments	Directors' Remuneration Report, pages 80-107
6.6.1(6)	Non-pre-emptive issues of equity for cash	Directors' Report on page 110
6.6.1(7)	Non-pre-emptive issues of equity for cash by any unlisted major subsidiary undertaking	Not applicable
6.6.1(8)	Parent company participation in a placing by a listed subsidiary	Not applicable
6.6.1(9)	Contract of significance in which a Director is, or was, materially interested	Directors' Report on page 109 and Note 40 on page 187
6.6.1(10)	Contract of significance between the Company (or one of its subsidiaries) and a controlling shareholder	Not applicable
6.6.1(11)	Waiver of dividends by a shareholder	Directors' Report on page 110 (under paragraph 'Rights attaching to shares')
6.6.1(12)	Waiver of future dividends by a shareholder	Directors' Report on page 110 (under paragraph 'Rights attaching to shares')
6.6.1(13)	Board statement in respect of relationship agreement with a controlling shareholder	Not applicable. See Directors' Report on page 109 (under 'Relationship agreement with Director shareholder')

Results and dividends

The Group made a profit after taxation of £3.6m for the financial year ended 31 January 2026. The Board did not pay an interim dividend.

The Board of Directors is not in a position to recommend the payment of a final dividend for the 2025/26 financial year.

The Directors intend to resume dividend payments in the future, once further progress has been made with deleveraging and when current limitations, particularly in relation to the Ocean Cruise ship debt, have been removed.

Any decision to declare and pay dividends is made at the discretion of the Directors and depends on, among other things, applicable law, regulation, restrictions, the Group's financial position, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time.

Political donations

No political donations were made during the year.

Directors' interests

A list of the Directors, their interests in the long-term performance share plan, contracts and ordinary share capital of the Company are given in the Directors' Remuneration Report on pages 80-107.

Agreements with Director shareholder

The Board confirms that, in accordance with UKLR 6.2.3, there are no controlling shareholders in the Company. However, the Company entered into a relationship agreement with Roger De Haan on 10 September 2020 (the **Relationship Agreement**) as Roger De Haan directly holds 39,876,355 shares of 15p each¹ (constituting 27.53% of issued share capital at 31 January 2026). This is considered a contract of significance in accordance with UKLR 6.6.1(9). The Relationship Agreement regulates the relationship between the Company and Roger De Haan and contains undertakings that transactions and arrangements will be conducted on an arm's-length basis and on normal commercial terms. It also provides that dilutions caused by new issuances of shares shall be disregarded when determining investor rights under its terms.

The Group entered into an unsecured loan facility with Roger De Haan on 3 April 2023. This facility, which was provided on an arm's-length basis and on normal commercial terms, remained in place until the successful refinancing of the Group's corporate debt. Following completion of the new credit facilities, the £75.0m drawn amount was fully repaid and the facility was cancelled on 27 February 2025. Further information is provided in Note 40 on page 187.

Rules on appointment and replacement of Directors

A Director may be appointed by ordinary resolution of the shareholders in a general meeting following nomination by the Board or a member (or members) entitled to vote at such a meeting. In addition, the Directors may appoint a Director to fill a vacancy, or as an additional Director, provided that the individual retires at the next Annual General Meeting (**AGM**). A Director may be removed by the Company in certain circumstances set out in the Company's Articles of Association or by an ordinary resolution of the Company. The Relationship Agreement between the Company and Roger De Haan provides for the nomination for appointment (and removal or re-nomination) to the Board of one Non-Executive Director for as long as he holds at least the higher of:

- 10% or more of the issued ordinary share capital of the Company; and
- the percentage of the issued ordinary share capital of the Company, represented by 60% of the investor's holding of ordinary shares immediately following the capital raise, which took place in October 2020.

All Directors will seek re-election at the AGM in accordance with the Company's Articles of Association and the recommendations of the UK Corporate Governance Code 2024.

Directors' indemnities

At the date of this report, indemnities are in force, under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company or any of its subsidiaries.

No amount was paid under any of these indemnities during the year. Directors' and officers' liability insurance is in place at the date of this report, at an amount which the Board considers adequate. This is subject to annual review.

Change of control – significant agreements

There are some arrangements which give rights to third parties to terminate agreements upon a change of control of the Company, including following a takeover, for example, commercial contracts and insurance distribution agreements. Details of such arrangements are captured as part of the contractual governance process.

At 31 January 2026, the Group's corporate debt, which was secured in February 2025, comprised a £335.0m term loan facility and a £116.6m delayed-draw term loan facility, of which £100.0m is available to fund Ocean Cruise ship debt amortisation or capital investment, with the remaining £16.6m available for general corporate purposes. The Group also secured a new £33.4m Revolving Credit Facility, which can be used for general corporate purposes.

Export Credit Agency-backed funding is in place over 12 years to finance 80% of the cost of the Group's two Ocean Cruise ships at a fixed interest rate. The first of these facilities was drawn on completion of the build of Spirit of Discovery and secured by way of a charge over the asset. The second facility was drawn on completion of the build of Spirit of Adventure and also secured by way of a charge over the asset. The Company provided a guarantee for this ship debt.

In the event of a change of control, the facilities would either require repayment or renegotiation. If the ship financing was terminated, significant break fees may be incurred. Further details on banking facilities are shown in Note 30 to the consolidated financial statements on pages 174-176.

The rules of the Company's colleague share plans generally provide for the accelerated vesting and/or release of share awards in the event of a change of control of the Company.

The Company does not have any agreements with colleagues, including Directors, which would pay compensation in the event of a change of control.

Conflict of interest

Each Director is obliged to disclose any potential, or actual, conflict of interest in accordance with the Company's Conflict of Interest Policy. The policy is subject to review and declarations are made on an annual basis. Directors are also required to update any changes to declarations as they occur. Internal controls are in place to ensure that any related-party transactions are conducted on an arm's-length basis.

Share capital and interests in voting rights

The Company's share capital, including movements during the year, is set out on page 178. At the date of this report, the Company's issued share capital comprised a single class of share capital, which is divided into ordinary shares of 15p each. At 31 January 2026, 144,855,485 ordinary shares of 15p each had been issued, fully paid up and quoted on the London Stock Exchange (**LSE**).

In accordance with DTR 5.1, the Company must disclose where it has been notified of the interests in the Company's total voting rights. The obligation to notify sits with the shareholder, and the Company must report on the notifications received, between the end of the reporting year and a date not more than one month prior to the date of the notice of AGM. If the date of signing of the Annual Report and Accounts is prior to this, we will include an updated position in our AGM Notice (**Notice**).

Since the date of disclosure to the Company, the interest of any person may have increased or decreased. There is no requirement to notify the Company of any increase or decrease unless the holding passes a notifiable threshold in accordance with DTR 5.1.

Information regarding other interests in voting rights provided to the Company, pursuant to the Financial Conduct Authority DTRs, is published on the Company's corporate website and via a Regulatory Information Service.

During the year, the following notifications were received:

Name	Ordinary shares of 15p each	Percentage of capital as disclosed to the Company	Nature of holding
Eldose Babu	13,163,101	9.18	Indirect
Roger De Haan ²	39,876,355	27.53	Indirect

¹ This shareholding represents shares directly held by Roger De Haan. His shareholding, including that of his connected persons, is set out on page 91 of the Directors' Remuneration Report

² This disclosure relating to Roger De Haan is the latest disclosure announced on 30 September 2025. An additional disclosure was announced on 11 April 2025

Authority to allot/purchase own shares

A shareholders' resolution was passed at the AGM on 24 June 2025, authorising the Company to make market purchases within the meaning of Section 693(4) of the Companies Act 2006 (the **Act**) (up to £2,150,426.11, representing 10% of the aggregate nominal issued share capital of the Company). This is subject to a minimum price of 15p and a maximum price of the higher of 105% of the average mid-market quotations for five business days prior to purchase or the price of the last individual trade and highest current individual bid as derived from the LSE trading system.

The Company did not exercise this authority during the year, and it will expire at the forthcoming AGM. A special resolution to authorise the Company to make market purchases representing 10% of current nominal share capital will be proposed at the 2026 AGM.

The Directors of the Company were also granted authority at the 2025 AGM to allot relevant securities up to a nominal amount of £7,160,918.96. This authority was not exercised during the year. This authority will apply until the conclusion of the 2026 AGM, at which shareholders will be asked to grant the Directors authority (for the purposes of Section 551 of the Act) to allot relevant securities:

- up to an aggregate nominal amount of 33.3% of the Company's issued ordinary share capital; and
- comprising equity securities (as defined in the Act) up to an aggregate nominal amount of 66.6% of the Company's issued ordinary share capital (after deducting from such limit any relevant securities issued under (i) in connection with a rights issue).

These amounts will apply until the conclusion of the 2027 AGM, or, if earlier, 31 July 2027.

Special resolutions will also be proposed to give the Directors authority to make non-pre-emptive issues wholly for cash in connection with rights issues and otherwise up to an aggregate nominal amount of 10% of the Company's issued ordinary share capital, and to make non-pre-emptive issues wholly for cash in connection with acquisitions or specified capital investments up to an aggregate amount of 10% of the Company's issued ordinary share capital. This is consistent with the Pre-Emption Group's published Statement of Principles.

Rights attaching to shares

The Company has a single class of ordinary shares in issue. The rights attached to the shares are governed by applicable law and the Company's Articles of Association, which are available on our corporate website (www.corporate.saga.co.uk/about-us/governance).

Ordinary shareholders have the right to receive notice, attend and vote at general meetings, and to receive a copy of the Company's Annual Report and Accounts and a dividend when approved and paid. On a show of hands, each shareholder present in person, or by proxy (or an authorised representative of a corporate shareholder), shall have one vote. In the event of a poll, one vote is attached to each share held. No shareholder owns shares with special rights as to control. The Notice will state the deadlines for exercising voting rights and for appointing a proxy or proxies.

The Saga Employee Benefit Trust (the **Trust**) is an Employee Benefit Trust which holds property (the **Trust Fund**), including inter-alia money, and ordinary shares in the Company, in trust in favour, or for the benefit, of colleagues of the Saga Group.

The Trustee of the Trust has the power to exercise the rights and powers incidental, and to act in relation to the Trust Fund in such manner as the Trustee, in its absolute discretion, thinks fit. The Trustee has waived its rights to dividends on ordinary shares held by the Trust. Details of employee share schemes are set out in Note 36 to the consolidated financial statements.

Restrictions on the transfer of shares

The Company is not aware of any agreement that would result in a restriction on the transfer of shares or voting rights.

Articles of Association

Any amendment to the Company's Articles of Association may only be made by passing a special resolution of the shareholders of the Company. The Company last approved its Articles of Association by special resolution at the AGM held on 14 June 2021.

Research and development

The Group does not undertake any material activities in the field of research and development.

Branches outside the UK

The Company does not have any branches outside the UK.

Post-balance sheet events

There have been no post balance sheet events since year end.

Auditor

KPMG LLP confirmed its willingness to continue in office as auditor of the Company, and resolutions for its re-appointment, and for the Audit Committee to determine its remuneration, will be proposed at the forthcoming AGM.

Annual General Meeting

The AGM will be held on 30 June 2026 at 11.00am at the offices of Herbert Smith Freehills Kramer LLP, Exchange House, Primrose Street, London, EC2A 2EG. The Notice will be available on our corporate website (www.corporate.saga.co.uk) in due course.

By order of the Board



Victoria Haynes
Group Company Secretary
20 April 2026
Saga plc (Company no. 08804263)

Statements of responsibilities

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts, and the Group and parent company financial statements, in accordance with applicable laws 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 in conformity with the requirements of the Companies Act 2006 (the **Act**), and have elected to prepare the parent company financial statements in accordance with UK accounting standards, including Financial Reporting Standard 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 their profit or loss for that period (see governance statements on page 59). 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, reliable and 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 having been 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 Act. They are also responsible for such internal controls as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

Disclosure of information to the auditor

Having made the requisite enquiries, so far as each of the Directors is aware, there is no relevant audit information (as defined by Section 418(3) of the Act) of which the Company's auditor is unaware, and the Directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure that the Company's auditor is aware of that information.

Maintenance of website and single electronic reporting

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.

The financial statements will form part of the annual financial report prepared using the single electronic reporting format under the Transparency Directive European Single Electronic Format (**ESEF**) Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

Directors' responsibility statement

Each of the Directors who were in office at the date of this report, whose names and responsibilities are listed on pages 62-63, confirm that, to the best of their 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 Management Report, as defined in the Directors' 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.

The Directors consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board



Victoria Haynes
Group Company Secretary
20 April 2026
Saga plc (Company no. 08804263)

Independent Auditor's Report to the Members of Saga plc

1 Our opinion is unmodified

We have audited the financial statements of Saga plc (the **Company** or **Group**) for the year ended 31 January 2026, which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, Company balance sheet, Company statement of changes in equity and the related notes, including the accounting policies in Note 2.3 to the financial statements and Note 1.1 to the Company financial statements.

In our opinion:



- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 January 2026 and of the Group's profit 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 Financial Reporting Standard (**FRS**) 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (**ISAs (UK)**) and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders on 22 June 2017. The period of total uninterrupted engagement is for the nine financial years ended 31 January 2026. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the Financial Reporting Council (**FRC**) Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: Group financial statements as a whole	£4.5m (2025: £6.2m) 0.68% of 2026 revenue (2025: 1.05% of revenue)
Coverage	97% (2025: 97%) of total revenue
Key audit matter	vs. 2025
Recurring risks	Recoverability of goodwill 
	Recoverability of the parent company's investment in subsidiaries 

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2025 other than the exclusion of a key audit matter relating to valuation of the liability and reinsurance for incurred claims), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings from those procedures in order that the Company's members, as a body, may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Area	The risk	Our response
Recoverability of goodwill Goodwill: £206.4m, (2025: £206.4m) Impairment of goodwill: £nil (2025: £138.3m) Refer to pages 75-79 (Audit and Risk Committee Report), Note 2.3h on page 127 (accounting policies) and Note 16 on pages 150-151 (financial disclosures) in the annual report and accounts.	Forecast-based assessment: Insurance Broking goodwill recognised by the Group is significant and is subject to impairment risk if actual business performance were to fall short of forecasts, particularly in an environment of compressed margins arising. The recoverable amount of goodwill is assessed using a value in use (VIU) model, based on forecast discounted cash flows derived from the 20-year motor and home partnership with Ageas ¹ (Affinity Partnership) that commenced in December 2025. The assessment involves a high degree of judgement and estimation uncertainty, as it relies on management's expectations of future performance and the successful delivery of forecast cash flows under the Affinity Partnership arrangement with a third-party insurer. The VIU model is most sensitive to assumptions relating to projected future operating cash flows. A shortfall in forecast performance could result in a material reduction in headroom. Other key assumptions, including the pre-tax discount rate and terminal growth rate, are inherently subjective; however, changes in these assumptions are not individually significant in isolation. The impairment assessment becomes more sensitive where adverse movements in the discount rate and terminal growth rate occur in combination, amplifying the impact of any under-performance in forecast cash flows.	We performed the tests below rather than seeking to rely on any of the Group's controls because the estimation uncertainty involved in the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: Historical comparisons <ul style="list-style-type: none"> • We assessed the reasonableness of cash flow projections in view of the terms of the Affinity Partnership agreement against historical performance. Our sector experience <ul style="list-style-type: none"> • We evaluated and challenged the assumptions used in cash flow forecasts using our sector knowledge and experience. Benchmarking assumptions <ul style="list-style-type: none"> • We compared the Group's assumptions to externally derived data in relation to key inputs, such as pre-tax discount rates, with the support of our valuation specialists and terminal growth rates. Comparing valuations <ul style="list-style-type: none"> • We compared the recoverable amount of the Insurance business cash generating unit (CGU) by reference to the VIU relative to the carrying value and evaluated the outcome against comparator industry multiples.

1 Wholly owned UK subsidiaries of Ageas SA/NV

Area	The risk	Our response
	<p>Estimation uncertainty is further heightened by the relatively short period of trading history under the Affinity Partnership prior to the year end, which limits the availability of historical evidence to support management's forecasts.</p> <p>As a result of these factors, there is a risk that Insurance Broking goodwill may be impaired, particularly if the Group fails to achieve its forecast performance for 2026/27 and subsequent periods. Accordingly, as part of our risk assessment, we determined that the valuation of goodwill involves a high degree of estimation uncertainty, with a reasonably possible range of outcomes that could exceed materiality for the financial statements as a whole, and potentially by a significant margin.</p>	<p>Assessing transparency</p> <ul style="list-style-type: none"> We assessed whether the Group disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflects the risks inherent in the valuation of goodwill. <p>Our findings: We found the Group's estimated recoverable amount of goodwill to be balanced (2025 finding: balanced), with proportionate (2025 finding: proportionate) disclosure of the related assumptions and sensitivities</p>
<p>Recoverability of the parent company's investment in subsidiaries</p> <p><i>Company's investment in subsidiaries: £840.4m (2025: £659.3m)</i></p> <p><i>Impairment reversed in the year: £181.1m (2025: £492.0m)</i></p> <p><i>Refer to pages 75-79 (Audit and Risk Committee Report), Note 1.1 on page 190 (accounting policies) and Note 2 on pages 192-193 (financial disclosures) in the annual report and accounts.</i></p>	<p>Forecast-based assessment:</p> <p>The parent company has a single direct subsidiary but indirectly owns all entities within the Group. The carrying amount of the parent company's investment in subsidiaries is significant and has been impaired in prior years. As a result, the balance remains sensitive to changes in forecast business performance across the Group's business units.</p> <p>The recoverable amount of the parent company's investment in subsidiaries is subject to significant judgement, as it is dependent on forecast future performance and valuation assumptions applied to those forecasts. In particular, the assessment is most sensitive to the EV/EBITDA multiple applied for Travel CGU, which has a direct impact on the estimated enterprise value of the Group and therefore on the headroom supporting the carrying value of the investment.</p> <p>For the insurance broking business specifically, the underlying forecasts are most sensitive to assumptions relating to future operating cash flows. While other assumptions, including discount rates and terminal growth rates, are inherently judgemental, they are not individually significant drivers of valuation outcomes. However, the overall estimation uncertainty increases where adverse movements in these assumptions occur alongside under-performance against forecast operating cash flows.</p> <p>Uncertainty in the broader economic outlook, including geo-political factors and their impact on the Group's Travel businesses, further heightens estimation uncertainty. As a result, there is a risk of further impairment or reversal of previously recognised impairments at the parent company level if actual performance is materially different from plan in 2026/27 and subsequent periods.</p> <p>Accordingly, as part of our risk assessment, we determined that the valuation of the parent company's investment in subsidiaries involves a high degree of estimation uncertainty, with a reasonably possible range of outcomes that could exceed materiality for the financial statements as a whole, and potentially by a significant margin.</p>	<p>We performed the tests below rather than seeking to rely on any of the Group's controls because the estimation uncertainty involved in the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <p>Our procedures included:</p> <p>Historical comparisons</p> <ul style="list-style-type: none"> We assessed the reasonableness of cash flow projections against historical performance. <p>Our sector experience</p> <ul style="list-style-type: none"> We evaluated and challenged the assumptions used in cash flow forecasts using our sector knowledge and experience. <p>Benchmarking assumptions</p> <ul style="list-style-type: none"> We compared the parent company's assumptions to externally derived data in relation to key inputs, such as pre-tax discount rates for the Insurance Broking CGU and EV/EBITDA multiple for the Travel CGU, with the support of our valuation specialists, with terminal growth rates assessed independently. <p>Comparing valuations</p> <ul style="list-style-type: none"> For the parent company's investment in subsidiaries, we compared the sum of the VIUs or fair value less costs to sell for all of the Group's CGUs to the carrying value, market capitalisation and implied multiples of the Group's businesses; and evaluated reasons for any significant differences. <p>Sensitivity analysis</p> <ul style="list-style-type: none"> We evaluated the recoverable amount of the parent company's investment in subsidiaries, including sensitivity analysis over key valuation assumptions such as EV/EBITDA multiples, forecast cash flows, pre-tax discount rates and terminal growth rates. While the reversal of impairment results in nil headroom, we concluded that the carrying value does not exceed the recoverable amount and that the reversal is appropriate. <p>Assessing transparency</p> <ul style="list-style-type: none"> We assessed the adequacy of the parent company's disclosures in respect of the investment in subsidiaries. <p>Our findings: We found the Group's estimated recoverable amount of the parent company's investment in subsidiaries and the related reversal of impairment to be balanced (2025 finding: balanced), with proportionate (2025 finding: proportionate) disclosure of the related assumptions and sensitivities.</p>

Further to the announcement made on 16 December 2024, the Group completed the disposal of its Insurance Underwriting subsidiary, Acromas Insurance Company Limited, to Ageas[®] on 1 July 2025, following satisfaction of the relevant conditions. As a result of this disposal, the Group no longer retains underwriting risk associated with insurance liabilities, including the valuation of the liability and reinsurance for incurred claims. Accordingly, this area was not considered to represent one of the most significant risks in the current year audit and has, therefore, not been separately identified as a Key Audit Matter in the current year auditor's report.

3 Our application of materiality and an overview of the scope of our audit

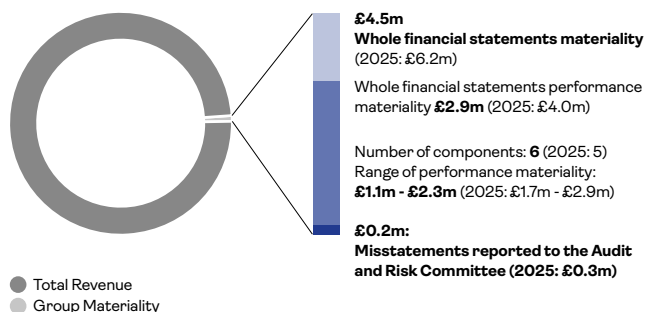
Materiality for the Group financial statements as a whole was set at £4.5m (2025: £6.2m), determined with reference to a benchmark of total revenue, of which it represents 0.68% (2025: 1.05%).

Total revenue

£660.0m (2025: £588.3m)

Group materiality

£4.5m (2025: £6.2m)



Materiality for the parent company financial statements as a whole was set at £3.2m (2025: £4.4m), determined with reference to a benchmark of net assets of which it represents 0.3% (2025: 0.6%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2025: 65%) and 65% (2025: 75%) of materiality for the financial statements as a whole for the Group and the parent company respectively. This equates to £2.9m (2025: £4.0m) and £2.1m (2025: £3.3m) for the Group and the parent company respectively. We applied this percentage in our determination of performance materiality based on impact of the number of control deficiencies identified during the prior period.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.2m (2025: £0.3m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Overview of the scope of our audit

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 13 components (2025: 13), having considered our evaluation of the Group's operational structure, the existence of common information systems, the existence of common risk profile across entities and our ability to perform audit procedures centrally. Of those, we identified three quantitatively significant components (2025: four), which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures. Additionally, having considered qualitative and quantitative factors, we selected two components (2025: one) with accounts and/or disclosures 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	
	2026	2025	2026	2025
Quantitatively significant components	3	4	£2.3m - £1.4m	£2.9m - £1.8m
Other components where we performed procedures	3	1	£1.4m - £1.1m	£1.7m
Total	6	5		

We involved component auditors in performing the audit work on three components (2025: three). We set the component materialities having regard to the mix of size and risk profile of the Group across the components. We also performed the audit of the parent company.

Our audit procedures covered 97% of Group revenue (2025: 97%). We performed audit procedures in relation to components that accounted for 96% of Group total assets (2025: 96%).

For the remaining components for which we performed no audit procedures, no component represented more than 2% of Group total revenue (2025: 2%). We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

With the assistance of our IT auditors, we obtained an understanding of the main IT systems relevant to our Group audit. The Group's control environment is undergoing improvement, including the recent upgrade of the general ledger in November 2025. As such, our planned audit approach was to rely only on relevant general IT controls at the Group level but not for the audits of the components.

Following our testing, including performing additional risk assessment procedures in response to deficiencies identified, we were able to rely on general IT controls and automated controls at the Group level in determining the work to be performed over certain consolidation processes. As we did not rely on controls over the component IT systems, we performed additional testing over the completeness and accuracy of information extracted from the systems used in our audit. We also concluded that substantive audit procedures in most areas of our audit, such as revenue-to-cash matching, would produce relevant audit evidence in a more efficient way and, therefore, our audit was largely substantive.

The control deficiencies in relation to manual journal entries under the previous general ledger were identified and therefore we were not able to rely on controls in this area. Following incremental risk assessment, we determined that no significant changes were required to our planned approach to journal testing.

Overall, considering the developing nature of the control environment and the most efficient and effective approach for gaining the appropriate audit evidence, we concluded that a largely substantive audit approach was appropriate for the audit of the year ended 31 January 2026 for significant risk areas and the key transactional processes.

4 Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least 12 months from the date of approval of the financial statements (the **going concern period**).

We used our knowledge of the Group, its industry and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources and metrics relevant to debt covenants over this period were:

- a sustained downturn in trading performance across the Cruise and Travel businesses, including reduced load factors, lower per diems and weaker customer demand, which could adversely impact cash generation and liquidity headroom;
- execution risk associated with the transition to the Affinity Partnership model with Ageas in Insurance Broking, including the risk that planned partnership benefits are delayed or not fully realised, alongside increased operating cost pressures;
- a significant operational disruption, including a cyber-related incident, affecting Cruise operations and Insurance, resulting in lost revenue, remediation costs, fines or customer compensation; and
- increased collateral or bonding requirements, including higher ABTA bonding and merchant acquirer cash collateral demands, which could restrict available liquidity.

We also considered less predictable but realistic second order impacts, such as such as adverse changes in UK Government policy and the economic environment, which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity and covenant compliance in the going concern period by assessing the Directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively.

Our conclusions based on this work:

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- We have not identified, and concur with the Directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period.
- We have nothing material to add or draw attention to in relation to the Directors' statement in Note 2.1 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 Company's use of that basis for the going concern period, and we found the going concern disclosure in Note 1.1 to be acceptable.
- The related statement under the UK Listing Rules set out on page 59 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and, as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5 The impact of climate change on our audit

In planning our audit, we have considered the potential impact of risks arising from climate change on the Group's business and its financial statements.

As part of our audit, we performed a risk assessment, including making enquiries of management, to understand how the impact of commitments made by the Group in respect of reducing carbon emissions, as well as the physical risks of climate change, and transition risks faced by the Group, could impact on the financial statements and our audit. Through the procedures we performed, we did not identify any significant impact of climate change on the Group's material accounting estimates and there was no significant impact of this assessment on our key audit matters for the year ended 31 January 2026.

The Cruise business within the Group owns cruise ship assets which meet all current regulatory standards regarding emissions and climate change targets. While there will likely be technology advances in years to come that, when developed, will require the Group to look to incur incremental costs to modify the engines on these cruise ships to meet lower emissions standards, the cost to incur such changes would likely extend the operating life of these vessels. Given this and the fact that this technology is yet to be developed, we assessed the risk of climate change to the carrying amount of the cruise ship assets at the balance sheet date to be not significant.

The Insurance business within the Group operates as an insurance intermediary, predominantly broking motor and home insurance products on behalf of third-party insurers, and does not assume underwriting or reserving risk. Climate change may influence claims experience and pricing within the wider insurance market; however, given the Group's broking model and the short-term nature of the policies brokered, there was no direct impact on the Group's financial statements at the balance sheet date. Climate risk is expected to evolve over the medium to long term and accordingly we assessed no significant impact at year-end on insurance goodwill, which relates to the Group's insurance broking activities.

We have also read the disclosures of climate related information in the front half of the Annual Report and Accounts as set out on pages 41-48 and considered consistency with the financial statements and our audit knowledge. We have not been engaged to provide assurance over the accuracy of these disclosures.

6 Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (**fraud risks**), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included the following:

- Making enquiries of the Directors, the Audit and Risk Committee, and the Internal Audit and Assurance Director and reviewing key policies and papers provided to those charged with governance. This was undertaken to understand the Group's high-level fraud prevention and detection policies and procedures, including the whistleblowing mechanisms and the process for engaging local management to identify fraud risks specific to individual business units. We also enquired whether they were aware of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes. For Group Audit and Risk Committee meetings, the external audit partner attended to support our understanding of governance matters relevant to the audit.
- Considering remuneration structures, incentive schemes and performance targets applicable to Directors and senior management.
- Performing analytical procedures to identify unusual or unexpected trends or relationships.
- Reviewing broker reports and other publicly available information to identify third-party expectations and potential areas of concern.

Independent Auditor's Report to the Members of Saga plc continued

We communicated the identified fraud risks throughout the audit team and maintained an ongoing awareness of potential indicators of fraud. This included communication from the Group audit team to component teams regarding relevant fraud risks identified at Group level and requests for component teams to report any fraud instances that could result in a material misstatement at Group level.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we performed procedures to address the risk of management override of controls, in particular the risk that the Group or component management may be in a position to make inappropriate accounting entries. For this audit, we do not believe there is a fraud risk related to revenue recognition, as revenue is straightforward in nature and does not involve significant judgement or estimation.

When determining the procedures to address identified fraud risks, we considered the results of our evaluation and testing of the operating effectiveness of the Group's fraud risk management controls.

We also performed procedures including:

- identifying and testing journal entries across all in-scope components based on risk criteria. This included entries posted by senior management, entries containing specific high-risk keywords, postings to unusual accounts, end-of-period or post-closing adjustments with limited descriptions and unusual journal entries affecting cash, revenue, or borrowings. Supporting documentation for each selected entry was obtained and evaluated; and
- evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and 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 members of management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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 team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at Group.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, taxation legislation and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations, where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: regulatory capital, regulatory compliance and liquidity and certain aspects of company legislation, recognising the financial and regulated nature of the Group's activities and its legal form, with the Insurance business regulated primarily by the Financial Conduct Authority and the Gibraltar Financial Services Commission and the Cruise and the Holidays businesses regulated by the Civil Aviation Authority.

The Cruise and Holidays businesses are also members of the Association of British Travel Agents, the International Air Transport Association and the Federation of Tour Operators. These are well-recognised UK trade bodies with codes of conduct to which members are required to adhere. 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 is evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation:

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we 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.

7 We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Strategic Report and Directors' Report

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion, the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the Viability Statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Viability Statement on page 55 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;

- the principal risks and uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they 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 55 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions, and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- The Directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.
- The section of the Annual Report describing the work of the Audit and Risk Committee, including the significant issues that the Audit and Risk Committee considered in relation to the financial statements, and how these issues were addressed.
- The section of the Annual Report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the 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. We have nothing to report in these respects.

8 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us;
- 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;
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 111, 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 (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.

Natalia Bottomley (Senior Statutory Auditor)
for and on behalf of **KPMG LLP, Statutory Auditor**
Chartered Accountants
15 Canada Square, London, E15 4GL
20 April 2026

Consolidated income statement

FOR THE YEAR ENDED 31 JANUARY 2026

	Notes	2026 £m	2025 £m
Continuing operations			
Revenue	3	660.0	588.3
Cost of sales	3	(341.1)	(308.8)
Gross profit		318.9	279.5
Administrative and selling expenses	5	(252.9)	(231.8)
Increase in credit loss allowance		(0.9)	(1.8)
Impairment of non-financial assets	6	(0.5)	(162.8)
Gain on lease modification	18	–	0.2
Net profit on disposal of property, plant and equipment and software	15, 17, 18	–	0.9
Investment income	7	6.1	6.1
Finance costs	8	(68.6)	(50.5)
Profit/(loss) before tax from continuing operations		2.1	(160.2)
Income tax credit/(expense)	10	2.0	(18.5)
Profit/(loss) from continuing operations		4.1	(178.7)
(Loss)/profit from discontinued operations, net of tax ¹	38a	(0.5)	13.8
Profit/(loss) for the year		3.6	(164.9)
Attributable to:			
Equity holders of the parent		3.6	(164.9)
Earnings/(loss) per share:			
Basic	12	2.5p	(117.4p)
Diluted	12	2.4p	(117.4p)
Earnings/(loss) per share from continuing operations:			
Basic	12	2.9p	(127.2p)
Diluted	12	2.8p	(127.2p)

The Notes on pages 123-187 form an integral part of these consolidated financial statements.

¹ The results of discontinued operations, comprising the post-tax profit, are shown as a single amount on the face of the income statement. An analysis of this amount is presented in Note 38a

Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 JANUARY 2026

	Notes	2026 £m	2025 £m
Profit/(loss) for the year		3.6	(164.9)
Other comprehensive income			
Other comprehensive income that may be reclassified to the income statement in subsequent years from continuing operations			
Net (losses)/gains on hedging instruments during the year	19	(4.5)	6.0
Recycling of previous losses/(gains) to the income statement on matured hedges	19	1.6	(3.3)
Total net (losses)/gains on cash flow hedges		(2.9)	2.7
Associated tax effect		-	(0.3)
Total other comprehensive (losses)/gains with recycling to the income statement from continuing operations		(2.9)	2.4
Other comprehensive income that will not be reclassified to the income statement in subsequent years from continuing operations			
Remeasurement gains on defined benefit plan	27	7.5	4.6
Associated tax effect		-	(12.0)
Total other comprehensive gains/(losses) without recycling to the income statement from continuing operations		7.5	(7.4)
Total other comprehensive income/(losses) from continuing operations		4.6	(5.0)
Total comprehensive income/(losses) for the year		8.2	(169.9)
Attributable to:			
Equity holders of the parent		8.2	(169.9)
Arising from:			
Continuing operations		8.7	(183.7)
Discontinued operations		(0.5)	13.8
		8.2	(169.9)

The Notes on pages 123-187 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

AT 31 JANUARY 2026

	Notes	2026 £m	2025 £m
Assets			
Goodwill	14	206.4	206.4
Intangible assets	15	33.0	34.3
Property, plant and equipment	17	568.3	582.8
Right-of-use assets	18	35.1	24.9
Financial assets	19	1.1	12.6
Current tax assets		–	0.4
Inventories	22	8.4	8.3
Trade and other receivables	23	143.3	143.7
Trust and escrow accounts	24	12.0	8.8
Cash and short-term deposits	25	257.0	129.2
Assets held for sale	38	11.0	436.9
Total assets		1,275.6	1,588.3
Liabilities			
Retirement benefit scheme liability	27	25.4	39.8
Provisions	31	23.6	21.7
Financial liabilities	19	651.4	690.1
Contract liabilities	29	252.2	176.8
Trade and other payables	26	253.3	255.3
Liabilities directly associated with assets held for sale		–	346.9
Total liabilities		1,205.9	1,530.6
Equity			
Issued capital	33	21.7	21.5
Share premium		648.3	648.3
Own shares held reserve		(1.6)	(1.4)
Retained deficit		(604.7)	(620.2)
Share-based payment reserve		9.4	10.0
Hedging reserve		(2.2)	(0.5)
Cost of hedging reserve		(1.2)	–
Total equity		69.7	57.7
Total equity and liabilities		1,275.6	1,588.3

The Notes on pages 123-187 form an integral part of these consolidated financial statements.

Signed for and on behalf of the Board on 20 April 2026 by



Mike Hazell
Group Chief Executive Officer



Mark Watkins
Group Chief Financial Officer

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 JANUARY 2026

	Attributable to the equity holders of the parent							Total £m
	Issued capital £m	Share premium £m	Own shares held reserve £m	Retained (deficit)/ earnings £m	Share- based payment reserve £m	Hedging reserve £m	Cost of hedging reserve £m	
At 1 February 2025	21.5	648.3	(1.4)	(620.2)	10.0	(0.5)	-	57.7
Profit for the year from continuing operations	-	-	-	4.1	-	-	-	4.1
Loss for the year from discontinued operations	-	-	-	(0.5)	-	-	-	(0.5)
Profit for the year	-	-	-	3.6	-	-	-	3.6
Other comprehensive gains/(losses) excluding recycling from continuing operations	-	-	-	7.5	-	(4.5)	-	3.0
Recycling of previous losses to the income statement from continuing operations	-	-	-	-	-	1.6	-	1.6
Total comprehensive income/(losses)	-	-	-	11.1	-	(2.9)	-	8.2
Issue of share capital (Note 33)	0.2	-	(0.2)	-	-	-	-	-
Transfer between reserves	-	-	-	-	-	1.2	(1.2)	-
Share-based payment charge (Note 36)	-	-	-	-	3.9	-	-	3.9
Transfer upon vesting of share options	-	-	-	4.4	(4.5)	-	-	(0.1)
At 31 January 2026	21.7	648.3	(1.6)	(604.7)	9.4	(2.2)	(1.2)	69.7
At 1 February 2024	21.3	648.3	(1.2)	(452.5)	10.5	(2.9)	-	223.5
Loss for the year from continuing operations	-	-	-	(178.7)	-	-	-	(178.7)
Profit for the year from discontinued operations	-	-	-	13.8	-	-	-	13.8
Loss for the year	-	-	-	(164.9)	-	-	-	(164.9)
Other comprehensive (losses)/gains excluding recycling from continuing operations	-	-	-	(7.4)	-	5.2	-	(2.2)
Recycling of previous gains to the income statement from continuing operations	-	-	-	-	-	(2.8)	-	(2.8)
Total comprehensive (losses)/income	-	-	-	(172.3)	-	2.4	-	(169.9)
Issue of share capital (Note 33)	0.2	-	(0.2)	-	-	-	-	-
Share-based payment charge (Note 36)	-	-	-	-	4.2	-	-	4.2
Transfer upon vesting of share options	-	-	-	4.6	(4.7)	-	-	(0.1)
At 31 January 2025	21.5	648.3	(1.4)	(620.2)	10.0	(0.5)	-	57.7

The Notes on pages 123-187 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 JANUARY 2026

	Notes	2026 £m	2025 £m
Profit/(loss) before tax from continuing operations		2.1	(160.2)
Profit before tax from discontinued operations	38a	2.4	19.1
Profit/(loss) before tax		4.5	(141.1)
Depreciation, impairment and profit on disposal, of property, plant and equipment, and right-of-use assets		31.7	29.8
Amortisation and impairment of intangible assets and goodwill		7.1	176.8
Loss on disposal of assets held for sale	38a	10.2	-
Impairment of assets held for sale	38b	-	0.4
Gain on lease modification	18	-	(0.2)
Share-based payment transactions		3.9	4.2
Net finance expense from insurance contracts	28	5.3	15.5
Net finance income from reinsurance contracts	28	(2.2)	(7.3)
Finance costs	8	68.6	50.5
Interest income from investments		(10.8)	(17.3)
(Increase)/decrease in trust and escrow accounts		(3.2)	29.1
Movements in other assets and liabilities		38.4	(1.2)
		153.5	139.2
Investment income interest received		13.0	12.1
Interest paid		(49.9)	(41.7)
Income tax received		0.4	3.6
Net cash flows from operating activities		117.0	113.2
Investing activities			
Proceeds from sale of property, plant and equipment and right-of-use assets		1.0	0.9
Purchase of, and payments for, the construction of property, plant and equipment and intangible assets		(16.1)	(20.1)
Disposal of financial assets		36.8	45.5
Purchase of financial assets		-	(11.5)
Disposal of subsidiary	38a	68.8	-
Cash and cash equivalents disposed of with subsidiary	38a	(84.4)	-
Net cash flows from investing activities		6.1	14.8
Financing activities			
Payment of principal portion of lease liabilities	32	(6.3)	(7.3)
Proceeds from new borrowings	32	335.0	95.0
Repayment of borrowings	32	(380.6)	(232.2)
Debt issue costs	32	(17.6)	-
Net cash flows used in financing activities		(69.5)	(144.5)
Net increase/(decrease) in cash and cash equivalents		53.6	(16.5)
Cash and cash equivalents at the start of the year		203.1	219.6
Cash and cash equivalents at the end of the year	25	256.7	203.1

Included in the above are cash flows from discontinued operations. An analysis of these can be found in Note 38a.

The Notes on pages 123-187 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 Corporate information

Saga plc (the **Company**) is a public limited company incorporated and domiciled in the United Kingdom (**UK**) under the Companies Act 2006 (registration number 08804263). The Company is registered in England and Wales and its registered office is 3 Pancras Square, London, N1C 4AG.

Saga offers a wide range of products and services to its customer base, which include package and cruise holidays, general insurance products, personal finance products and a range of media content, including a monthly subscription magazine.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted international accounting standards.

The consolidated financial statements have been prepared on a going concern basis and on a historical cost basis, except as otherwise stated. The Group reviewed the appropriateness of the going concern basis in preparing the financial statements, details of which are included below. Based on those assumptions, the Directors concluded that it remains appropriate to adopt the going concern basis in preparing the financial statements.

The Group's consolidated financial statements are presented in British pounds sterling (**GBP**), which is also the parent company's functional currency, and all values are rounded to the nearest hundred thousand (£m), except when otherwise indicated. Each company in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The preparation of financial statements in compliance with UK-adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements, and their effect, are disclosed in Note 2.6.

The material accounting policies adopted, which have been applied consistently, unless otherwise stated, are set out in Note 2.3.

Going concern

The Directors have assessed the Group's ability to continue as a going concern over the period to 30 April 2027, being at least 12 months from the date of approval of the Annual Report and Accounts. This assessment considered the Group's current liquidity position, financial forecasts, debt facilities, covenant compliance and principal risks. The review included both the Board-approved base case and a severe but plausible stressed scenario.

Under the base case, the Group maintains Available Cash² in excess of internal minimum liquidity requirements throughout the assessment period. No drawdown of the Group's £33.4m Revolving Credit Facility (**RCF**) or £116.6m delayed-draw term loan (**DDTL**) facility is required, and the Group remains in compliance with all financial covenants linked to its debt facilities.

The stressed scenario models multiple downside risks occurring concurrently across the assessment period. These include lower trading performance across Ocean Cruise, River Cruise and Holidays, reflecting a reduction in load factors for Ocean Cruise from 93% for the year ended 31 January 2026 to 88% over the assessment period, a 1-2% reduction in per diems in River Cruise and softer customer volumes in our Holidays business; lower-than-planned benefit realisation and increased operating pressures within Insurance Broking; and a competitive savings market combined with weaker demand for our other products in the Money division.

The scenario additionally incorporates a cyber-related operational disruption affecting both Cruise and Insurance, as well as certain adverse non-trading cash impacts, including higher Association of British Travel Agents (**ABTA**) bonding requirements. Together, these stresses reduce profitability and cash generation relative to the base case.

In forming their conclusion, the Directors considered the Group's exposure to the crisis in the Middle East and the increased volatility in global energy markets. Saga is 100% hedged against foreign exchange risk for both 2026/27 and 2027/28 and is 100% and 75% hedged for commodity risk respectively. However, the Group remains directly exposed to risks associated with supply constraints for marine fuel in its Cruise operations and, indirectly, to jet fuel through the Holidays business unit's partnerships with airlines. Additional reverse stress testing indicates that, in 2026/27, Saga could withstand a reduction in planned EBITDA of more than 50% before breaching its leverage covenant and losing access to currently undrawn debt facilities.

The Directors also considered additional downside risks not explicitly modelled, including regulatory, operational and economic uncertainties. These were assessed as either remote within the going concern period or mitigated through existing controls and contingency planning.

Having reviewed the forecasts, stress testing and associated risk analysis, the Directors are satisfied that the Group can expect to remain in compliance with its debt covenants and retain access to currently undrawn facilities even under the stressed scenario. Noting that it is not possible to accurately predict all possible future risks to the Group's trading, based on this analysis and the scenarios modelled, they have concluded that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the financial statements to 31 January 2026 have been prepared on a going concern basis.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its **subsidiaries**, collectively the **Group**) made up to 31 January each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with an investee entity and has the ability to affect those returns through its power over the investee entity.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiary companies are consolidated using the acquisition method.

The results of subsidiaries acquired, or disposed of, during the year are included in the consolidated income statement from the effective date of acquisition (control) or up to the effective date of disposal (control ceases), as appropriate. Where a subsidiary which constituted a separate major line of business is disposed of, it is disclosed as a discontinued operation.

In preparing these consolidated financial statements, any intra-group receivables, payables, income and expenses arising from intra-group trading are eliminated. Where accounting policies used in individual financial statements of a subsidiary company differ from Group policies, adjustments are made to bring these policies in line with Group policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Notes to the consolidated financial statements continued

2.3 Summary of material accounting policies

a) Revenue recognition

Revenue represents amounts receivable from the sale or supply of goods and services provided to customers in the ordinary course of business and is recognised to the extent that it is probable that the future economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when payment is received. The policies for the recognition of the Group's various revenue streams by segment are as follows:

i) Travel

Revenue from Cruise, in respect of Ocean Cruise holidays, is recognised in line with the performance obligations, being the cruise itself, flights and/or rail journeys (where applicable), travel insurance and transfers. The standalone selling price of each performance obligation is estimated as the cost to provide each obligation plus a profit margin appropriate to the nature of each service. The price charged to each customer is then apportioned to each performance obligation based on the relative estimated standalone selling prices, in line with the requirements of International Financial Reporting Standard (IFRS) 15 'Revenue from Contracts with Customers'. The portion of revenue allocated to the cruise itself is recognised on a per diem basis over the duration of the cruise, in line with when the performance obligation is satisfied. The portion of revenue allocated to flights, flight upgrades (where applicable) and transfers is recognised on the date that each trip is fulfilled.

Revenue from travel insurance (which is underwritten by a third party) for cruising holidays is recognised at the cover start date of the policy, which is usually at the point the customer makes a booking.

Revenue from Cruise, relating to chartered River Cruise ships, is also recognised in line with the performance obligations that are included in a package holiday, namely the provision of flights, accommodation, transfers and travel insurance. Revenue is recognised as and when each performance obligation is satisfied, which is deemed to be when each service to the customer takes place.

For Holidays, revenue in relation to flights and flight upgrades is recognised on the date of each flight; revenue in relation to accommodation is recognised over the duration of the holiday; revenue in relation to transfers is recognised on the date that the transfers occur before and after each holiday; and revenue in respect of travel insurance (which is underwritten by a third-party) is recognised on the cover start date of the insurance. This is consistent with the approach adopted by the Cruise business.

An element of revenue which represents the non-refundable deposit received at the time of booking is recognised in the income statement when the likelihood of the customer exercising their remaining rights becomes remote.

Revenue from sales in resort, or on board a cruise ship operated by the Group, for example for optional excursions, is recognised as it is earned.

Revenue from Travel received in advance of when each performance obligation is satisfied is included as deferred revenue within contract liabilities in the statement of financial position.

ii) Insurance

The amounts received from customers for insurance policies comprise three main elements: the premium charged to the customer in respect of the insurance cover (**gross premium**); insurance premium tax (**IPT**); and an arrangement fee, where applicable (only applied to policies that are brokered via a panel). The gross premium itself comprises two elements: the premium charged by the underwriter of each policy (**net premium**), plus any adjustment to the net premium that is applied by the Group's broker during the broking service (**street pricing adjustment**). Prior to 1 July 2025, policies were underwritten either by the Group's in-house underwriter, or by a third party. Following the sale of the Group's in-house underwriting business on 1 July, all policies are underwritten exclusively by third-party underwriters.

The Group may also charge additional amounts, where the customer pays in instalments, for mid-term cancellations or for adjustments made to policies mid-term.

IPT is excluded from all revenue recognised by the Group.

Our Insurance Broking business also offers a three-year fixed-price feature, bundled within the Saga Plus product offering for motor and home insurance. This product is a distinct and separate service offered by the broker, as a promise to match or beat the premium for the next two renewal dates for the same level of protection and provided that the customer's circumstances do not change.

(a) For 12-month insurance policies with no option to fix the premium at renewal (**annual policies**)

For insurance policies underwritten by the Group (up to 1 July 2025³):

- the gross insurance premium and any amounts received as a result of the policyholder opting to pay in instalments were recognised as insurance revenue on a straight-line, time-apportioned basis over the coverage period;
- any such amounts received in advance of coverage being provided to the policyholder were deferred within insurance contract liabilities in the statement of financial position;
- mid-term adjustments to premiums were recognised on a straight-line, time-apportioned basis over the remaining coverage period of the policy; and
- reductions in premiums arising from mid-term cancellations were recognised on the effective date of the cancellation.

The above treatment is in line with the requirements of IFRS 17 'Insurance Contracts' (see also Note 2.3r).

For insurance policies not underwritten by the Group:

- the portion of the gross premium that is retained by the Group, otherwise referred to as the street pricing adjustment, is allocated to performance obligations and recognised as those performance obligations are satisfied. The most material amount is allocated to the performance obligation relating to the brokerage service, which is recognised on the inception date of the insurance contract; and
- the portion of the gross premium charged by the third-party underwriter, otherwise referred to as the net premium, is not recognised as revenue in the income statement.

The above treatment is in line with the requirements of IFRS 15.

For all insurance policies:

- the arrangement fee that is charged in respect of the broking service is recognised within revenue from Insurance Broking services on the date that each policy is arranged; and
- any fee income charged for a mid-term cancellation or adjustment is recognised on the date the adjustment is made, being the point that the mid-term service is fulfilled. Where these amounts arise from insurance contracts underwritten by the Group, they are presented within Insurance revenue, otherwise they are presented within revenue from Insurance Broking services.

(b) For 12-month insurance policies where customers have the option to fix the premium over three years (**three-year fixed-price products**)

The policyholder's option to fix the annual premium at the first and second renewal points is accounted for under IFRS 15 as a promise to the customer.

Where the related insurance policy is not underwritten by the Group, this promise is accounted for as a separate performance obligation to the brokerage service.

Where the related insurance policy was underwritten by the Group (up to 1 July 2025³), this promise was a distinct service that was accounted for separately from the host insurance contract because:

- the cash flows and risks of the price promise service were not highly interrelated with those of the insurance contract; and
- the Group did not provide a significant service in integrating the price promise with the insurance underwriting service.

3 Refer to Note 38a on pages 182-184 for further detail

Therefore, the accounting treatment of the Group's obligation to fix the premium did not depend on whether the related insurance policy was underwritten by the Group.

For all three-year fixed-price products, the Group allocates a portion of the gross premiums received at inception and at the first renewal point to the price promise service. The amount allocated to this service is an estimate of its standalone selling price, being an actuarial estimate of the cost of transferring the obligation to a third party plus an appropriate profit margin.

Amounts allocated to the price promise service are initially deferred within contract liabilities in the statement of financial position and subsequently recognised as revenue since the option to fix is exercised by the customer (and the Group's performance obligation is satisfied).

If a customer cancels a policy subject to the three-year fixed-price promise mid-term, or chooses not to renew in the second or third years, any remaining deferred revenue is recognised within revenue at the point the cover ends, being the point that the Group is released from the obligation to fix the price at renewal.

The Group previously entered into contracts to limit its exposure to potential losses arising as a result of underwriting net rate inflation in respect of its three-year fixed-price offering. The Group continues to recognise amounts arising from those contracts. Those contracts are classified as insurance contracts held.

(c) Other sources of revenue relating to insurance policies

Profit commissions due to the Group, from acting as an insurance intermediary on behalf of third-party underwriters, are recognised and valued in accordance with the contractual terms to which they are subject, when it is highly probable that a significant reversal of revenue will not occur.

Where claims arise on insurance policies that are not the fault of the insured, the Group may earn revenue from:

- referrals to credit hire companies (in relation to policies underwritten by the Group or by third parties); and
- referrals to credit repair companies (in relation to policies underwritten by third parties only).

This revenue is recognised at the point of referral.

iii) Other Businesses and Central Costs

(a) Saga Money

Revenue from personal finance products is recognised when the customer contracts with the provider of the relevant personal finance product where the revenue comprises a one-off payment by the provider of the product.

Where the personal finance product is one that delivers a recurring income stream, the present value of the future expected revenue to be received is recognised when the customer contracts with the provider of the relevant personal finance product, and it is highly probable that a significant reversal of revenue recognised will not occur.

For the Saga savings product, commissions are earned over the duration of the contract in line with the contractual amount due to the Group.

For Saga equity release products, commissions are earned initially and over the lifetime of the product. Additionally, further commissions, where applicable, are earned at each subsequent stage of the drawdown if any more of the advance is taken by the customer. Initial commission relating to new business is recognised as revenue at the point the performance obligation with the Group's contracted business partners is satisfied, and the customer has taken out the product. Where applicable, and the probability of further drawdowns is high, trail commission is recognised as the discounted future cash flows expected to be received over the estimated life of the product and likewise for further commissions on additional drawdowns undertaken by the customer.

For Saga legal services, mortgage and investing products, broking commissions are earned initially, and over the duration of the contract, in line with the contractual amount due to the Group.

(b) Saga Publishing

Magazine subscription revenue is recognised on a straight-line basis over the period of the subscription. Revenue generated from advertising within the magazine is recognised when the magazine is provided to the customer.

The element of subscriptions and advertising revenue relating to the period after the reporting date is recognised as deferred revenue within contract liabilities in the statement of financial position.

(c) Printing and mailing

Revenue from printing and mailing services is recognised in line with the performance obligations within customer contracts.

b) Cost recognition

i) Costs of acquiring insurance contracts

Acquisition costs arising from the selling or renewing of insurance policies underwritten by the Group until the disposal of the Group's underwriting business on 1 July 2025⁴ (**insurance acquisition cash flows**) were expensed when they were incurred within insurance service expenses in the income statement. See also Note 2.3r(viii).

For insurance policies not underwritten by the Group, fees charged by price-comparison websites are recognised as a contract cost asset within trade and other receivables and amortised in line with the pattern of revenue recognition for the related insurance policies.

This takes into account revenue expected to be generated from future renewals. Other incremental costs of obtaining insurance policies not underwritten by the Group, such as payment processing costs, would be incurred again if the insurance contract renews. Therefore, the pattern of revenue recognition relating to these incremental costs is one year. As permitted by IFRS 15, such costs are expensed when incurred.

ii) Claims costs (discontinued operations)

Claims costs incurred in respect of insurance policies underwritten by the Group (until 1 July 2025⁴) were included as insurance service expenses within the profit or loss from discontinued operations. These costs included estimates in respect of losses reported as having occurred during the period, an estimate for the cost of claims incurred during the period but not reported at the reporting date, and any adjustments to claims outstanding from previous periods. See Note 2.3r(vi)(b) for further details.

The portion of claims costs recoverable from reinsurance contracts was recognised within net income from reinsurance contracts within the profit or loss from discontinued operations. These recoveries were recognised in the same period in which the claims costs were recognised. See Note 2.3r(vii) for further details.

iii) Finance costs

Finance costs comprise interest paid and payable, and commitment fees, calculated using the effective interest rate (**EIR**) method, and are recognised in the income statement as they accrue. Accrued interest is included within the carrying value of the interest-bearing financial liability in the statement of financial position. Finance costs also include debt issue costs that were initially recognised in the statement of financial position and are amortised over the life of the debt, debt issue costs in respect of renegotiating existing, or negotiating new, facilities that are immediately recognised in the income statement and net fair value losses on derivative financial instruments.

iv) All other expenses

All other expenses are recognised in the income statement as they are incurred.

4 Refer to Note 38a on pages 182-184 for further detail

2.3 Summary of material accounting policies continued

c) Recognition of other income statement items

i) Interest income

Investment income, in the form of interest, is recognised in the income statement as it accrues and is calculated using the EIR method.

Interest income is earned by the Group on assets held at fair value through profit or loss (FVTPL) and amortised cost. Fees and commissions, which are an integral part of the effective yield of the financial asset or liability, are recognised as an adjustment to the EIR of the instrument.

ii) Dividend income

Income in the form of dividends is recognised when the right to receive payment is established. For listed securities, this is the date that the security is listed as ex-dividend.

iii) Gains and losses on financial investments at fair value

Realised and unrealised gains and losses on financial investments are recorded as investment income in the income statement and represent net fair value gains and losses arising from changes in fair value during the year.

iv) Other income

The Group recognises other items in profit or loss as other income, when the amounts become receivable and its right to receive payments is established.

v) Affinity Partnership income

Income from the 20-year partnership for motor and home insurance with wholly owned subsidiaries in the UK of Ageas SA/NV (**Ageas Affinity Partnership**) income is recognised on a straight-line basis over the period of the agreement, being 20 years (Note 38a).

d) Income taxes

i) Current income tax

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from, or paid to, taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax assets and liabilities also include adjustments in respect of tax expected to be payable, or recoverable, in respect of previous periods. Current income tax relating to items recognised in other comprehensive income (OCI) and directly in equity is recognised in OCI or equity and not in the income statement.

The Group has elected to be in the UK tonnage tax regime. Under the tonnage tax regime, the current year tax expense for the subsidiaries that own the Ocean Cruise ships is calculated by reference to the net tonnage of the qualifying ship operated by the company. To the extent that the Group generates profit or losses, which do not qualify for inclusion under the above regime, they will be taxable under general UK tax principles.

ii) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised 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 credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting 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. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 reporting date.

Deferred tax is charged, or credited, in the income statement, except when it relates to items charged or credited in OCI or equity, in which case the deferred tax is recognised in OCI or equity as appropriate.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

e) Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rate at the date that the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange prevalent at the reporting date.

f) Intangible assets

Intangible assets acquired are measured on initial recognition at cost and, subsequent to initial recognition, are carried at cost less any accumulated amortisation and accumulated impairment losses.

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding internally developed software, are not capitalised and the related expenditure is reflected in the income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finitely. Computer software costs recognised as assets are amortised over their estimated useful economic lives, which vary from asset to asset within a range of 3-13 years.

Intangible assets are amortised over their useful economic life on a basis appropriate to the consumption of the asset and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

g) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date at fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial and non-financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument within the scope of IFRS 9 'Financial Instruments' is measured at fair value, with the changes in fair value recognised in the income statement.

Any excess of the cost of acquisition over the fair values of the identifiable assets and liabilities is recognised as goodwill. If the cost of acquisition is less than the fair values of the identifiable assets and liabilities of the acquired business, the difference is recognised directly in the income statement in the year of acquisition.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units (CGUs) at the point of acquisition and is reviewed at least annually for impairment.

The useful life of goodwill is assessed as indefinite. Goodwill is not amortised, but is tested for impairment at least annually, at the CGU level. Where the carrying value of the asset exceeds the recoverable amount, an impairment loss is recognised in the income statement immediately.

h) Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. If such an indication exists, the recoverable amount is estimated and compared with the carrying amount. If the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss is recognised immediately in the income statement.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there is any indication that an asset may be impaired, a recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount is determined according to the CGU to which the asset belongs.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to the CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination.

The recoverable amount is calculated as the higher of fair value less costs to sell, and value-in-use. In assessing value-in-use, where appropriate, 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its value-in-use calculations on detailed budgets, plans and long-term growth assumptions, which are prepared separately for each of the Group's CGUs to which individual assets are allocated.

i) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for separately.

Assets in the course of construction at the statement of financial position date are classified separately. These assets are transferred to other asset categories when they become available for their intended use.

Depreciation is charged to the income statement on a straight-line basis to write off the depreciable amount of property, plant and equipment over their estimated useful lives. The depreciable amount is the cost of an asset less its residual value. Land and assets in the course of construction are not depreciated. Estimated useful lives are as follows:

Buildings, properties and related fixtures:

Buildings	50 years
Fixtures and fittings	3-20 years
Ocean Cruise ships	3-30 years
Computers	3-6 years
Plant, vehicles and other equipment	3-10 years

Costs relating to Ocean Cruise ship mandatory dry-dockings are capitalised and depreciated over the period up to the next dry-docking, where appropriate. The International Convention for the Safety of Life at Sea regulations stipulate that ships have to be dry-docked twice in an interval of five years, with the interval between consecutive dry-dockings being not less than two years and not more than three years. All other repairs and maintenance costs are recognised in the income statement as incurred.

An item of property, plant and equipment is derecognised upon disposal, or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Estimated residual values and useful lives are reviewed annually. In relation to the annual review of estimated residual values and useful lives of Ocean Cruise ships, potential environmental regulatory changes are also considered. The shipping industry has made a commitment to reduce CO₂ emissions by 40% by 2030 (from a 2008 baseline), and the UK Government has made commitments to reach net zero emissions by 2050. The Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) regulations were introduced internationally in 2023 to enable the industry to meet the 2030 target, and the Group's Ocean Cruise ships meet the requirements of these regulations. The end of their useful economic lives of 30 years will have been reached by 2049 in the case of Spirit of Discovery and 2051 in the case of Spirit of Adventure.

j) Non-current assets held for sale, disposal groups and discontinued operations

The Group classifies non-current assets as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. To be classified as held for sale, an asset must be available for immediate sale in its present condition, subject only to terms that are usual and customary for the sale of such assets, and the sale must be highly probable. A sale is considered to be highly probable when management is committed to a plan to sell an asset, an active programme to locate a buyer and complete the plan has been initiated, at a price that is reasonable in relation to its current fair value, and there is an expectation that the sale will be completed within one year from the date of classification. Non-current assets classified as held for sale are carried on the Group's statement of financial position at the lower of their carrying amount and fair value less costs to sell. In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', an impairment loss on a disposal group is allocated to non-current assets within the scope of the standard, limited to the carrying value of those assets. If there are no non-current assets within the scope of IFRS 5 for which an impairment loss can be allocated against, the impairment loss will be recognised at the time of disposal.

Property, plant and equipment and intangible assets, once classified as held for sale, are not depreciated or amortised.

The Group classifies a component of the Group as a discontinued operation when it has either been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount of profit or loss after tax from discontinued operations in the income statement. The assets and liabilities relating to discontinued operations are excluded from those of continuing operations and are presented as single amounts in the statement of financial position.

Notes to the consolidated financial statements continued

2.3 Summary of material accounting policies continued

k) Financial instruments

i) Financial assets

On initial recognition, a financial asset is classified as either amortised cost, fair value through other comprehensive income (**FVOCI**) or FVTPL. The classification of financial assets is based on the business model in which a financial asset is managed, and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument, as a whole, is assessed for classification. The Group does not hold any financial assets classified as FVOCI.

	Initial recognition	Subsequent measurement
Amortised cost	<p>A financial asset is classified as amortised cost (initially measured at fair value plus any directly attributable transaction costs) if it meets both of the following conditions and is not elected to be designated as FVTPL:</p> <ul style="list-style-type: none"> • It is held within a business model whose objective is to hold assets to collect contractual cash flows. • Its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. <p>The Group classifies trade receivables and other receivables as held at amortised cost.</p>	<p>These assets are subsequently measured at amortised cost using the EIR method. The amortised cost is reduced by any impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss as they are incurred. Any gain or loss on derecognition is recognised in profit or loss immediately.</p>
FVTPL	<p>All financial assets not classified as amortised cost (or FVOCI), as described above, are classified as FVTPL and held at fair value. This includes all derivative financial assets.</p> <p>On initial recognition, the Group may irrevocably elect to designate a financial asset, which otherwise meets the requirements to be measured at amortised cost or FVOCI, as FVTPL if doing so eliminates, or significantly reduces, an accounting mismatch that would otherwise arise. This election is made on an individual instrument basis.</p> <p>This election has been made for the Group's debt securities.</p> <p>The Group classifies loan funds, money market funds held within the Insurance business and foreign exchange forward contracts not designated in a hedging relationship, as FVTPL.</p>	<p>These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income (separately disclosed), are recognised in profit or loss, unless such instruments are designated in a hedging relationship (see (vi) overleaf).</p>

(a) Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or when the Group has transferred substantially all the risks and rewards relating to the asset to a third party.

ii) Impairment of financial assets

The expected credit loss (**ECL**) impairment model applies to financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to 12-month ECLs, except for the following, which are measured as lifetime ECLs:

- Debt securities that are determined to have high credit risk at the reporting date.
- Other debt securities and bank balances for which credit risk has increased significantly since initial recognition.
- Trade receivables and contract assets that result from transactions within the scope of IFRS 15.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, including forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the definition of investment grade. The Group considers this to be BBB- or higher as per credit rating scales.

(a) Measurement of ECLs

ECLs are measured as a probability-weighted estimate of credit losses. Credit losses are measured as the probability of default in conjunction with the present value of the Group's exposure. Loss allowances for ECLs on financial assets measured at amortised cost are deducted from the gross carrying amount of the assets, with a corresponding charge to the income statement.

iii) Financial liabilities

(a) Initial recognition and measurement

All financial liabilities are classified as financial liabilities at amortised cost on initial recognition except for derivatives, which are classified at FVTPL, the gains or losses for which are recognised through OCI if the instrument is designated as a hedging instrument in an effective cash flow hedge.

With the exception of lease liabilities, all financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, derivative financial instruments and lease liabilities.

(b) Subsequent measurement

After initial recognition, interest-bearing loans, borrowings and other payables are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

iv) Derivatives

Derivatives are measured at fair value, both initially and subsequently to initial recognition. All changes in fair value of non-designated derivatives are recognised in the income statement immediately.

Changes in fair value of derivatives designated as cash flow hedges are initially recognised in OCI until such a point that they are recycled to profit or loss in the same period as the hedged item is recognised in profit or loss, or immediately if the hedged item is no longer expected to occur.

Derivatives are presented as assets when the fair values are positive, and as liabilities when the fair values are negative. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

v) Fair values

The Group measures all financial instruments at fair value at each reporting date, other than those instruments measured at amortised cost.

Fair value is the price that would be required to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either in the principal market accessible by the Group for the asset or liability or, in the absence of a principal market, in the most advantageous market accessible by the Group for the asset or liability.

The fair values are quoted market bid prices, where there is an active market, or based on valuation techniques when there is no active market or the instruments are unlisted. Valuation techniques include the use of recent arm's-length market transactions, discounted cash flow analysis and other commonly used valuation techniques.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

vi) Hedge accounting

The Group designates certain derivative financial instruments as cash flow hedges of certain forecast transactions. These transactions are highly probable to occur and present an exposure to variations in cash flows that could ultimately affect amounts determined in profit or loss.

The Group has elected to adopt the general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a qualitative and forward-looking approach to assessing hedge effectiveness.

The Group uses forward foreign exchange and commodity swap contracts to hedge the variability in cash flows arising from changes in foreign currency rates and oil prices respectively. For foreign exchange contracts, the Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward foreign exchange contracts is separately accounted for as a cost of hedging recognised in other comprehensive income and accumulated in a separate cost of hedging reserve. For commodity hedging, the Group designates the fair value change of the benchmark oil price. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity. Any ineffective portion of the fair value gain or loss is recognised immediately within the income statement.

When a hedging instrument no longer meets the criteria for hedge accounting, through maturity, sale, or other termination, hedge accounting is discontinued prospectively. If the hedged forecast transaction is still expected to occur, the associated cumulative gains or losses remain in the hedging reserve and cost of hedging reserve and are recognised in accordance with the above policy when the hedged forecast transaction occurs. If the hedged forecast transaction is no longer expected to occur, the cumulative unrealised gains or losses in the hedging reserve and cost of hedging reserve are recognised in the income statement immediately.

l) Leases

The Group leases various River Cruise ships, buildings, equipment and vehicles. The contract length of the lease varies considerably and may include extension or termination options as described below.

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: the contract involves the use of an identified asset; the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset.

Leases are initially recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Where it is reasonably certain that an extension option will be triggered in a contract, lease payments to be made in respect of the option will be included in the measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used. This is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment, with similar terms, security and conditions.

Notes to the consolidated financial statements continued

2.3 Summary of material accounting policies continued**l) Leases continued**

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period using the EIR method and the lease liability is measured at amortised cost using the EIR method.

Right-of-use assets are initially measured at cost, comprising the present value of future lease payments plus any initial direct costs and restoration costs. Right-of-use assets are depreciated over the lease term on a straight-line basis, except for the Group's River Cruise ships. The unit of production method is used to depreciate River Cruise ships to accurately reflect the usage of the asset, which is seasonal.

Payments associated with short-term leases of equipment and all leases of low-value assets are expensed in profit or loss as incurred, in line with the exemption allowed under paragraph 6 of IFRS 16 'Leases'.

Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property and River Cruise ship leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Group remeasures the lease liability, and makes a corresponding adjustment to the related right-of-use asset, whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

m) 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 asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and fees that an entity incurs in connection with the borrowing of funds.

n) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand, short-term deposits with a maturity of three months or less from their inception date and money market funds held outside of the Insurance Underwriting business, which were included within assets held for sale at 31 January 2025 and disposed of in the year ended 31 January 2026 (Note 38a).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, and short-term highly liquid investments (including money market funds held within the Insurance Underwriting business, which were included within assets held for sale at 31 January 2025 and disposed of in the year ended 31 January 2026 (Note 38a)) with original maturities of three months or less that are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

o) Trust and escrow accounts

Prior to 1 October 2024, 70% of customer monies received in advance in relation to Air Travel Organisers' Licensing (**ATOL**) licensable bookings were held in escrow accounts until after the customer had travelled, when the Group had fulfilled all its performance obligations with customers. In respect of the Holidays business, from 1 October 2024, the escrow arrangement was removed and instead the Group now must hold the 70% of customer monies received in advance related to ATOL licensable bookings within the business.

The escrow arrangement is governed by a deed between the Group, the Civil Aviation Authority (**CAA**) Air Travel Trustees and an independent Trustee, PT Trustees Limited, which determines the inflows and outflows from the accounts. The Group utilises the remaining 30% of customer advance receipts in its Holidays and River Cruise businesses to fund the cost of operating these holidays.

p) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost. Loss allowances are measured as lifetime ECLs.

q) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs include all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price, less any further costs expected to be incurred prior to completion and disposal.

r) Insurance contracts underwritten by the Group and reinsurance contracts (discontinued operations)**i) Classification**

The Group issued insurance contracts, under which it accepted significant insurance risk from policyholders, and also entered into reinsurance contracts, under which it transferred significant insurance risk related to underlying insurance contracts. 'Reinsurance contracts' referred to reinsurance contracts held by the Group. The Group did not issue any reinsurance contracts.

Insurance and reinsurance contracts could have also exposed the Group to financial risk.

ii) Separating components from insurance and reinsurance contracts

When the Group underwrote an insurance contract, a number of separate contracts might have been entered into at the same time. These contracts might have involved more than one legal entity within the Group.

As the set of contracts was designed to achieve an overall commercial effect for the Group, for accounting purposes the following steps were taken:

- The total cash flows that arose from all contracts were initially considered as a whole (together, the **host insurance contract**).
- The Group then identified any service components that were 'distinct' and, therefore, required separation for accounting purposes. A service was distinct if the policyholder could benefit from it, either on its own or with other resources that were readily available to the policyholder. The following distinct service components were identified:
 - The brokerage of the core insurance contract (where it had first been subject to the competitive pricing panel that the Group operated).
 - The brokerage of any add-on cover underwritten by a third party.
 - The promise to fix the premium for three years (where this option was taken by the policyholder).

These distinct service components were accounted for as separate customer contracts under IFRS 15.

- The total cash inflows from the combined set of contracts were then allocated, for accounting purposes, between:
 - any distinct service components; and
 - the insurance component of the host insurance contract.

This allocation was performed based on the standalone selling price of each component.

- Cash outflows that related directly to each component were attributed to that component, with any remaining cash outflows attributed on a systematic and rational basis, reflecting the cash outflows the Group would expect to arise if that component were a separate contract.

iii) Aggregation of insurance and reinsurance contracts

The Group applied the requirements of IFRS 17 at the level of groups of insurance contracts issued. Groups of insurance contracts were determined by identifying portfolios of insurance contracts, which comprised contracts that were subject to similar risks and managed together, and divided each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the expected profitability of each contract at initial recognition:

- Any contracts that were onerous at initial recognition.
- Any contracts that, at initial recognition, had no significant risk of becoming onerous.
- Any other contracts.

Groups of reinsurance contracts were established such that each group comprised a single contract.

iv) Recognition of insurance and reinsurance contracts

The Group recognised insurance contracts issued from the earliest of:

- the beginning of the coverage period;
- when the first payment from a policyholder became due or, if there was no due date, when the first payment was received; and
- when facts and circumstances indicated that the contract was onerous. This could be as early as the date on which the contract was first entered into.

When a contract was recognised, it was added to an existing group of contracts or, if the contract did not qualify for inclusion in an existing group, it formed a new group to which future contracts were added. Groups of contracts were established on initial recognition and their composition was not revised once all contracts had been added to the group.

The Group recognised groups of reinsurance contracts as follows:

- Groups of reinsurance contracts that provided proportionate coverage (primarily quota share arrangements) were recognised when any underlying insurance contract was initially recognised.
- All other groups of reinsurance contracts (primarily excess of loss arrangements) were recognised from the earlier of:
 - the beginning of the coverage period of the group of reinsurance contracts; or
 - the date on which an onerous group of underlying contracts was recognised (provided that the related reinsurance contract was entered into on, or before, that date).

v) Contract boundaries

The measurement of groups of insurance contracts issued, and reinsurance contracts, reflected all future cash flows arising from insurance coverage within the boundary of each contract (the **contract boundary**).

Cash flows were within the contract boundary if they arose from substantive rights and obligations that existed during the reporting period in which the Group could compel the policyholder to pay premiums or had a substantive obligation to provide services.

vi) Measurement – insurance contracts

The Group measured all groups of insurance contracts issued in accordance with IFRS 17's simplified premium allocation approach (**PAA**). They were eligible for the PAA as the coverage period of each contract in each group was one year or less.

The following sections set out the Group's approach to measuring groups of insurance contracts under the PAA.

(a) Measurement at initial recognition

On initial recognition, the liability for remaining coverage of groups of insurance contracts issued was measured as:

- any premiums received at, or before, initial recognition; plus
- for groups of contracts that were onerous (expected to be loss-making) at initial recognition, a loss component measured as the excess of the fulfilment cash flows over the carrying amount of the liability for remaining coverage, excluding the loss component. A corresponding loss was recognised in profit or loss. At initial recognition, the loss component was only recognised and measured in respect of policies that individually meet the recognition criteria at that date.

Notes to the consolidated financial statements continued

2.3 Summary of material accounting policies continued

r) Insurance contracts underwritten by the Group and reinsurance contracts (discontinued operations) continued

vi) Measurement – insurance contracts continued

(b) Subsequent measurement

At the end of each reporting period, each group of contracts was measured as the sum of the liability for remaining coverage and the liability for incurred claims.

Liability for remaining coverage

At the end of each reporting period, the carrying amount of the liability for remaining coverage (excluding the loss component) of each group of contracts was equal to:

- the opening carrying amount of the liability for remaining coverage;
- plus premiums received in the period;
- less the amount recognised as insurance revenue for coverage provided in the period. Insurance revenue was the amount of total expected premium receipts (excluding premium taxes) allocated to each period of coverage on the basis of the passage of time (i.e. a straight-line basis). This was appropriate as, for the insurance contracts that the Group issued, the expected pattern of release of risk during the coverage period did not differ significantly from the passage of time.

The liability for remaining coverage (excluding the loss component) was not adjusted for the time value of money.

For groups of contracts that were onerous at initial recognition:

- the loss component of the liability for remaining coverage was increased in respect of any individual policies added to the group;
- the loss component was reversed as coverage was provided, reducing the liability for remaining coverage; a corresponding credit to profit or loss meant that the onerous loss was not recognised a second time when a liability for incurred claims was established as coverage was provided; and
- the expected profitability of remaining coverage was reassessed at each reporting date, with any changes since initial recognition reflected in the valuation of the remaining loss component of the liability for remaining coverage, with a corresponding entry in profit or loss.

For other groups of contracts, at each reporting date the Group considered whether the remaining coverage had become onerous. If so, a loss component of the liability for remaining coverage was established with a corresponding loss recognised in profit or loss.

Liability for incurred claims

As coverage was provided, the Group established a liability for incurred claims. The liability was estimated based on the fulfilment cash flows relating to incurred claims, including both claims that had been notified (i.e. outstanding claims) and claims incurred but not reported (**IBNR**). These fulfilment cash flows:

- included an estimate of claims handling costs and settlement amounts, and the expected value of salvage and other recoveries;
- incorporated, in an unbiased way, all reasonable and supportable information available, without undue cost or effort about the amount, timing and uncertainty of those future cash flows;
- reflected current estimates from the Group's perspective;
- were adjusted to reflect the time value of money and effect of financial risk (a discounting adjustment); the Group did not take the PAA option to not discount claims expected to be paid within one year of the loss event; and
- included an explicit adjustment for non-financial risk (the **risk adjustment**), which reflected the compensation required for bearing uncertainty about the amount and timing of cash flows that arose from non-financial risk.

vii) Measurement – reinsurance contracts

The Group also measured all groups of reinsurance contracts in accordance with the PAA. Groups of excess of loss reinsurance contracts were eligible for the PAA as each contract had a coverage period of one year or less. Groups of other reinsurance contracts (primarily the motor quota share arrangement) were eligible for the PAA as, at initial recognition, the Group expected that the resulting measurement of the asset for remaining coverage would not have differed materially to that under the IFRS 17 general measurement model.

Groups of reinsurance contracts were measured on the same basis as the underlying insurance contracts, adapted as appropriate to reflect the different features of reinsurance contracts, including:

- where the Group recognised a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous insurance contracts were added to a group, the Group established a loss-recovery component of the asset for remaining coverage for groups of reinsurance contracts depicting any recovery of losses. The loss-recovery component was calculated by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expected to recover from the group of reinsurance contracts;
- reinsurance cash flows that were contingent on claims experience were treated as part of the claims expected to be reimbursed; this applied to profit commission clauses within the Group's motor quota share reinsurance contracts; and
- the Group assessed the risk that the counterparties to its reinsurance contracts were not able to fulfil their obligations (non-performance risk, or default risk), including by considering available data on the financial strength of the reinsurers. An allowance was included in the relevant estimate of the present value of future cash flows to reflect this risk.

viii) Measurement – insurance acquisition cash flows

The Group identified insurance acquisition cash flows, being the costs of selling, underwriting and starting insurance contracts. The costs were primarily commissions paid to intermediaries, including price-comparison websites, and an allocation of other operating expenses.

The Group took the IFRS 17 option to expense insurance acquisition cash flows immediately where the coverage period of the related contract was one year or less. As all the Group's insurance contracts had a coverage period of one year or less, all insurance acquisition cash flows were expensed when they were incurred.

ix) Modification and derecognition

An insurance contract was derecognised when:

- it was extinguished (i.e. when the obligation expired or was discharged or cancelled); or
- there was a modification of the contract that was treated as a derecognition and recognition of a new contract. This was the case where the modified terms, if applied at inception, would have resulted in:
 - a change in the measurement model or the applicable standard for measuring a component of the contract;
 - a substantially different contract boundary; or
 - the contract being included in a different group of contracts.

When a modification was not treated as a derecognition, the Group recognised amounts paid, or received, for the modification as an adjustment to the relevant liability for remaining coverage relating to the existing contract.

x) Presentation

As noted in Note 38a, during the year to 31 January 2025 the Group decided to divest itself of the underwriting and claims handling sections of its Insurance business and, therefore, they were reclassified as discontinued operations.

The Group disaggregated the total amount recognised in the statement of profit or loss into an insurance service result, comprising insurance revenue and insurance service expenses, and insurance finance income or expenses.

(a) Separate presentation of portfolios in an asset or liability position

In the statement of financial position, where applicable, the Group separately presented the carrying amount of portfolios of insurance contracts issued that were assets, portfolios of insurance contracts issued that were liabilities, portfolios of reinsurance contracts that were assets and portfolios of reinsurance contracts that were liabilities.

(b) Changes in the risk adjustment

The Group disaggregated the change in risk adjustment for non-financial risk between a financial and non-financial portion, included within insurance finance expenses and the insurance service result respectively.

(c) Reinsurance

On the face of the income statement, income or expenses from reinsurance contracts (other than insurance finance income or expenses) were presented as a single amount, separately from the income or expenses from insurance contracts issued.

(d) Insurance finance income or expense

Insurance finance income or expense comprise the change in the carrying amount of the group of insurance contracts arising from:

- the effect of the time value of money and changes in the time value of money; and
- the effect of financial risk and changes in financial risk.

This largely represented:

- the unwind of the discounting of the liability for incurred claims;
- the impact of changes in the discount rate used in the measurement of the liability for incurred claims; and
- the impact of changes in the care worker inflation assumption used in the measurement of claims settled as periodical payment orders (**PPOs**).

Reinsurance finance income, or expense, was the change in the carrying value of amounts relating to reinsurance contracts arising for the same reasons.

The Group did not disaggregate insurance finance income or expenses between profit or loss and OCI as permitted by the standard.

xi) Transition

In adopting IFRS 17, the Group applied a full retrospective approach to transition. Under the full retrospective approach to transition, at 1 February 2022, the Group:

- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied (e.g. insurance receivables and payables that, under IFRS 17, were included in the measurement of the insurance contracts); and
- recognised any resulting net difference in equity.

However, the Group applied a transition exemption to not disclose previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applied IFRS 17.

s) Share-based payments

The Group provides benefits to employees (including Executive Directors) in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (**equity-settled transactions**). The cost of equity-settled transactions is measured by reference to the fair value on the grant date and is recognised as an expense over the relevant vesting period on a straight-line basis, ending on the date on which the employee becomes fully entitled to the award.

Fair values of share-based payment transactions are calculated using market price valuation modelling techniques. In valuing equity-settled transactions, assessment is made of any vesting conditions to categorise these into market performance conditions, non-market performance conditions and service conditions.

Where the equity-settled transactions have market performance conditions (that is, performance which is directly or indirectly linked to the share price), the fair value of the award is assessed at the time of grant and is not changed, regardless of the actual level of vesting achieved, except where the employee ceases to be employed prior to the vesting date.

For service conditions and non-market performance conditions, the fair value of the award is assessed at the time of grant and is reassessed at each reporting date to reflect updated expectations for the level of vesting. No expense is recognised for awards that ultimately do not vest.

At each reporting date prior to vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and, in the case of non-market conditions, the best estimate of the number of equity instruments that will ultimately vest or, in the case of instruments subject to market conditions, the fair value on grant adjusted only for leavers. The movement in the cumulative expense since the previous reporting date is recognised in the income statement, with the corresponding increase being recognised in the share-based payments reserve.

Upon vesting of an equity instrument, the cumulative cost in the share-based payments reserve is reclassified to retained earnings in equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted loss per share.

t) Retirement benefit schemes

During the year, the Group operated a defined benefit pension plan that required contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plan was determined separately using the projected unit credit valuation method. The defined plan was closed to future accrual on 31 October 2021. From 1 November 2021, members moved from active to deferred status.

Actuarial gains and losses arising in the year were credited/charged to OCI and comprise the effects of changes in actuarial assumptions and experience adjustments due to differences between the previous actuarial assumptions and what actually occurred. In particular, the difference between the interest income and the actual return on plan assets is recognised in OCI.

Other movements in the net surplus or deficit, which include the current service cost, any past service cost and the effect of any curtailment or settlements, are recognised in the income statement. Past service costs are recognised in the income statement on the earlier of the date of plan curtailment and the date that the Group recognises restructuring-related costs. The Group no longer incurs any service costs or curtailment costs relating to the defined benefit pension plan as the scheme is closed to future accrual. Interest cost, calculated on the same basis as interest income recognised in profit or loss on plan assets, is also charged to the income statement.

2.3 Summary of material accounting policies continued

t) Retirement benefit schemes continued

The defined benefit schemes are funded, with assets of the schemes held separately from those of the Group, in separate Trustee administered funds. Scheme assets are measured using market values, and scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Full actuarial valuations are obtained, at least triennially, and are updated at each reporting date. The resulting defined benefit asset or liability is presented separately on the face of the statement of financial position. The value of a pension benefit asset is restricted to the amount that may be recovered, either through reduced contributions, or agreed refunds from the scheme.

For defined contribution schemes, the amounts charged to the income statement are the contributions payable in the year.

u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision is recognised for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs reflect the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The costs of fulfilling a contract comprise both the incremental costs and an allocation of other direct costs.

A provision for restructuring is recognised when the Group has developed a detailed restructuring plan of the business, or part of the business concerned, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

v) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. They represent liabilities to pay for goods or services that have been received or supplied in the normal course of business, invoiced by the supplier before the year end, but for which payment has not yet been made.

w) Equity

The Group has ordinary shares that are classified as equity. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

x) Own shares

Own shares represent the shares of the Company that are held by an Employee Benefit Trust (EBT). Own shares are recorded at cost and deducted from equity. The Directors consider that, under the terms of the contractual arrangements in place, Saga has control over the EBT. The results and net assets of the EBT have, therefore, been included in the Group consolidation.

2.4 Standards and amendments issued but not yet effective

The following is a list of standards, and amendments to standards, that were in issue but not effective, or adopted, at 31 January 2026.

a) IFRS 18 'Presentation and Disclosures in Financial Statements'

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. IFRS 18 will replace International Accounting Standard (IAS) 1 'Presentation of Financial Statements'. IFRS 18 introduces three defined categories for income and expenses: operating, investing and financing. This is to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. The standard is effective for annual reporting periods beginning on, or after, 1 January 2027. The impact of this standard on the Group's financial statements is still being assessed. The standard has been endorsed by the UK Endorsement Board.

b) Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. The amendments are effective for annual reporting periods beginning on, or after, 1 January 2026 and have been endorsed by the UK Endorsement Board.

The amendments clarify that assets and liabilities should be derecognised on the settlement date rather than the date a payment instruction is initiated. The resulting restatement of cash balances at 31 January 2026 is expected to reduce cash and short-term deposits by approximately £15.4m, and overdrafts by £0.3m; and to increase trade receivables by £10.3m and reduce contract liabilities by £4.8m.

c) Annual improvements to IFRS – Volume 11

The amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS. The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments are not expected to have a material impact on the Group's financial statements. These improvements have been endorsed by the UK Endorsement Board.

2.5 First-time adoption of new standards and amendments

The following is a list of standards, and amendments to standards, that became effective, or were adopted, for the first time during the year ended 31 January 2026.

a) Lack of exchangeability (amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates')

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on, or after, 1 January 2025. The amendments had no effect on the Group's financial statements.

2.6 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the Group to select accounting policies and make estimates and assumptions that affect items reported in the primary consolidated financial statements and Notes to the consolidated financial statements.

The major areas of judgement used as part of accounting policy application are summarised below:

Significant judgements

Acc. policy	Items involving judgement	Critical accounting judgement
2.3a)	Revenue recognition – identification of performance obligations arising from insurance policies brokered by the Group	<p>Management exercised judgement in identifying separate performance obligations arising from insurance policies brokered by the Group, namely:</p> <ul style="list-style-type: none"> where the insurance contract was also underwritten by the Group, the judgement that the arrangement of the insurance policy was a service (performance obligation) that was distinct from the insurance underwriting service. The revenue allocated to the arrangement performance obligation is recognised earlier than the revenue that is allocated to the insurance underwriting service (relates to discontinued operations); and the judgement that the option to fix the customer's premium at renewal for insurance policies bundled with the three-year fixed-price promise is a separate performance obligation to the arrangement of the related insurance policy. This results in the deferral of a portion of revenue from policy years one and two to policy years two and three. <p>Please refer to Note 2.3a for further information on the Group's performance obligations relating to revenue recognition.</p>
2.3r)	Classification of the Group's risk transfer arrangements as reinsurance contracts (discontinued operations)	<p>This judgement was made by applying the principles of IFRS 17.</p> <p>The Group's excess of loss and funds-withheld quota share reinsurance arrangements, relating to its motor underwriting line of business, were deemed to transfer significant insurance risk to the reinsurers. They were, therefore, classified as reinsurance contracts under IFRS 17.</p>
2.3j)	Disposal groups and discontinued operations	<p>To be classified as held for sale, an asset must be available for immediate sale in its present condition, subject only to terms that are usual and customary for the sale of such assets, and the sale must be highly probable. A sale is considered to be highly probable when management is committed to a plan to sell an asset, an active programme to locate a buyer and complete the plan has been initiated, at a price that is reasonable in relation to its current fair value, and there is an expectation that the sale will be completed within one year from the date of classification.</p> <p>On 16 December 2024, subsidiaries of the Group entered into a share purchase agreement with Ageas (UK) Limited (Ageas UK) under which the Group agreed to sell to Ageas UK, and Ageas UK agreed to purchase, the entire issued share capital of Acromas Insurance Company Limited (AICL). At 31 January 2025, management exercised judgement in determining that the criteria for classification of the AICL disposal group as held for sale and as a discontinued operation had been met.</p>
2.3h)	Impairment testing of goodwill and other major classes of assets	<p>Goodwill</p> <p>The Group determines whether goodwill needs to be impaired at least annually, and twice-yearly if indicators of impairment exist at the interim reporting date of 31 July.</p> <p>As a result of the impact of the General Insurance Pricing Practices (GI PP) market study, performed by Financial Conduct Authority (FCA), on trading in recent years, and against the background of a highly competitive motor insurance market, the Group saw a fall in policy volumes in the year to 31 January 2025. In the year to 31 January 2025, high net rate inflation from the Group's underwriting panel continued to have an adverse impact on the expected future profitability of the Insurance business. In December 2024, the Group announced it had entered into a binding agreement with Ageas to establish the Affinity Partnership, which is expected to impact future cash flows of the business. Management judged these trading impacts to constitute indicators of impairment and, therefore, conducted full impairment reviews of the Insurance Broking CGU at 31 July 2024 and 31 January 2025. As a result of these reviews, management considered it necessary to impair the goodwill allocated to the Insurance Broking CGU by £138.3m at 31 July 2024 and £nil at 31 January 2025.</p> <p>At 31 July 2025, trading forecasts showed improved cash flows and policy volumes from those previously modelled. In addition, the Group's pre-tax discount rate previously used for the Insurance Broking CGU fell, acting to increase the headroom in any assessment. Management considered other indicators of possible impairment set out in IAS 36 'Impairment of Assets', including the economic outlook and movements in Saga's market capitalisation. No such indicators were identified. Based on the above, management did not judge a formal goodwill impairment assessment was required at 31 July 2025.</p> <p>At 31 January 2026 a full goodwill impairment assessment was conducted, as required by IAS 36. The outlook and cash flows modelled for the Insurance Broking business, combined with a decrease in the pre-tax discount rate, to provide headroom against the carrying value of the goodwill balance. No impairment was, therefore, considered necessary.</p> <p>Property, plant and equipment</p> <p>In the years ended 31 January 2025 and 31 January 2026, management exercised its judgement in considering it unnecessary to conduct an impairment review of the Group's two Ocean Cruise ships since no indicators of impairment were identified.</p> <p>In the year ended 31 January 2025, management exercised its judgement in relation to the impairment of plant and equipment assets and performed an impairment review of the recoverable amount of plant and equipment assets used by the Group. As a result of this review, management deemed it necessary to impair plant and equipment assets by £0.1m in the Central Costs division in the year ended 31 January 2025. Please refer to Note 17a for further detail.</p>

Notes to the consolidated financial statements continued

2.6 Significant accounting judgements, estimates and assumptions continued

Significant judgements continued

Acc. policy	Items involving judgement	Critical accounting judgement
2.3h) continued	Impairment testing of goodwill and other major classes of assets continued	<p>In the year ended 31 January 2026, management exercised its judgement in relation to the impairment of plant and equipment used by the Group's Insurance Broking, and mailing and printing businesses, following a review of plant and equipment assets. As a result of this review, management deemed it necessary to impair plant and equipment assets by £0.7m in those businesses. Please refer to Note 17a for further detail.</p> <p><i>Right-of-use assets</i></p> <p>In the years to 31 January 2025 and 31 January 2026, management exercised its judgement in considering it unnecessary to conduct an impairment review of right-of-use River Cruise ship assets, since no indicators of impairment were identified.</p> <p>In the year ended 31 January 2026, management exercised its judgement in relation to the impairment of right-of-use assets used by the Group's mailing and printing business, following a review of plant and equipment assets. As a result of this review, management deemed it necessary to impair plant and equipment assets by £0.8m in that business. Please refer to Note 18a for further detail.</p> <p>Also, in the year ended 31 January 2026, management exercised its judgement in relation to the impairment of right-of-use assets used by the Group's Cruise business following a review of long leasehold land and building leases. As a result of this review, management deemed it necessary to impair long leasehold land and building assets by £0.1m in that business. Please refer to Note 18a for further detail.</p> <p><i>Property assets held for sale</i></p> <p>In the years to 31 January 2025 and 31 January 2026, in light of the Group obtaining updated freehold property market valuation reports, management exercised judgement in relation to the impairment of property assets held for sale. As a consequence of the remeasurement of the properties to the lower of fair value less cost to sell and the carrying value, management concluded that a net impairment charge of £nil (2025: £0.4m) should be recognised accordingly. Please refer to Note 38b for further detail.</p> <p><i>Intangible assets</i></p> <p>In the year ended 31 January 2025, following the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business (Note 38a), management exercised its judgement in relation to the impairment of software assets and performed an impairment review of the recoverable amount of software assets used by the Insurance Broking division. As a result of this review, management deemed it necessary to impair software assets by £21.3m in the Insurance Broking continuing operations business and by £4.0m in relation to the intangible fixed assets held by the disposal group (Note 38a). The latter impairment charge related to the software assets of the claims handling section of the Insurance business, which were impaired in full. Please refer to Note 16b for further detail.</p> <p>In addition, management assessed the recoverable amount of software assets at 31 January 2025 and concluded that an impairment of £2.8m was required in the Group's Central Costs division.</p> <p>In the year ended 31 January 2026, management assessed the recoverable amount of software assets and concluded that an impairment of £0.3m was required in the Group's Insurance Broking division.</p>
2.3r)	Insurance contract liabilities (and related reinsurance contract assets) (discontinued operations)	<p><i>Eligibility of reinsurance contracts for the PAA</i></p> <p>Some of the Group's groups of reinsurance contracts had a coverage period of more than 12 months, including the motor quota share arrangement, which had a three-year coverage period. Management applied judgement in concluding that these groups were eligible for the PAA on the basis that, at initial recognition, it expected that the measurement of the asset for remaining coverage under the PAA would not differ materially to that under the IFRS 17 general measurement model.</p> <p><i>Liability for incurred claims</i></p> <p>This judgement related to the estimation of future claims costs in relation to areas of uncertainty. It was relevant to both components of the IFRS 17 liability for incurred claims:</p> <ul style="list-style-type: none"> • The estimate of the present value of future cash flows. • The risk adjustment. <p>The approach to determining the risk adjustment within the liability for incurred claims is a key area of judgement. Under IFRS 17, the risk adjustment reflects the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk.</p> <p>The Group determined the risk adjustment at the level of each IFRS 17 portfolio of insurance contracts, the most material of which was the motor portfolio, using a confidence level technique (also referred to as a Value at Risk (VaR) approach). Following this approach, the total liability for incurred claims (net of reinsurance) was set at the 85% confidence level (ultimate basis), with the net risk adjustment being the difference between this total net liability for incurred claims and the net estimate of the present value of future cash flows. The gross risk adjustment was derived in a similar way, with the reinsurance risk adjustment being the difference between the gross and net risk adjustments. This approach, and in particular, the use of the 85% confidence level, resulted in a risk adjustment that met the IFRS 17 requirements as a key judgement.</p> <p>As the risk adjustment was determined at the level of each IFRS 17 portfolio, the confidence level referred to above did not reflect diversification of risk across these portfolios.</p>

Acc. policy	Items involving judgement	Critical accounting judgement
2.3r) continued	Insurance contract liabilities (and related reinsurance contract assets) (discontinued operations) continued	A further key area of judgement related to the discount rate that was applied to the estimate of future cash flows. Under IFRS 17, the discount rate used should reflect the liquidity characteristics of the insurance liabilities. Assessing the liquidity characteristics of the liabilities requires significant judgement. Management concluded that cash flows relating to the liability for incurred claims were illiquid and, therefore, the discount rate should include an illiquidity premium above the risk-free rate.
2.3u)	Restructuring provision	Management exercised judgement in identifying which costs should be included in the measurement of the restructuring provision. In addition, judgement is required of the best estimate of those costs.

Significant estimates

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and predictions of future events and actions. Actual results may, therefore, differ from those estimates.

The table below sets out those items the Group considers to have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities, together with the relevant accounting policy.

Acc. policy	Items involving estimation	Sources of estimation uncertainty
2.3a)i)	Revenue recognition – three-year fixed-price product	<p>The standalone selling price of the option to fix within the Group's three-year fixed-price feature offered by the Insurance Broking division was estimated using the expected cost plus a margin approach, as set out in paragraph 79 (b) of IFRS 15.</p> <p>An allowance was also made for the likelihood that the option will be exercised by factoring in the expected rate of renewal at the first and second renewal dates. The amount of revenue deferred upon initial recognition is, therefore, reduced to the extent that it is estimated that customers will not exercise the option because they either decide not to renew or they make a claim that releases the Group from its obligation to fix the customer price.</p>
2.3f) and 2.3i)	Useful economic lives and residual values of software intangible assets and Ocean Cruise ships	The useful economic lives and residual values of software assets classified as intangible assets (Note 15) and Ocean Cruise ship assets classified as property, plant and equipment (Note 17) are assessed upon the capitalisation of each asset and, at each reporting date, are based upon the expected consumption of future economic benefits of the asset. Estimated residual values and useful lives are reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation or depreciation period or method, as appropriate, and are treated as changes in accounting estimates. In relation to the annual review of estimated residual values and useful lives of Ocean Cruise ships, potential environmental regulatory changes are also considered.
2.3h)	Goodwill impairment testing	<p>The Group determines whether goodwill needs to be impaired on an annual basis, or more frequently as required. This requires an estimation of the value-in-use of the CGUs to which goodwill is allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs, discounted at a suitably risk-adjusted rate to calculate present value.</p> <p>The impact of changes to pricing rules set by the FCA following the completion of the GIPP market study, particularly the highly competitive motor insurance market and the adverse impact on profit before tax in the prior year, and the transition to a partnership model of operation for the Insurance Broking business, increased the estimation uncertainty in the Insurance Broking CGU. The outcome of the impairment reviews conducted concluded that an impairment charge of £138.3m be recognised against the Group's Insurance Broking CGU at 31 July 2024. No further impairment was required at 31 January 2025, 31 July 2025 or 31 January 2026.</p> <p>Sensitivity analysis was undertaken to determine the effect of changing the discount rate, the terminal value and future cash flows on the present value calculation, as shown in Note 16a.</p>
2.3r)	Valuation of insurance contract liabilities (and related reinsurance contract assets) (discontinued operations)	<p><i>Estimates of future cash flows to fulfil liabilities for incurred claims</i></p> <p>For insurance contracts, estimates had to be made for the expected cost of claims known but not yet settled (case reserves) and for the expected cost of IBNR claims, at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty.</p> <p>The ultimate cost of incurred claims was estimated by using a range of standard actuarial claims projection techniques, such as the Chain-Ladder and Bornhuetter-Ferguson methods. The main assumption underlying these techniques was that past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolated the development of paid and incurred losses, average costs per claim and claim volumes based on the observed development of earlier years. Historical claims development was primarily analysed by accident year, geographical area, significant business line and peril. Additional qualitative judgement was used to assess the extent to which past trends may not have applied in the future (e.g. to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the best estimate of the ultimate cost of claims.</p> <p>The estimate of future cash flows arising from PPO liabilities required an assumption for carer wage inflation. This assumption was set at 1.5% above the discount rate applied to liabilities for incurred claims (see overleaf).</p>

Notes to the consolidated financial statements continued

2.6 Significant accounting judgements, estimates and assumptions continued

Significant estimates continued

Acc. policy	Items involving estimation	Sources of estimation uncertainty														
2.3r) continued	Valuation of insurance contract liabilities (and related reinsurance contract assets) (discontinued operation) continued	<p><i>Discount rate applied to liabilities for incurred claims</i></p> <p>All the Group's liabilities for incurred claims (and related reinsurance assets) were discounted.</p> <p>The determination of the discount rate applied to liabilities for incurred claims was an estimate. This discount rate reflected the current risk-free interest rate in the currency of the insurance liabilities, being GBP, plus an illiquidity premium. Such a discount rate was not observable and, therefore, had to be estimated. The discount rate was estimated by removing from the yield curve of a portfolio of GBP-denominated corporate bonds an estimate of the components of that yield that related to expected and unexpected credit losses. The portfolio of corporate bonds used reflected the debt securities that the Group held to support its insurance liabilities.</p> <p>Following this approach, the GBP discount rate curves that were applied to liabilities for incurred claims were as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>1 year</th> <th>3 years</th> <th>5 years</th> <th>10 years</th> <th>20 years</th> <th>30 years</th> </tr> </thead> <tbody> <tr> <td>31 January 2025</td> <td>4.5%</td> <td>4.4%</td> <td>4.5%</td> <td>4.9%</td> <td>5.5%</td> <td>5.6%</td> </tr> </tbody> </table> <p>The sensitivity of this assumption is shown in Note 20a(iii).</p> <p><i>Risk adjustment</i></p> <p>The confidence level technique used by the Group to determine the risk adjustment required estimation of the probability distribution of the present value of future cash flows arising from liabilities for incurred claims, including estimates of possible favourable and unfavourable outcomes. These probability distributions were estimated both gross and net of reinsurance.</p>		1 year	3 years	5 years	10 years	20 years	30 years	31 January 2025	4.5%	4.4%	4.5%	4.9%	5.5%	5.6%
	1 year	3 years	5 years	10 years	20 years	30 years										
31 January 2025	4.5%	4.4%	4.5%	4.9%	5.5%	5.6%										
2.3t)	Valuation of pension benefit obligation	<p>The cost of defined benefit pension plans, and the present value of the pension obligation, are determined using actuarial valuations. Actuarial valuations involve making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.</p> <p>All significant assumptions and estimates involved in arriving at the valuation of the pension scheme obligation are set out in Note 27.</p>														
2.3u)	Valuation of restructuring provision	<p>The Group recognises a restructuring provision when a detailed plan identifies the business, or part of the business concerned, together with the location and number of employees affected. This requires detailed estimation of the associated costs, the timeline of the restructuring programme and the employees affected.</p>														

3 Segmental information

For management purposes, the Group is organised into business units based on their products and services. The Group has three reportable operating segments as follows:

- **Travel:** comprises the operation and delivery of Ocean and River Cruise holidays (**Cruise**), as well as package tour and other holiday products (**Holidays**). The Group owns and operates two Ocean Cruise ships. All other holiday and River Cruise products are packaged together with third-party supplied accommodation, flights and other transport arrangements. The segment is analysed into three product sub-segments:
 - Ocean Cruise
 - River Cruise
 - Holidays
- **Insurance:** comprises the provision of general insurance products.

Insurance Broking segment revenue is derived primarily from insurance broking and commission receivable in connection with the sale or renewal of insurance policies.

The results of the Group's underwriting and claims handling businesses have been classified as discontinued operations following the disposal of the Group's Insurance Underwriting business and are no longer shown in the tables overleaf (see Note 38a for further details).
- **Other Businesses and Central Costs:** comprises the Group's other businesses and its central cost base. The other businesses primarily include Saga Money (the personal finance product offering), Saga Publishing, and the Group's mailing and printing business, CustomerKNECT.

Segment performance is evaluated using the Group's key performance measure of Underlying Profit Before Tax⁵. Items not included within a specific segment relate to transactions that do not form part of the ongoing segment performance or are managed at a Group level.

All revenue is generated solely in the UK.

Transfer prices between operating segments are set on an arm's-length basis, in a manner similar to transactions with third parties. Segment income, expenses and results include transfers between business segments that are then eliminated on consolidation.

Goodwill, bonds, the term loan and the loan facility provided by Roger De Haan are not included within segments as they are managed on a Group basis.

5 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

2026	Travel				Insurance Broking £m	Other Businesses and Central Costs £m	Adjustments £m	Total £m
	Ocean Cruise £m	River Cruise £m	Holidays £m	Total £m				
Continuing operations								
Revenue	264.0	53.1	184.0	501.1	139.9	24.8	(5.8)	660.0
Cost of sales	(152.0)	(36.4)	(138.1)	(326.5)	(1.7)	(13.1)	0.2	(341.1)
Gross profit/(loss)	112.0	16.7	45.9	174.6	138.2	11.7	(5.6)	318.9
Administrative and selling expenses	(31.5)	(11.1)	(36.3)	(78.9)	(128.0)	(52.2)	5.3	(253.8)
Impairment of non-financial assets	(0.1)	–	–	(0.1)	(0.4)	–	–	(0.5)
Investment income	–	0.5	1.5	2.0	1.0	13.1	(10.0)	6.1
Finance costs	(16.0)	(2.1)	(0.2)	(18.3)	–	(50.6)	0.3	(68.6)
Profit/(loss) before tax	64.4	4.0	10.9	79.3	10.8	(78.0)	(10.0)	2.1
Reconciliation to Underlying Profit/(Loss) Before Tax⁶								
Profit/(loss) before tax	64.4	4.0	10.9	79.3	10.8	(78.0)	(10.0)	2.1
Net fair value loss/(gain) on derivative financial instruments	0.7	(0.1)	0.1	0.7	–	–	–	0.7
Impairment of non-financial assets	0.1	–	–	0.1	0.4	1.4	–	1.9
Amortisation of fees and costs relating to the Group's previous corporate debt	–	–	–	–	–	7.6	–	7.6
Restructuring costs	–	–	2.3	2.3	0.1	19.1	–	21.5
Foreign exchange movement on River Cruise lease liabilities	–	0.8	–	0.8	–	–	–	0.8
Affinity Partnership transition	–	–	–	–	13.9	–	–	13.9
Release of deferred revenue on three-year fixed-price product	–	–	–	–	(7.0)	–	–	(7.0)
Onerous contract provision	–	–	–	–	(1.3)	–	–	(1.3)
Modification of Travel breakage policy	1.6	0.3	0.7	2.6	–	–	–	2.6
Ocean Cruise dry dock costs	0.5	–	–	0.5	–	–	–	0.5
IFRS 16 lease accounting adjustment on River Cruise vessels	–	0.9	–	0.9	–	–	–	0.9
Underlying Profit/(Loss) Before Tax⁶	67.3	5.9	14.0	87.2	16.9	(49.9)	(10.0)	44.2

6 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Notes to the consolidated financial statements continued

3 Segmental information continued

2025 (re-presented ⁷)	Travel				Insurance Broking £m	Other Businesses and Central Costs £m	Adjustments £m	Total £m
	Ocean Cruise £m	River Cruise £m	Holidays £m	Total £m				
Continuing operations								
Revenue	236.7	49.4	167.8	453.9	114.4	24.6	(4.6)	588.3
Cost of sales	(140.6)	(33.3)	(126.1)	(300.0)	–	(8.8)	–	(308.8)
Gross profit/(loss)	96.1	16.1	41.7	153.9	114.4	15.8	(4.6)	279.5
Administrative and selling expenses	(30.5)	(11.0)	(33.8)	(75.3)	(119.8)	(43.1)	4.6	(233.6)
Impairment of non-financial assets	–	–	–	–	(21.3)	(3.2)	(138.3)	(162.8)
Gain on lease modification	–	–	–	–	–	0.2	–	0.2
Net profit on disposal of property, plant and equipment	–	–	0.9	0.9	–	–	–	0.9
Investment income	–	0.5	1.0	1.5	0.9	3.7	–	6.1
Finance costs	(18.4)	(1.5)	(0.3)	(20.2)	–	(30.3)	–	(50.5)
Profit/(loss) before tax	47.2	4.1	9.5	60.8	(25.8)	(56.9)	(138.3)	(160.2)
Reconciliation to Underlying Profit/(Loss) Before Tax⁸								
Profit/(loss) before tax	47.2	4.1	9.5	60.8	(25.8)	(56.9)	(138.3)	(160.2)
Net fair value loss on derivative financial instruments	–	–	0.3	0.3	–	–	–	0.3
Impairment of Insurance Broking goodwill	–	–	–	–	–	–	138.3	138.3
Impairment of non-financial assets	–	–	–	–	21.3	3.2	–	24.5
Amortisation of fees and costs on Roger De Haan loan facility	–	–	–	–	–	3.5	–	3.5
Restructuring costs	–	–	0.9	0.9	18.2	9.3	–	28.4
Foreign exchange movement on River Cruise lease liabilities	–	(0.6)	–	(0.6)	–	–	–	(0.6)
Onerous contract provision	–	–	–	–	(1.8)	–	–	(1.8)
Profit share on cessation of private medical insurance (PMI) contract	–	–	–	–	2.6	–	–	2.6
Ocean Cruise customer compensation and dry dock costs	1.7	–	–	1.7	–	–	–	1.7
IFRS 16 lease accounting adjustment on River Cruise vessels	–	0.5	–	0.5	–	–	–	0.5
Underlying Profit/(Loss) Before Tax⁸	48.9	4.0	10.7	63.6	14.5	(40.9)	–	37.2

Analysis of total assets less liabilities by segment:

	2026 £m	2025 £m
Travel	91.8	129.1
Insurance	(55.9)	9.8
Other Businesses and Central Costs	152.2	38.1
Adjustments	(118.4)	(119.3)
	69.7	57.7

Discontinued operations assets and liabilities held for sale (Note 38a) are included within the Insurance segment total assets less liabilities figure above.

7 The comparative information for the year to 31 January 2025 has been re-presented from that previously published due to the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business

8 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Notes to the consolidated financial statements continued

4 Revenue from contracts with customers balances

a) Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers as accounted for under IFRS 15 (the amounts stated here are not insurance acquisition cash flow assets accounted for under IFRS 17):

	2026 £m	2025 £m
Contract cost assets (Note 23)	8.1	4.9
Contract liabilities (Note 29)	252.2	176.8

The contract cost assets relate to commissions paid to price-comparison websites to acquire new business policies not underwritten by the Group.

Management expects that incremental commission fees paid to price-comparison websites, as a result of obtaining insurance contracts, are recoverable. The Group has, therefore, capitalised them as contract assets amounting to £5.4m for the year ended 31 January 2026 (2025: £2.0m). These fees are amortised over the period of the expected renewal cycle. In the year to 31 January 2026, the amount of amortisation was £2.2m (2025: £2.3m) and there was no impairment loss in relation to the costs capitalised.

Applying the practical expedient in paragraph 94 of IFRS 15, the Group recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

The contract liabilities primarily relate to the deferral of revenue for performance obligations not satisfied, at 31 January, and comprise the advance consideration received from customers for holidays or cruises booked, but not travelled; insurance premium street pricing adjustments and revenues received in advance of the cover start date (where the policy was not underwritten by the Group); and motor and home insurance Affinity Partnership consideration received from Ageas (Note 38a). There was no revenue recognised in the current reporting year that related to performance obligations that were satisfied in a prior year.

Significant changes in the contract cost assets and the contract liabilities during the year are as follows:

	2026		2025	
	Contract cost assets £m	Contract liabilities £m	Contract cost assets £m	Contract liabilities £m
Balance at 1 February	4.9	176.8	3.6	159.8
Released to the income statement in the period	(2.2)	(422.8)	(2.3)	(395.4)
Additional contract balances incurred during the year	5.4	514.5	2.0	435.4
Amounts refunded to customers	–	(16.3)	–	(23.5)
Amounts reclassified to assets/liabilities held for sale	–	–	1.6	0.5
Balance at 31 January	8.1	252.2	4.9	176.8

b) Transaction price allocated to the remaining performance obligations

At 31 January 2025, the transaction price allocated to three-year fixed-price insurance policy renewal options, where the remaining performance obligations were not expected to be satisfied within the next 12 months, was £1.2m. This was expected to be recognised as revenue in the subsequent one to two years. Following the Group's disposal of the underwriting and claims handling sections of its Insurance business (Note 38a) and migration of policies to Ageas, as at 31 January 2026, the remaining performance obligations not expected to be satisfied within the next 12 months is £nil.

The transaction price allocated to customer contracts within the Travel segment, where the remaining performance obligations are not expected to be satisfied within the next 12 months, is £8.9m (2025: £3.8m). This is expected to be recognised as revenue in the subsequent one to two years.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

5 Administrative and selling expenses

	2026 £m	2025 £m
Continuing operations		
Staff costs (excluding restructuring costs)	84.0	86.5
Marketing and fulfilment costs	63.6	46.8
Short-term lease rentals	–	0.1
Auditor's remuneration	2.0	2.1
Other administrative costs	59.1	66.6
Depreciation – property, plant and equipment (Note 17)	0.9	0.7
Depreciation – right-of-use assets (Note 18)	1.2	2.2
Amortisation of intangible assets (Note 15)	6.7	8.7
Restructuring costs	35.4	18.1
	252.9	231.8

Administrative and selling expenses relate to non-Insurance Underwriting businesses.

a) Auditor's remuneration

	2026 £m	2025 £m
Audit of the parent company and consolidated financial statements	0.8	0.8
Audit of subsidiary financial statements	1.0	1.0
Audit-related assurance services	0.2	0.3
Auditor's remuneration relating to continuing operations	2.0	2.1
Auditor's remuneration relating to discontinued operations	–	0.6
Total auditor's remuneration	2.0	2.7

6 Impairment of non-financial assets

a) Impairments during the year ended 31 January 2026

During the year ended 31 January 2026, the Group impaired software in its Insurance Broking division by £0.3m. This was charged to administrative and selling expenses.

Furthermore, the Group concluded that an impairment charge of £0.7m (Note 17) to plant and equipment owned assets was required in the Group's Insurance Broking and mailing and printing divisions. This was charged to administrative and selling expenses (£0.1m) and cost of sales (£0.6m).

In addition, the Group concluded that an impairment charge of £0.8m (Note 18) to plant and equipment right-of-use assets leases was required in the Group's mailing and printing business and an impairment charge of £0.1m (Note 18) to long leasehold land and building right-of-use assets leases was required in the Group's Cruise business. This was charged to cost of sales (£0.8m) and administrative and selling expenses (£0.1m) respectively.

b) Impairments during the year ended 31 January 2025

During the year ended 31 January 2025, the Group impaired the carrying value of the goodwill balance allocated to the Insurance Broking CGU by £138.3m (Note 14).

The Group impaired software in its Insurance and Central Costs divisions by £25.3m and £2.8m respectively, totalling £28.1m (Note 15). Of the impairment in Insurance, £4.0m related to the claims handling section of the Insurance business to be divested of (Note 38a) and, therefore, it was reclassified as discontinued operations within the income statement.

Furthermore, the Group concluded that an impairment charge of £0.1m (Note 17) to plant and equipment owned assets was required in the Group's Central Costs division.

In light of the Group obtaining updated freehold property market valuation reports, management also impaired assets held for sale by £0.4m (Note 38b). Within this total, £0.1m related to the underwriting section of the Insurance business to be divested of (Note 38a) and, therefore, it was reclassified as discontinued operations within the income statement.

Notes to the consolidated financial statements continued

7 Investment income

	2026 £m	2025 £m
Continuing operations		
Interest income recognised using the EIR method on FVTPL financial assets	5.7	6.0
Interest income earned on financial assets measured at amortised cost	0.4	0.1
	6.1	6.1

8 Finance costs

	2026 £m	2025 (re-presented ⁹) £m
Continuing operations		
Interest, fees and charges on debt and borrowings using the EIR method	63.3	45.8
Net fair value loss on derivative financial instruments	0.7	0.3
Net finance costs on retirement benefit schemes	2.1	2.3
Net interest and finance charges payable on lease liabilities	2.5	2.1
	68.6	50.5

9 Directors and employees

Amounts charged to the income statement for the year are as follows:

	2026 £m	2025 £m
Continuing operations		
Wages and salaries	86.3	90.7
Social security costs	9.7	8.6
Pension costs (Note 27)	4.5	4.5
	100.5	103.8
Discontinued operations		
Wages and salaries	4.6	13.6
Social security costs	0.6	1.3
Pension costs (Note 27)	0.3	0.7
	5.5	15.6
Total staff costs	106.0	119.4

Staff costs (including restructuring and redundancy costs) of £7.0m (2025: £15.7m) and £93.5m (2025: £88.1m) have been allocated to cost of sales and administrative and selling expenses respectively. Staff costs above exclude share-based payment charges of £3.9m (2025: £4.2m) and restructuring provision costs of £nil (2025: £16.5m). Further details can be found in Note 36 for share-based payments and Note 31 for the restructuring provision.

For the year ended 31 January 2026, continuing operations wages and salaries above includes a £1.4m charge for cash-settled share-based remuneration relating to the Saga Transformation Plan (STP) scheme (Note 36) which is due to be paid in cash in the year ended 31 January 2028. Although these awards form part of the STP scheme, they do not fall within the scope of IFRS 2 'Share-based Payment'.

Average monthly number of employees:

	2026 number	2025 number
Travel	646	1,151
Insurance	906	940
Other Businesses and Central Costs	374	380
Continuing operations	1,926	2,471
Employees attributable to discontinued operations	155	391
Total employee numbers	2,081	2,862

In May 2024, the Group disposed of Saffron Maritime Limited. This company provided, and continues to provide, crewing services to the Ocean Cruise business. The impact of this on the total employee numbers reported above is that, after May 2024, crew members were no longer employees of the Group. This has resulted in a significant decrease in the average monthly number of employees reported for the Travel business in the current year.

⁹ Finance costs for the prior year have been re-presented to include arrangement, drawdown and milestone fees associated with the loan facility provided by Roger De Haan (Note 30) of £3.6m within the category of interest, fees and charges on debt and borrowings using the EIR method. Previously these costs were separately categorised as debt issue costs

Directors' remuneration

The information required by the Companies Act 2006 and the UK Listing Rules of the FCA is contained on pages 80-107 in the Directors' Remuneration Report.

Compensation of key management personnel of the Group

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and comprise the Directors of the Company and the Operating Board.

The amounts recognised as an expense during the financial year in respect of key management personnel are as follows:

	2026 £m	2025 £m
Short-term benefits	7.6	6.2
Termination costs	0.1	–
Post-employment benefits	0.1	0.1
Share-based payments	1.0	1.2
	8.8	7.5

10 Income tax

The major components of the income tax (credit)/expense are:

	2026 £m	2025 £m
Continuing operations		
Consolidated income statement		
Current income tax		
Current income tax credit	(2.2)	(0.5)
Adjustments in respect of previous years	0.2	0.9
	(2.0)	0.4
Deferred tax		
Relating to origination and reversal of temporary differences	–	19.0
Adjustments in respect of previous years	–	(0.9)
	–	18.1
Tax (credit)/expense in the income statement relating to continuing operations	(2.0)	18.5

Reconciliation of income tax (credit)/expense to loss before tax, multiplied by the UK corporation tax rate:

	2026 £m	2025 £m
Continuing operations		
Profit/(loss) before tax from continuing operations	2.1	(160.2)
Tax at rate of 25.0% (2025: 25.0%)	0.5	(40.1)
Adjustments in respect of previous years	0.2	–
Expenses not deductible for tax purposes:		
Effect of Ocean Cruise business being in tonnage tax regime	(16.1)	(11.8)
Impairment of goodwill	–	34.6
Corporation tax losses not recognised	13.8	27.9
Other deferred tax assets and liabilities not recognised	(2.2)	6.5
Other non-deductible expenses/non-taxed income	1.8	1.4
Tax (credit)/expense in the income statement relating to continuing operations	(2.0)	18.5

The Group's tax credit relating to continuing operations for the year was £2.0m (2025: £18.5m expense) representing a tax effective rate of negative 95.3% before the impairment of goodwill of £nil (2025: negative 84.5%). In both the current and prior years, the difference between the Group's tax effective rate and the standard rate of corporation tax was mainly due to the Group's Ocean Cruise business being in the tonnage tax regime. In addition, it is also due to £138.3m (2025: £111.6m) of corporation tax losses carried forward at the end of the financial year not being considered recoverable and, therefore, no deferred tax asset was recognised for these losses.

Adjustments in respect of previous years include an adjustment for the over-provision of tax in prior years of £0.2m (2025: £nil).

10 Income tax continued**Deferred tax**

	Consolidated income statement (continuing operations)	
	2026 £m	2025 £m
Excess of depreciation over capital allowances	–	5.9
Short-term temporary differences:		
– Designated hedges recognised through OCI	–	–
– Share-based payment reserve	–	2.3
– General bad debt provision	–	1.0
– Capitalised borrowing costs	–	(2.5)
– IFRS 16 transition adjustments	–	1.8
– Losses carried forward	–	9.7
– Other	–	(0.1)
Deferred tax expense	–	18.1

Reconciliation of net deferred tax assets:

	2026 £m	2025 £m
At 1 February	–	34.8
Tax expense recognised in the income statement from continuing operations	–	(18.1)
Tax expense recognised in OCI from continuing operations	–	(12.3)
Deferred tax expense attributable to discontinued operations	–	(4.8)
Amounts transferred to assets held for sale	–	0.4
At 31 January	–	–

The Group has tax losses which arose in the UK of £138.3m (2025: £111.6m) that are available indefinitely for offsetting against future taxable profits of the continuing operations of the Group. Deferred tax assets have not been recognised in respect of these losses as management have assessed there are less likely than not to be sufficient future taxable profits to utilise these tax losses. The tax losses have arisen due to the Group's Ocean Cruise business being in the tonnage tax regime and thus excluded from corporate tax, meaning that taxable profits in the Group's non-Ocean Cruise businesses would be required to recognise deferred tax assets, and there are no other tax planning opportunities or other evidence of recoverability in the near future. In addition, all other net timing differences were considered not to be recoverable, therefore no deferred tax assets have been recognised in respect of the continuing business at 31 January 2026 (2025: none), for the same reason that deferred tax assets were not recognised on tax losses. If the Group were able to recognise all unrecognised deferred tax assets then profit for the year would be £2.2m lower (2025: £34.4m higher) and movements through OCI would be £1.2m lower (2025: £10.8m higher).

The Group is in scope of the Pillar Two rules because its consolidated revenue exceeded the annual €750m threshold in two of the last four financial years. The Group has applied the mandatory deferred tax exemption as prescribed by the International Accounting Standards Board's amendments to IAS 12 'Income Taxes'. A significant amount of the Group's profits are within the charge to tonnage tax and, therefore, the Group considers the financial impact of Pillar Two to be limited.

11 Dividends

The Board of Directors does not recommend the payment of a final dividend for the 2025/26 financial year (2025: nil pence per share). For the current and prior year, no interim or final dividends were declared, or paid, during the year.

The distributable reserves of Saga plc are £239.9m at 31 January 2026, which are equal to the retained earnings reserve. If necessary, its subsidiary companies hold significant reserves from which a dividend could be paid. Subsidiary distributable reserves are available immediately, with the exception of companies within the River Cruise and Holidays businesses, which require regulatory approval before any dividends can be declared and paid. Under the terms of the Ocean Cruise ship debt facilities, dividends remain restricted until the ship debt principal repayments that were deferred as part of the ship debt repayment holiday are fully repaid (Note 30). In addition, under the terms of the RCF and the term loan facility provided by certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries (**HPS Funds**), dividends also remain restricted while leverage is above 3.25x.

12 Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the loss after tax for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted loss per share is calculated by also including the weighted average number of ordinary shares that would be issued on conversion of all potentially dilutive options.

There were no other transactions involving ordinary shares, or potential ordinary shares, between the reporting date and the date of authorisation of these financial statements.

The calculation of basic and diluted earnings/(loss) per share is as follows:

	2026 £m	2025 £m
Profit/(loss) attributable to ordinary equity holders	3.6	(164.9)
Profit/(loss) from continuing operations	4.1	(178.7)
Weighted average number of ordinary shares	'm	'm
Ordinary shares at 1 February	140.5	139.8
Deferred Bonus Plan (DBP) share options exercised	0.3	0.2
Restricted Share Plan (RSP) share options exercised	1.2	0.5
Other share options exercised	0.4	–
Weighted average number of ordinary shares for basic earnings/(loss) per share	142.4	140.5
Dilutive options		
DBP share options not yet vested	1.1	–
RSP share options not yet vested	3.6	–
Weighted average number of ordinary shares for diluted earnings/(loss) per share	147.1	140.5
Basic earnings/(loss) per share	2.5p	(117.4p)
Basic earnings/(loss) per share from continuing operations	2.9p	(127.2p)
Diluted earnings/(loss) per share	2.4p	(117.4p)
Diluted earnings/(loss) per share from continuing operations	2.8p	(127.2p)

The table below reconciles between basic earnings/(loss) per share and Underlying Basic Earnings Per Share¹⁰:

	2026	2025
Basic earnings/(loss) per share	2.5p	(117.4p)
Adjusted for:		
Net fair value loss on derivative financial instruments	0.5p	0.3p
Impairment of Insurance Broking goodwill	–	98.4p
Impairment of other non-financial assets	1.3p	25.6p
Onerous contract provision	2.1p	(12.3p)
Profit share on cessation of PMI contract	–	2.2p
Amortisation of fees and costs relating to the Group's previous corporate debt	5.3p	3.0p
Loss on disposal of subsidiaries	9.6p	–
Affinity Partnership transition	9.8p	–
Release of deferred revenue on three-year fixed-price product	(4.9p)	–
Write-off of written to earned adjustment	(2.5p)	–
Foreign exchange movement on River Cruise lease liabilities	0.6p	(0.5p)
Fair value gains on debt securities	(1.5p)	(4.3p)
Changes in underwriting discount rates on non-PPO liabilities	0.1p	(0.5p)
Restructuring costs	15.3p	26.9p
Modification of Travel breakage policy	1.9p	–
Ocean Cruise customer compensation and dry dock costs	0.4p	1.4p
IFRS 16 lease accounting adjustment on River Cruise vessels	0.6p	0.4p
Underlying Basic Earnings Per Share¹⁰	41.1p	23.2p

10 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Notes to the consolidated financial statements continued**13 Business combinations and disposals****a) Disposals during the year ended 31 January 2026**

Please see Note 38a for disposals during the year ended 31 January 2026.

b) Disposals during the year ended 31 January 2025

In May 2024, the Group disposed of Saffron Maritime Limited for consideration of £1.

14 Goodwill

	Goodwill £m
Cost	
At 1 February 2024	1,458.4
At 31 January 2025 and 31 January 2026	1,458.4
Impairment	
At 1 February 2024	1,113.7
Charge for the year (Note 16a)	138.3
At 31 January 2025 and 31 January 2026	1,252.0
Net book value	
At 31 January 2026	206.4
At 31 January 2025	206.4

Goodwill deductible for tax purposes amounts to £nil (2025: £nil).

15 Intangible assets

	Software £m
Cost	
At 1 February 2024	118.1
Additions and internally developed software	12.1
Reclassification to assets held for sale	(12.8)
At 31 January 2025	117.4
Additions and internally developed software	6.0
Disposals	(14.7)
Reclassification from assets held for sale	12.0
At 31 January 2026	120.7
Amortisation and impairment	
At 1 February 2024	57.4
Amortisation	10.4
Impairment of assets (Note 16b)	28.1
Reclassification to assets held for sale	(12.8)
At 31 January 2025	83.1
Amortisation	6.8
Disposals	(14.5)
Impairment of assets (Note 16b)	0.3
Reclassification from assets held for sale	12.0
At 31 January 2026	87.7
Net book value	
At 31 January 2026	33.0
At 31 January 2025	34.3

The net book value of software at 31 January 2026 included internally generated software of £9.4m (2025: £9.7m) relating to Guidewire (the Group's Insurance Broking, policy administration and billing platform), including additions in the year of £1.5m (2025: £10.6m) and amortisation and impairment of £1.8m (2025: £27.3m). The comparative net book value was stated as £3.4m in the prior period. This change has no effect on the amounts in the table above. The cumulative cost, and amortisation and impairment, of Guidewire software assets is £50.4m (2025: £48.9m) and £41.0m (2025: £39.2m) respectively. The Guidewire platform has an expected useful economic life of 13 years, with five years of phase one expenditure remaining at 31 January 2026. In the prior year, following the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business (Note 38a), management performed an impairment review of software assets used by the Insurance Broking division. The outcome of the impairment review concluded that an impairment charge of £21.3m be recognised against the Group's software assets at 31 January 2025, in relation to the Guidewire platform.

The net book value of software at 31 January 2026 also included internally generated software of £1.2m (2025: £1.4m) relating to Tigerbay (the Group's travel booking reservation system) including additions in the year of £nil (2025: £nil) and amortisation and impairment of £0.2m (2025: £0.3m). The cumulative cost, and amortisation and impairment, of Tigerbay software assets is £13.9m (2025: £13.9m) and £12.7m (2025: £12.5m) respectively. The Tigerbay platform has an expected useful economic life of 10 years, with three years of phase one expenditure remaining at 31 January 2026. Implementation, and the commencement of amortisation of the Tigerbay platform, is on a phased basis, based on product re-platforming, and began in the year ended 31 January 2020.

The amortisation charge for the year is analysed as follows:

	2026 £m	2025 £m
Cost of sales	0.1	0.1
Administrative and selling expenses (Note 5)	6.7	8.7
Continuing operations	6.8	8.8
Discontinued operations	–	1.6
	6.8	10.4

During the year, the Group disposed of assets with a net book value of £0.2m (2025: £nil). The profit arising on disposal was £nil (2025: £nil).

16 Impairment of intangible assets

a) Goodwill

Goodwill acquired through business combinations has been allocated to CGUs for the purpose of impairment testing. The carrying value of goodwill by CGU is as follows:

	2026 £m	2025 £m
Insurance Broking	206.4	206.4
	206.4	206.4

The Group tests all goodwill balances for impairment at least annually, and twice-yearly if indicators of impairment exist at the interim reporting date of 31 July. The impairment test compares the recoverable amount of each CGU to the carrying value of its net assets including the value of the allocated goodwill.

As a result of the impact of the FCA's GIPP market study on trading in recent years, and against the background of a highly competitive motor insurance market, the Group saw a fall in policy volumes in the year to 31 January 2025. In the year to 31 January 2025, high net rate inflation from the Group's underwriting panel continued to have an adverse impact on the expected future profitability of the Insurance business. In December 2024, the Group announced it had entered into a binding agreement with Ageas, to establish the Affinity Partnership, which is expected to impact future cash flows of the business. Management considered these trading impacts to constitute indicators of impairment and, therefore, conducted full impairment reviews of the Insurance Broking CGU at 31 July 2024 and 31 January 2025. At 31 July 2024, the Group determined that the recoverable amount of the goodwill was below the carrying value, and so the Directors took the decision to impair the goodwill by £138.3m, based on a probability-weighted assessment of the base and stressed forecast cash flows modelled.

At the assessment conducted at 31 January 2025, forecast cash flows consistent with the latest five-year plan and further stress tests were modelled. After applying a probability weighting to the base and stressed forecast cash flows modelled, management concluded that no further impairment of goodwill was required at 31 January 2025, leaving the total impairment charge for the year at £138.3m.

At 31 July 2025, trading forecasts showed improved cash flows and policy volumes from those modelled at the assessment conducted at 31 January 2025. In addition, the Group's pre-tax discount rate previously used for the Insurance Broking CGU had improved. The decrease in the pre-tax discount rate acted to increase the headroom in any assessment. The long-term outlook for inflation stood at 2%, consistent with the Terminal Growth rate assumption for the business modelled at 31 January 2025 and at 31 July 2024. Management considered other indicators of possible impairment set out in IAS 36, including the economic outlook and movements in Saga's market capitalisation. No such indicators were identified. Based on the above, management did not believe a formal goodwill impairment assessment was required at 31 July 2025.

At the assessment conducted at 31 January 2026, the recoverable amount of the Insurance Broking CGU was determined based on a value-in-use calculation using nominal cash flow projections from the Group's latest five-year financial forecasts to 2030/31, which were derived using past experience of the Group's trading, combined with the anticipated impact of changes in macroeconomic and regulatory factors and the expected impact of the transition to the Affinity Partnership. A terminal value was calculated using the Gordon Growth Model based on the fifth year of those projections and a terminal growth rate calculated using an assumption of 2.0% (July 2024: 2.0%; January 2025: 2.0%) as the expected long-term target rate of inflation for the UK economy based on the November 2025 Monetary Policy Report published by the Bank of England. The cash flows were then discounted to present value using a suitably risk-adjusted nominal discount rate based on a market-participant view of the cost of capital and debt relevant to the insurance industry.

At 31 January 2026, the pre-tax discount rate used for the Insurance Broking CGU was 12.2% (July 2024: 14.7%; January 2025: 13.3%). The Group's five-year financial forecasts incorporated the modelled impact of the change to a new partnership operating model for the motor and home products. As per IAS 36.44, incremental cash flows directly attributable to growth initiatives not yet enacted at the statement of financial position date were then removed for the purpose of the value-in-use calculation.

The Group also considered the impact of downside stresses, both in terms of adverse impacts to the cash flow projections and to the discount rate. For the cash flow stress test, the Group modelled the impact of a possible reduction in the level of benefits expected to be achieved from the Affinity Partnership, in combination with a more cautious terminal growth rate based on a more conservative assumption of 1.5% (July 2025: 1.5%; January 2025: 1.5%) as the outlook for growth in the UK economy. For the discount rate stress test, the Group applied risk premia of +0.7ppts at 31 January 2026 (July 2024: +0.5ppts; January 2025: +0.4ppts).

The (deficit)/headroom of the Insurance Broking CGU against the carrying value of goodwill at the time of the review of £206.4m at 31 January 2026 and £206.4m at 31 January 2025 (after recognising an impairment charge of £138.3m at 31 July 2024), was as follows:

	Headroom/(deficit) £m					
	Base scenario		Cash flow stress test scenario		Discount rate stress test scenario	
	31 January 2026	31 January 2025	31 January 2026	31 January 2025	31 January 2026	31 January 2025
Insurance Broking	74.9	33.4	22.4	(19.2)	58.2	25.9

The (deficit)/headroom calculated is sensitive to the discount rate and terminal growth rate assumed, and to changes in the projected cash flows of the CGU. Inherent uncertainty involved in forecasting cashflows under a new partnership model increase the range of possible cash flow outcomes in management's modelling. A quantitative sensitivity analysis for each of these at 31 January 2026, and its impact on the base scenario headroom against the carrying value of goodwill at the time of the review of £206.4m, is as follows:

	Pre-tax discount rate		Terminal growth rate		Cash flow (annual)	
	+1.0ppt £m	-1.0ppt £m	+1.0ppt £m	-1.0ppt £m	+10% £m	-10% £m
Insurance Broking	(22.7)	27.8	27.2	(21.1)	31.1	(31.1)

It would take an increase in the pre-tax discount rate of 4.4 percentage points to reduce the headroom to £nil; a reduction in the terminal growth rate to -3.3%, or a reduction in base case cashflows of 24.1%.

b) Other intangible assets

Separately identifiable intangible assets are valued, and their appropriate useful lives established, at the time of acquisition. The carrying values of these assets, and their remaining useful lives, are reviewed annually for indicators of impairment.

In the year to 31 January 2026, following the Group's disposal of the underwriting and claims handling sections of its Insurance business (Note 38a) and the impact of this on its Insurance Broking business, management concluded that this constitutes an indicator of impairment and duly conducted an impairment review of the software assets of this business. The outcome of this impairment review concluded that an impairment charge of £0.3m should be recognised against the software assets held by the Group's Insurance Broking division at 31 January 2026. This was charged to administrative and selling expenses.

In the prior year, following the Group's decision to divest itself of the underwriting and claims handling sections of its Insurance business (Note 38a), management concluded that this constituted an indicator of impairment and duly conducted an impairment review of the Group's other intangible fixed assets. The outcome of this impairment review concluded that an impairment charge of £4.0m should be recognised against the intangible fixed assets held by the disposal group at 31 January 2025 (Note 38a). The impairment charge related to the software assets of the claims handling section of the Insurance business, which were impaired in full.

As a result of the announcement above, and subsequent impairment review, management concluded that an impairment charge of £21.3m should be recognised against the internally generated software assets relating to Guidewire (the Group's Insurance Broking, policy administration and billing platform (Note 15)) at 31 January 2025. This was charged to administrative and selling expenses. The Guidewire software assets did not form part of the intangible fixed assets held by the disposal group.

In addition, management assessed the recoverable amount of software assets at 31 January 2025 and concluded that an impairment of £2.8m was required in the Group's Central Costs division. This was charged to administrative and selling expenses.

With the exception of the above, the Group did not consider it necessary to conduct an impairment review of other intangible assets at 31 January 2026, since no other indicators of impairment existed.

17 Property, plant and equipment

	Freehold land and buildings £m	Long leasehold land and buildings £m	Ocean Cruise ships £m	Plant and equipment £m	Total £m
Cost					
At 1 February 2024	0.4	8.9	657.1	22.9	689.3
Additions	–	–	5.8	1.1	6.9
Disposals	–	–	(0.2)	(0.2)	(0.4)
Reclassification from assets held for sale (Note 38b)	6.0	–	–	–	6.0
At 31 January 2025	6.4	8.9	662.7	23.8	701.8
Additions	–	–	7.8	2.6	10.4
Disposals	(0.4)	(0.4)	(0.4)	(6.7)	(7.9)
At 31 January 2026	6.0	8.5	670.1	19.7	704.3
Depreciation and impairment					
At 1 February 2024	0.4	5.6	70.4	19.5	95.9
Provided during the year	–	0.1	21.7	1.4	23.2
Impairment of assets	–	–	–	0.1	0.1
Disposals	–	–	–	(0.2)	(0.2)
At 31 January 2025	0.4	5.7	92.1	20.8	119.0
Provided during the year	0.1	–	22.8	1.1	24.0
Impairment of assets	–	–	–	0.7	0.7
Disposals	(0.4)	(0.4)	(0.4)	(6.5)	(7.7)
At 31 January 2026	0.1	5.3	114.5	16.1	136.0
Net book value					
At 31 January 2026	5.9	3.2	555.6	3.6	568.3
At 31 January 2025	6.0	3.2	570.6	3.0	582.8

The depreciation charge for the year is analysed as follows:

	2026 £m	2025 £m
Cost of sales	23.1	22.4
Administrative and selling expenses (Note 5)	0.9	0.7
Continuing operations	24.0	23.1
Discontinued operations	–	0.1
	24.0	23.2

The Ocean Cruise ship assets reported above includes capitalised dry dock refit costs, IT and soft furnishings, as these assets are components of the ships.

During the year, the Group disposed of assets with a net book value of £0.2m (2025: £0.2m). The profit arising on disposal was £0.1m and credited to cost of sales (2025: £0.9m profit and credited to administrative and selling expenses).

In the prior year, the Group declassified one of the properties classified as held for sale at 31 January 2024, to property, plant and equipment, since it was no longer being actively marketed for disposal (Note 38b). The carrying value of this property at 31 January 2024 was £6.0m.

a) Impairment review of property, plant and equipment

In the year to 31 January 2026, following the Group's disposal of the underwriting and claims handling sections of its Insurance business (Note 38a) and the impact of this on its Insurance Broking, and mailing and printing businesses, management concluded that this constitutes an indicator of impairment and duly conducted an impairment review of the assets of this business. The outcome of this impairment review concluded that an impairment charge of £0.7m should be recognised against the plant and equipment assets held by the Group at 31 January 2026. This was charged to administrative and selling expenses (£0.1m) and cost of sales (£0.6m).

In the prior year, management assessed the recoverable amount of plant and equipment assets at 31 January 2025 and concluded that an impairment charge of £0.1m was required in the Group's Central Costs division. This was charged to administrative and selling expenses.

With the exception of the above, the Group did not consider it necessary to conduct an impairment review of property, plant and equipment assets at 31 January 2026, since no other indicators of impairment existed.

18 Right-of-use assets

	Long leasehold land and buildings £m	River Cruise ships £m	Plant and equipment £m	Total £m
Cost				
At 1 February 2024	4.0	22.5	11.1	37.6
Additions	-	7.3	0.7	8.0
Disposals	-	(1.6)	(2.1)	(3.7)
Effect of modification of lease terms	(0.3)	-	-	(0.3)
At 31 January 2025	3.7	28.2	9.7	41.6
Additions	-	13.9	4.0	17.9
Disposals	(0.8)	-	(1.5)	(2.3)
Effect of modification of lease terms	(0.1)	-	-	(0.1)
At 31 January 2026	2.8	42.1	12.2	57.1
Depreciation and impairment				
At 1 February 2024	1.4	5.3	6.3	13.0
Provided during the year	1.1	4.5	1.8	7.4
Disposals	-	(1.6)	(2.1)	(3.7)
At 31 January 2025	2.5	8.2	6.0	16.7
Provided during the year	0.5	4.5	1.7	6.7
Disposals	(0.8)	-	(1.5)	(2.3)
Impairment of assets	0.1	-	0.8	0.9
At 31 January 2026	2.3	12.7	7.0	22.0
Net book value				
At 31 January 2026	0.5	29.4	5.2	35.1
At 31 January 2025	1.2	20.0	3.7	24.9

The depreciation charge for the year is analysed as follows:

	2026 £m	2025 £m
Cost of sales	5.5	5.2
Administrative and selling expenses (Note 5)	1.2	2.2
	6.7	7.4

During the year, the Group disposed of assets with a net book value of £nil (2025: £nil). The profit arising on disposal was £0.5m and credited to cost of sales (2025: £nil).

The total cash outflow for leases amounted to £9.2m (2025: £9.4m).

In the year ended 31 January 2026, the modification of lease terms relating to long leasehold land and buildings resulted in a gain of £nil (2025: £0.2m) being reported in the income statement in the year.

a) Impairment review of right-of-use assets

In the year to 31 January 2026, following the Group's disposal of the underwriting and claims handling sections of its Insurance business (Note 38a) and the impact of this on its mailing and printing business, management concluded that this constitutes an indicator of impairment and duly conducted an impairment review of the assets of this business. The outcome of this impairment review concluded that an impairment charge of £0.8m should be recognised against the plant and equipment assets held by the mailing and printing business at 31 January 2026. This was charged to cost of sales.

Also, in the year to 31 January 2026, management decided to review long leasehold land and building leases used by the Group's Cruise business. As part of this exercise, management performed an impairment review of right-of-use assets used by the Cruise business. The outcome of this review concluded that an impairment charge of £0.1m be recognised against the Group's long leasehold land and buildings at 31 January 2026. This was charged to administrative and selling expenses.

With the exception of the above, the Group did not consider it necessary to conduct an impairment review of right-of-use assets at 31 January 2026, since no other indicators of impairment existed.

Notes to the consolidated financial statements continued

19 Financial assets and financial liabilities

The Group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of the loans and borrowings financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets included debt securities and money market funds, both held within the Insurance business (Note 38a), trade and other receivables, and cash and short-term deposits. The Group also enters into derivative transactions such as foreign exchange forward contracts, fuel and gas oil swaps and interest rate swaps to manage its exposure to various risks.

a) Financial assets

	2026 £m	2025 £m
FVTPL		
Foreign exchange forward contracts	0.2	0.2
Money market funds	–	62.9
Debt securities	–	178.7
	0.2	241.8
FVTPL designated in a hedging relationship		
Foreign exchange forward contracts	0.7	0.9
Fuel oil swaps	0.2	–
	0.9	0.9
Amortised cost		
Deposits with financial institutions	–	11.5
	–	11.5
Amounts reclassified to assets held for sale	–	(241.6)
Total financial assets	1.1	12.6
Current	1.0	12.4
Non-current	0.1	0.2
	1.1	12.6
	2026 £m	2025 £m
Total financial assets (as above and presented on the face of the statement of financial position)	1.1	12.6
Trade receivables (Note 23)	98.4	99.7
Other receivables (Note 23)	8.1	7.0
Cash and short-term deposits (Note 25)	257.0	129.2
Total financial assets (including cash and short-term deposits, trade and other receivables)	364.6	248.5

For the year ended 31 January 2025, debt securities and money market funds related to monies held by the Group's Insurance Underwriting business (included within assets held for sale), and were subject to contractual restrictions and were not readily available to be used for other purposes within the Group. The Group's Insurance Underwriting business was disposed of on 1 July 2025 (Note 38a), and therefore, no balances are reported at 31 January 2026 in the table above.

All financial assets that are measured at FVTPL are mandatorily measured at FVTPL, with the exception of debt securities which are designated as FVTPL.

b) Financial liabilities

	2026 £m	2025 £m
FVTPL		
Foreign exchange forward contracts	0.4	0.2
	0.4	0.2
FVTPL designated in a hedging relationship		
Foreign exchange forward contracts	2.4	0.9
Fuel oil swaps	0.3	0.5
Interest rate swaps	1.7	-
	4.4	1.4
Amortised cost		
Bond, Ocean Cruise ship loans, term loan and loan facility provided by Roger De Haan (Note 30)	607.9	662.2
Lease liabilities	38.4	26.1
Bank overdrafts	0.3	1.6
	646.6	689.9
Amounts reclassified to liabilities associated with assets held for sale	-	(1.4)
Total financial liabilities	651.4	690.1
Current	66.7	71.3
Non-current	584.7	618.8
	651.4	690.1
	2026 £m	2025 £m
Total financial liabilities (as above and presented on the face of the statement of financial position)	651.4	690.1
Trade payables (Note 26)	168.5	145.5
Other payables (Note 26)	16.8	9.0
Accruals (Note 26)	62.0	43.9
Total financial liabilities (including trade and other payables, and accruals)	898.7	888.5

Except for the Group's bond and Ocean Cruise ship loans, the fair values of financial liabilities held at amortised cost are not materially different from their carrying amounts, since the interest payable on those liabilities is close to current market rates. The fair value of the Group's bond (Note 30) at 31 January 2026 was £nil (2025: £249.7m). The fair value of the Group's Ocean Cruise ship loans (Note 30) at 31 January 2026 was £270.5m (2025: £325.6m).

All financial liabilities that are measured at FVTPL are mandatorily measured at FVTPL unless they are held in a designated hedging relationship.

c) Fair values

Financial instruments held at fair value are valued using quoted market prices or other valuation techniques.

Valuation techniques include net present value and discounted cash flow models, and comparison with similar instruments for which market-observable prices exist. Assumptions and market-observable inputs used in valuation techniques include foreign currency exchange rates and future oil prices.

The objective of using valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting at arm's length.

Observable prices are those that have been seen either from counterparties or from market pricing sources, including Bloomberg. The use of these depends upon the liquidity of the relevant market.

Financial instruments held at fair value have been categorised into a fair value measurement hierarchy as follows:

i) Level 1

These are valuation techniques that are based entirely on quoted market prices in an actively traded market and are the most reliable.

All money market funds and debt securities were categorised as Level 1, as the fair value was obtained directly from the quoted active market price.

Notes to the consolidated financial statements continued

19 Financial assets and financial liabilities continued

c) Fair values continued

ii) Level 2

These are valuation techniques for which all significant inputs are taken from observable market data. These include valuation models used to calculate the present value of expected future cash flows and may be employed either when no active market exists or when there are quoted prices available for similar instruments in active markets.

The models incorporate various inputs, including the credit quality of counterparties, interest rate curves and forward rate curves of the underlying instrument.

All the derivative financial instruments are categorised as Level 2, as the fair values are obtained from the counterparty, brokers or valued using observable inputs. Where material, credit valuation adjustment/debit valuation adjustment risk adjustments are factored into the fair values of these instruments. At 31 January 2026, the marked-to-market values of derivative assets are net of a credit valuation adjustment attributable to derivative counterparty default risk.

The fair values are periodically reviewed by the Group's Treasury Committees.

iii) Level 3

These are valuation techniques for which any significant inputs are not based on observable market data.

The following tables provide the quantitative fair value hierarchy of the Group's financial assets and financial liabilities that are held at fair value:

	At 31 January 2026				At 31 January 2025			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets measured at fair value								
Foreign exchange forwards	-	0.9	-	0.9	-	1.1	-	1.1
Fuel oil swaps	-	0.2	-	0.2	-	-	-	-
Debt securities	-	-	-	-	178.7	-	-	178.7
Money market funds	-	-	-	-	62.9	-	-	62.9
Financial liabilities measured at fair value								
Foreign exchange forwards	-	2.8	-	2.8	-	1.1	-	1.1
Fuel oil swaps	-	0.3	-	0.3	-	0.5	-	0.5
Interest rate swaps	-	1.7	-	1.7	-	-	-	-
Financial assets for which fair values are disclosed								
Deposits with financial institutions	-	-	-	-	-	11.5	-	11.5
Financial liabilities for which fair values are disclosed								
Bond, Ocean Cruise ship loans, term loan and the loan facility provided by Roger De Haan	-	595.3	-	595.3	249.7	400.6	-	650.3
Lease liabilities	-	38.4	-	38.4	-	26.1	-	26.1
Bank overdrafts	-	0.3	-	0.3	-	1.6	-	1.6

There were no transfers between Level 1 and Level 2 during the year. There were no non-recurring fair value measurements of assets and liabilities during the year (2025: none). The Group's policy is to recognise transfers into, and out of, fair value hierarchy levels at the end of the reporting period.

The values of the debt securities and money market funds were based upon publicly available market prices.

Foreign exchange forwards are valued using current spot and forward rates discounted to present value. They are also adjusted for counterparty credit risk using credit default swap curves. Fuel oil swaps are valued with reference to the valuations provided by third parties, which use current Platts index rates, discounted to present value.

Bonds are valued at quoted market bid prices.

Ship loans are valued using discounted cash flows at the current rates of interest.

Interest rate swaps are valued as the present value of the estimated future cash flows, discounted using observable yield curves, and adjusted for a credit risk adjustment.

d) Cash flow hedges

i) Forward currency risk

During the year ended 31 January 2026, the Group designated 410 foreign exchange forward currency contracts as hedges of highly probable foreign currency cash expenses in future periods (2025: 258). These contracts are entered into to minimise the Group's exposure to foreign exchange risk and are designated as cash flow hedges.

Foreign currency cash flow hedging instruments (nominal amounts)	Designated in the year		At 31 January 2026		At 31 January 2025	
	Volume	£m	Volume	£m	Volume	£m
Euro (EUR)	87	0.1	90	0.1	63	(0.7)
US dollar (USD)	109	(1.4)	121	(1.8)	64	0.8
Other currencies	214	-	228	-	132	(0.1)
Total	410	(1.3)	439	(1.7)	259	-

Hedging instruments for other currencies are in respect of Australian dollars, Canadian dollars, Swiss francs, Japanese yen, New Zealand dollars, Norwegian krone, Thai baht, Chinese yuan, Danish krona and South African rand.

ii) Commodity price risk

The Group uses derivative financial instruments to mitigate the risk of adverse changes in the price of fuel. The Group enters into fixed price contracts (swaps) in the management of its fuel price exposures. These contracts are expected to reduce the volatility attributable to price fluctuations of fuel and are designated as cash flow hedges. Hedging the price volatility of forecast fuel purchases is in accordance with the risk management strategy outlined by the Board of Directors. During the year ended 31 January 2026, the Group designated 78 fuel oil swaps as hedges of highly probable fuel oil purchases in future periods (2025: 20).

Commodity cash flow hedging instruments (nominal amounts)	Designated in the year		At 31 January 2026		At 31 January 2025	
	Volume	£m	Volume	£m	Volume	£m
Hedging instruments	78	(0.1)	78	(0.1)	35	(0.5)

iii) Hedge maturity profile

The table below summarises the maturities of the Group's derivatives at 31 January 2026.

	1 February 2026 to 31 July 2026	1 August 2026 to 31 January 2027	1 February 2027 to 31 July 2027	1 August 2027 to 31 January 2028	1 February 2027 to 31 July 2027	1 August 2027 to 31 January 2028
Derivatives settled gross						
Foreign exchange forwards						
Buy Euro						
Notional amount of derivative (£m)	34.9	30.6	2.0	-		
Average hedge rate	1.153	1.135	1.120	1.101		
Fair value (£m)	0.1	-	-	-		
Buy USD						
Notional amount of derivative (£m)	19.6	19.0	11.4	1.8		
Average hedge rate	1.312	1.312	1.335	1.331		
Fair value (£m)	(0.9)	(0.7)	(0.2)	-		
Buy other currencies						
Notional amount of derivative (£m)	7.4	5.6	0.7	0.1		
Average hedge rate	n/a	n/a	n/a	n/a		
Fair value (£m)	-	-	-	-		
Derivatives settled net						
Fuel hedges						
Quantity - metric tonnes	15,620	16,328	12,623	6,600	-	-
Average trade price per metric tonne - £	316	308	340	207	-	-
Fair value (£m)	(0.1)	(0.1)	0.1	-	-	-
Interest rate swaps						
Notional amount - £m	335.0	335.0	335.0	335.0	335.0	335.0
Average contracted fixed interest rate - %	3.73	3.73	3.73	3.73	3.73	3.75
Fair value (£m)	(0.1)	(0.6)	(0.6)	(0.3)	(0.1)	-

Notes to the consolidated financial statements continued

19 Financial assets and financial liabilities continued

d) Cash flow hedges continued

iii) Hedge maturity profile continued

During the year, the Group recognised net losses of £4.5m (2025: £6.0m gains) on cash flow hedging instruments through OCI into the hedging reserve. The Group recognised £nil (2025: £nil) through the income statement in respect of the ineffective portion of foreign exchange hedges measured during the year. The Group recognised £nil (2025: £nil) through the income statement in respect of the ineffective portion of interest rate swaps measured during the year.

During the year, the Group de-designated two foreign currency forward contracts, with a transaction value of £2.4m, where forecast cash flows are no longer expected to occur with a sufficiently high degree of certainty to meet the requirements of IFRS 9. The accumulated losses in relation to these contracts of £nil were reclassified from the hedging reserve into profit or loss during the year. The Group did not de-designate any fuel oil swaps during the year. During the year, the Group recognised a £1.6m loss (2025: £3.3m gain) through the income statement in respect of matured hedges that were recycled from OCI.

During the year, the Group hedged its £335.0m term loan (Note 30) using interest rate derivatives. The Group held interest rate swaps to hedge exposure to the financial risk of variability in cash flows attributable to movements in interest rates. The fair value of the Group's interest swaps at 31 January 2026 is a liability of £1.7m (2025: nil), with £1.7m being recognised as a loss through OCI into the hedging reserve.

20 Financial and insurance risk management objectives and policies

The Group is exposed to market risk, credit risk, liquidity risk and operational risk, and was also exposed to insurance risk up to 1 July 2025 when it disposed of its Insurance Underwriting business (Note 38a). The Group's senior management oversees these risks, supported by the Group Treasury function and Treasury Committees within the key areas of the Group that advise on financial risks and the appropriate financial risk governance framework for the Group. These functions and Committees ensure that the Group's financial risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities are for risk management purposes and are carried out by the Group's Treasury function. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Group manages concentration risk on its financial assets through a policy of diversification that is outlined in the Group Treasury Policy and approved by the Board. The policy defines the exposure limit by asset class and to third-party institutions based on the credit ratings of the individual counterparties, combined with the views of the Board. On a monthly basis, exposure to each asset class and counterparty is calculated and reported, and compliance with the policy is monitored.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The Group's exposure to insurance and operational risks, and the approach to managing these risks, is explained in more detail in Notes 20d) and e).

a) Market risk

Market risk is the risk that the fair value, or future cash flows, of a financial instrument, or the valuation of insurance and reinsurance contract assets and liabilities fluctuates due to changes in market prices. The Group is exposed to the following market risk factors:

- Foreign currency risk
- Commodity price risk
- Interest rate risk

The Group has policies and limits approved by the Board for managing market risk exposure. These set out the principles that the business should adhere to for managing market risk and establishing the maximum limits that the Group is willing to accept considering strategy, risk appetite and capital resources. The Group has the ability to monitor market risk exposure on a daily basis and has established limits for each component of market risk.

The Group uses derivatives for hedging its exposure to foreign currency and fuel oil price risks. The market risk policy explicitly prohibits the use of derivatives for speculative purposes. For risk exposures that the Group hedges, and for which the Group applies hedge accounting, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value, or future cash flows, of a financial asset or liability will fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency). The Group is not exposed to material foreign currency risk through its Insurance Underwriting activities (Note 38a).

The Group uses foreign exchange forward contracts to manage the majority of its transaction exposures. The foreign exchange forward contracts, some of which are formally designated as hedging instruments, are entered into for periods consistent with the foreign currency exposure of the underlying transactions, generally from one to 24 months. The foreign exchange forward contracts vary with the level of expected foreign currency sales and purchases. The Group designates the spot element of forward contracts to hedge its currency risk. The forward elements of forward exchange contracts are excluded from the designation of the hedging instrument and are separately accounted for as a cost of hedging, which is recognised in equity in a cost of hedging reserve.

The following table demonstrates the sensitivity of the fair value of forward exchange contracts to a 5% change in USD and EUR exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact is shown net of tax at the current rate.

	Sensitivity of +/- 5% foreign exchange rate change in	Effect on equity	Effect on profit after tax
2026	EUR	+/- £3.2m	+/- £0.5m
	USD	+/- £2.3m	+/- £0.3m
2025	EUR	+/- £2.2m	+/- £0.3m
	USD	+/- £2.1m	+/- £0.5m

To the extent that forward exchange contracts are held as part of effective hedging relationships, any change to the fair value of the instrument will be offset by an equal and opposite change to the cost of the hedged item.

ii) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of fuel and gas oil to sail its Ocean Cruise ships and, therefore, require a continuous supply of fuel and gas oil. The volatility in the price of fuel and gas oil has led to the decision to enter into commodity fuel and gas oil swap contracts. These contracts are expected to reduce the volatility attributable to price fluctuations of fuel and gas oil. Managing the price volatility of forecast oil purchases is in accordance with the risk management strategy outlined by the Board of Directors.

The Group manages the purchase price using forward commodity purchase contracts based on future forecast fuel oil requirements.

The following table shows the sensitivity of the fair value of fuel oil swaps to changes in the underlying fuel oil price (USD) with all other variables held constant. The impact is shown net of tax at the current rate.

	Sensitivity of +/- 5% rate change in	Effect on equity	Effect on profit after tax
2026	USD – Fuel oil price	+/- £0.7m	-
2025	USD – Fuel oil price	+/- £0.5m	-

iii) Interest rate risk

Interest rate risk is the risk that the fair value, or future cash flows, of a financial instrument or the valuation of insurance and reinsurance contract assets and liabilities fluctuates because of changes in market interest rates.

Interest rate risk arises from various sources:

- Investments in debt securities with a fixed interest rate, the market value and carrying value of which is affected by movements in market interest rates.
- Investments in debt securities with a floating interest rate and short-term deposits. Movements in market interest rates change the amounts earned from these assets but do not materially affect their market value or carrying value.
- Borrowings with a floating interest rate (deferred repayments of ship loans and the term loan provided by HPS Funds). Movements in market interest rates change the future cash flows that will arise from these borrowings, but do not materially affect their carrying value. For the term loan, the Group entered into interest rate hedges that fix the interest payments, thereby mitigating the cash exposure to changes in market interest rates.
- Insurance and reinsurance contract assets and liabilities. This interest rate risk primarily arises from the discounting of liabilities for incurred claims and loss components of the liability for remaining coverage, and corresponding assets arising from reinsurance contracts. The discount rates used are linked to market interest rates, such that changes in market interest rates will affect the valuation of insurance and reinsurance contract assets and liabilities.

The Group's loans and borrowings, at 31 January 2026, comprised both fixed and floating interest rate facilities. The floating-rate borrowings are amortised based on market expectations of future interest rates and, in the case of the term loan, the interest rate risk has been hedged, using interest rate derivatives, until August 2028. As a result of this hedging activity, although the underlying facilities are floating-rate, the associated cash flows are fixed to August 2028. All fixed interest rate loans and borrowings are accounted for at amortised cost. Consequently, changes in market interest rates do not affect their accounting measurement. For the fixed-rate and hedged floating-rate borrowings, changes in market rates also do not affect the future cash flows arising from them. These instruments are, therefore, not considered further in this Note.

The Group remains exposed to the risk that interest rates could be higher when these borrowings are refinanced. Further information on the Group's borrowings is provided in Note 30.

The Group's interest rate exposure, after hedging activity, is summarised in the following table:

	2026 £m	2025 £m
Investments in debt securities with a fixed interest rate	-	167.9
Investments in debt securities with a floating interest rate	-	10.8
Money market funds and short-term deposits	186.8	99.1
Borrowings with a floating interest rate (deferred repayments of ship loans)	(13.0)	(24.8)
Insurance contract liabilities for incurred claims	-	(269.6)
Reinsurance assets for incurred claims	-	117.1
Insurance contract liabilities for remaining coverage (loss component)	-	(1.8)

Notes to the consolidated financial statements continued

20 Financial and insurance risk management objectives and policies continued

a) Market risk continued

iii) Interest rate risk continued

Debt securities, money market funds, insurance contract liabilities and reinsurance assets were held by the Group's Insurance Underwriting business which was included within assets held for sale at 31 January 2025, and disposed of on 1 July 2025 (Note 38a), and therefore, no balances are reported at 31 January 2026 in the table above.

The Group manages interest rate risk in various ways. The Group has a policy of holding the majority of investments to maturity by closely matching asset and liability duration, and also ensures that the investment portfolio has a diversified range of investments such that there is a combination of fixed and floating rate securities. Moreover, for the interest rate risk associated with the term loan, the Group has used interest rate derivatives to hedge against the floating component of the facility.

In relation to the prior year, the following table shows the sensitivity of debt securities and insurance and reinsurance contract assets and liabilities to a 50bps parallel increase or decrease in market interest rates at the end of the prior reporting period, being the change in market interest rates that was considered reasonably possible at this date. This analysis assumed a corresponding change in the carer wage inflation assumption within the valuation of PPO liabilities for incurred claims, as management expected these assumptions to move together in the long term. All other variables were assumed to remain constant. This table does not show any impact on debt securities with a floating interest rate, money market funds or borrowings, as their carrying values were not materially impacted by movements in market interest rates. The impacts are shown net of tax at the current rate. The Group's Insurance Underwriting business was disposed of on 1 July 2025 (Note 38a), and therefore, no balances are reported at 31 January 2026 in the table below.

	2025	
	Impact on profit after tax and on equity	
	50bps increase	50bps decrease
Discount rate change:		
Insurance and reinsurance contracts: Net liabilities for incurred claims	£0.6m	(£0.6m)
Insurance and reinsurance contracts: Net loss component	£0.2m	(£0.2m)
Interest rate change (impact on debt securities)	(£0.6m)	£0.6m
Net impact	£0.2m	(£0.2m)

The following table shows the impact that a 50bps parallel increase or decrease in market interest rates would have had on profit after tax in the period arising from floating rate debt securities, money market funds, short-term deposits and borrowings with a floating interest rate. This analysis assumes that the Group's relevant risk exposures throughout the year had been the same as they were at the end of the year. The Group's Insurance Underwriting business was disposed of on 1 July 2025 (Note 38a), and therefore, no Insurance business related balances are included in the table below for the current year.

	2026		2025	
	Impact on profit after tax		Impact on profit after tax	
	50bps increase	50bps decrease	50bps increase	50bps decrease
Money market funds held within the Insurance business and short-term deposits	£0.7m	(£0.7m)	£0.4m	(£0.4m)
Borrowings with a floating interest rate (deferred repayments of ship loans)	-	-	(£0.1m)	£0.1m
Net impact	£0.7m	(£0.7m)	£0.3m	(£0.3m)

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, insurance contract, reinsurance contract or customer contract, leading to a financial loss. The Group was primarily exposed to credit risk in relation to its financial and reinsurance assets, outstanding derivatives, trade and other receivables, and cash and cash equivalents. The Group assesses its counterparty exposure in relation to the investment of surplus cash, fuel oil and foreign currency contracts and undrawn credit facilities. The Group primarily uses published credit ratings to assess counterparty strength and, therefore, define the credit limit for each counterparty in accordance with approved treasury policies.

The credit risk in respect of trade and other receivables is generally limited, as payment from customers is primarily required before services are provided. At 31 January, the maximum exposure to credit risk for trade receivables by operating segment was as follows:

	2026 £m	2025 £m
Travel	3.6	1.7
Insurance	22.0	14.0
Other Businesses and Central Costs	3.6	3.0
	29.2	18.7
Amounts relating to assets held for sale (Note 38a)	-	(2.4)
	29.2	16.3

The variance between the quantum of the maximum exposure to credit risk for trade receivables (above) and total of trade receivables presented in 'Trade and other receivables' (Note 23) primarily relates to debtors arising from insurance policies brokered by the Group but underwritten by third-party insurers for which corresponding creditors exist in respect of the net premium to be passed on to the third-party insurers. In the event of payment obligation default by a customer no longer on risk, the impairment of the debtor balance by the Group would lead to a corresponding reduction in the related creditor with, or refund of net premium from, the third-party insurer. In the event of payment obligation default by a customer remaining on risk, the impairment of the debtor balance by the Group would not lead to a corresponding reduction in the related creditor with, or refund of net premium from, the third-party insurer, and the Group would bear the credit risk relating to the debtor balance.

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances. The loss allowance required for these receivables is calculated in line with the simplified method for trade receivables per IFRS 9, whereby lifetime ECLs are recognised irrelevant of the credit risk. The loss allowance is based on a combination of:

- aged debtor analysis;
- historical experience of write-offs for each receivable;
- any specific indicators of credit deterioration observed; and
- management judgement.

Loss rates are based on the probability of a receivable progressing through successive stages of delinquency to write-off. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

On that basis, the loss allowance at 31 January 2026 and 31 January 2025 was determined as follows for trade receivables:

31 January 2026	Current	< 30 days	30-60 days	61-90 days	91-120 days	> 120 days	Total
Expected loss rate	0.0%	20.0%	22.0%	44.4%	100%	71.5%	
Gross carrying amount – trade receivables (Note 23)	£95.8m	£2.2m	£0.6m	£0.1m	£0.1m	£1.1m	£99.9m
Loss allowance (Note 23)	£0.0m	£0.4m	£0.1m	£0.1m	£0.1m	£0.8m	£1.5m

31 January 2025	Current	< 30 days	30-60 days	61-90 days	91-120 days	> 120 days	Total
Expected loss rate	0.4%	31.1%	14.5%	28.1%	25.7%	80.6%	
Gross carrying amount – trade receivables (Note 23)	£98.5m	£1.4m	£0.4m	£0.1m	£0.2m	£0.6m	£101.2m
Loss allowance (Note 23)	£0.4m	£0.4m	£0.1m	£0.0m	£0.1m	£0.5m	£1.5m

The loss allowance for trade receivables, which relates wholly to continuing activities, reconciles to the opening allowances as follows:

	2026 £m	2025 £m
Opening loss allowance at 1 February	1.5	0.9
Increase in loan loss allowance recognised in profit or loss during the year	0.9	2.0
Receivables written off during the year as uncollectable	(0.9)	(1.2)
Unused amount reversed	–	(0.2)
Closing loss allowance at 31 January	1.5	1.5

Credit risk in relation to deposits, debt securities and derivative counterparties is managed by the Group's Treasury function in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on a regular basis and updated throughout the year, subject to approval by the Board. The limits are set to minimise the concentration of risks and, therefore, mitigate financial loss through any potential counterparty failure.

In its Insurance Underwriting business, which was disposed of on 1 July 2025 and included within discontinued operations, the Group was exposed to credit risk as follows:

- **Insurance contracts issued:** At 31 January 2025, the Group expected to receive £25.7m of premiums in the future in relation to insurance contracts that had already been entered into, representing management's view of the Group's maximum exposure to credit risk from insurance contracts issued. However, the majority of these receivables were due in advance of the related insurance coverage, which the Group would not have been liable for if the premiums were not paid. As a result, the credit risk associated with these receivables was significantly mitigated and they were not recognised on the statement of financial position under the IFRS 17 PAA. The Group's Insurance Underwriting business was disposed of in the year ended 31 January 2026 (Note 38a) and, therefore, no balance is reported at 31 January 2026.
- **Reinsurance contracts:** The Group was exposed to the risk of default on its reinsurance arrangements when amounts recoverable under those arrangements became due. Credit risk in respect of reinsurance arrangements was assessed from the time of entering into a reinsurance contract. The Group's reinsurance programme was only placed with reinsurers which met the Group's financial strength criteria. At 31 January 2025, the Group had a concentration of counterparty risk arising from reinsurance contracts, driven by a material recovery arising from the Group's motor quota share reinsurance arrangement. The highest amount of reinsurance contract assets recoverable from a single counterparty at 31 January 2025 £21.0m. At 31 January 2025, this reinsurer had an AA credit rating. The Group's Insurance Underwriting business was disposed of in the year ended 31 January 2026 (Note 38a) and, therefore, no balances are reported at 31 January 2026.

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 January 2026 is the gross carrying amount, except for trade receivables. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 January 2025 was the gross carrying amount, except for trade receivables and reinsurance contract assets. None of the financial assets measured at amortised cost, other than trade receivables where a loss allowance has been determined as set out above, were impaired at the reporting date.

Notes to the consolidated financial statements continued

20 Financial and insurance risk management objectives and policies continued

b) Credit risk continued

The Group's financial assets and reinsurance assets are analysed by credit risk rating as follows:

Ratings analysis

31 January 2026 £m	AAA	AA	A	BBB	Unrated	Total
Derivative assets	–	–	1.1	–	–	1.1
Total	–	–	1.1	–	–	1.1
31 January 2025 £m	AAA	AA	A	BBB	Unrated	Total
Debt securities	22.8	53.2	52.4	50.3	–	178.7
Money market funds held within Insurance Underwriting	62.9	–	–	–	–	62.9
Deposits with financial institutions	–	1.0	10.5	–	–	11.5
Derivative assets	–	0.2	0.9	–	–	1.1
	85.7	54.4	63.8	50.3	–	254.2
Credit exposed component of reinsurance contract assets	–	92.8	24.3	–	–	117.1
Total	85.7	147.2	88.1	50.3	–	371.3

Debt securities, money market funds and the credit exposed component of reinsurance contract assets were held by the Group's Insurance Underwriting business which was disposed of on 1 July 2025, and included within assets held for sale at 31 January 2025.

c) Liquidity risk

Liquidity risk is the risk that the Group, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The Group's approach to managing liquidity risk is to evaluate current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash or availability on its RCF. The Group managed its obligations to pay claims to policyholders as they fell due by matching the maturity of investments to the expected maturity of claims payments.

The table below analyses the maturity profile of the Group's financial liabilities and insurance contract liabilities. The analysis of non-derivative financial liabilities is based on the remaining period at the reporting date to the contractual maturity date. At 31 January 2025, the analysis of insurance contract liabilities included only the component of this balance that related to liabilities for incurred claims arising from portfolios of insurance contracts that were in a liability position and was based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented (this excludes the risk adjustment). The Group's Insurance Underwriting business was disposed of in the year ended 31 January 2026 (Note 38a), and therefore, no balances are reported at 31 January 2026.

31 January 2026 £m	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Ocean Cruise ship loans and term loan	–	54.2	46.4	43.8	43.8	378.9	57.1	624.2
Interest on Ocean Cruise ship loans and term loan	–	41.8	40.1	38.4	36.0	40.1	1.7	198.1
Bank overdrafts	0.3	–	–	–	–	–	–	0.3
Foreign currency and fuel derivative liabilities	–	2.7	0.4	–	–	–	–	3.1
Interest rate swap liabilities	–	0.7	0.9	0.1	–	–	–	1.7
Lease liabilities	–	7.1	6.6	6.5	4.2	4.1	9.9	38.4
Interest on lease liabilities	–	2.7	2.2	1.7	1.4	1.1	2.2	11.3
	0.3	109.2	96.6	90.5	85.4	424.2	70.9	877.1
31 January 2025 £m	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Bonds, Ocean Cruise ship loans and the loan facility provided by Roger De Haan	–	55.7	379.2	46.4	43.8	43.8	100.9	669.8
Interest on bonds, Ocean Cruise ship loans, and the loan facility provided by Roger De Haan	–	31.6	18.9	6.6	5.2	3.9	4.3	70.5
Bank overdrafts	1.6	–	–	–	–	–	–	1.6
Insurance contract liabilities	–	69.1	43.1	25.3	14.6	7.5	76.3	235.9
Foreign currency and fuel derivative liabilities	–	1.6	–	–	–	–	–	1.6
Lease liabilities	–	5.1	4.9	4.4	4.7	3.0	4.0	26.1
Interest on lease liabilities	–	1.6	1.2	0.9	0.5	0.3	0.2	4.7
	1.6	164.7	447.3	83.6	68.8	58.5	185.7	1,010.2

Insurance contract liabilities were held by the Group's Insurance Underwriting business (included within liabilities directly associated with assets held for sale at 31 January 2025).

The table below sets out the remaining contractual maturities of the financial assets supporting the Group's insurance contract liabilities (included within liabilities directly associated with assets held for sale at 31 January 2025). It is presented on an undiscounted basis. The Group's Insurance Underwriting business was disposed of in the year ended 31 January 2026 (Note 38a) and, therefore, no balances are reported at 31 January 2026.

31 January 2025 £m	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	No maturity	Total
Debt securities	77.2	50.9	35.4	9.0	7.4	13.3	–	193.2
Money market funds held within Insurance Underwriting	–	–	–	–	–	–	62.9	62.9
	77.2	50.9	35.4	9.0	7.4	13.3	62.9	256.1

d) Insurance risk (discontinued operations)

Insurance risk applied to the Group's Insurance Underwriting business which was disposed of on 1 July 2025 (Note 38a) and included within discontinued operations.

Insurance risk arose from the inherent uncertainties as to the occurrence, cost and timing of insured events that could lead to significant individual or aggregated claims in terms of quantity or value. This could have been for a number of reasons, including weather-related events, large individual claims, changes in claimant behaviour patterns, such as increased levels of fraudulent activities, the use of PPOs, prospective or retrospective legislative changes, unresponsive and inaccurate pricing or reserving methodologies, and the deterioration in the Group's ability to effectively and efficiently handle claims while delivering excellent customer service.

The Group managed insurance risk within its risk management framework as set by the Board. The key policies and processes mitigating these risks had been implemented, which included underwriting partnership arrangements, reinsurance excess of loss contracts, pricing policies and claims management, and administration policies.

i) Underwriting and pricing risk

The Group primarily underwrote motor insurance for private cars in the UK. The book consisted of a large number of individual risks which were widely spread geographically, which helped to minimise concentration risk. The Group had controls in place to restrict access to its products to only those risks that it wished to underwrite.

The Group had management information to allow it to monitor underwriting performance on a continuous basis and the ability to make pricing and underwriting changes quickly. The Group undertook detailed statistical analysis of underwriting experience for each rating factor, and combination of rating factors, to enable it to adjust pricing for emerging trends.

ii) Reserving risk

Reserving risk was the risk that insufficient funds have been set aside to settle claims as they fall due. The Group undertook regular internal actuarial reviews and commissioned external actuarial reviews at least once a year. These reviews estimated the future liabilities to consider the adequacy of the provisions.

Claims which were subject to PPOs were a significant source of uncertainty within the Group's liability for incurred claims. Cash flow projections were undertaken for PPO claims to estimate the gross and net of reinsurance provisions required.

iii) Reinsurance

The Group purchased reinsurance to reduce the impact of individual large losses or accumulations from a single catastrophic event. During 2018, the Group entered into a funds-withheld quota share reinsurance contract that reinsured 80% of the Group's motor claims risks limited by a loss ratio cap of 130%, effective from 1 February 2019. Prior to this, the Group had a funds-withheld quota share reinsurance contract in place that reinsured 75% of the Group's motor claims risks limited by a loss ratio cap of 120%. The Group also purchased individual excess of loss protections for the motor portfolio to limit the impact of a single large claim. Similar protections were in place for all years for which the Group had underwritten motor business.

Reinsurance recoveries on individual excess of loss protections would have taken many years to collect, particularly if a claim was subject to a PPO. This meant that the Group had exposure to reinsurance credit risk for many years. Reinsurers were, therefore, required to have strong credit ratings and their financial health was regularly monitored.

Notes to the consolidated financial statements continued

20 Financial and insurance risk management objectives and policies continued

d) Insurance risk (discontinued operations) continued

iv) Sensitivities

The following table demonstrates the impact on profit or loss before tax, and equity, of reasonably possible changes in insurance risk variables at 31 January 2025. These impacts are shown both gross and net of reinsurance. It was assumed that all other variables remain constant. The Group's Insurance Underwriting business was disposed of in the year ended 31 January 2026 (Note 38a), and therefore, no balances are reported at 31 January 2026.

£m	2025	
	Impact on profit after tax and on equity	
	Gross of reinsurance	Net of reinsurance
Change in the confidence level of liabilities for incurred claims		
5pp increase to 90% net confidence level	(8.8)	(0.9)
5pp decrease to 80% net confidence level	6.6	0.7
Change in the confidence level of the onerous contract provision		
5pp increase to 90% net confidence level	(1.9)	(1.9)
5pp decrease to 80% net confidence level	1.0	1.0
Change in non-PPO claim inflation assumption within liabilities for incurred claims		
100bps increase	(3.1)	(0.9)
100bps decrease	3.0	0.8

The impact of any change in the PPO claim inflation (specifically the carer wage inflation assumption) was not shown in the table above as management would have expected such a change to be substantially offset by the impact of a corresponding change in the IFRS 17 discount rate.

e) Operational risk

Effective operational risk management requires the Group to identify, assess, manage, monitor, report and mitigate all areas of exposure. The Group operates across a range of segments, and operational risk is inherent in all the Group's products and services, arising from the operation of assets, from external events and dependencies, and from internal processes and systems.

The Group manages its operational risk through the risk management framework agreed by the Board, and through the use of risk management tools which, together, ensure that operational risks are identified, managed and mitigated to the level accepted, and that contingency processes and disaster recovery plans are in place. Regular reporting is undertaken to segment boards and includes details of new and emerging risks, as well as monitoring of existing risks. Testing of contingency processes and disaster recovery plans is undertaken to ensure the effectiveness of these processes.

All the Group's operations are dependent on: the proper functioning of its IT and communication systems; its properties and other infrastructure assets; the need to adequately maintain and protect customer and employee data and other information; and the ability of the Group to attract and retain colleagues. Specific areas of operational risk by segment include:

i) Travel

The Travel segment operates two Ocean Cruise ships, which are the Group's largest trading assets. Risk to the operation of these cruise ships arises from the impact of mechanical or other malfunction, from non-compliance with regulatory requirements, and from global weather and socioeconomic events. The tour holidays operated by the segment are also affected by global weather and socioeconomic events, which impact either the Group directly or its suppliers. The Travel segment transacts with multiple suppliers, which minimises the impact of any socioeconomic events affecting its suppliers.

ii) Insurance

The Insurance Broking business is required to comply with various operational regulatory requirements, primarily in the UK. Up to the date of its disposal on 1 July 2025 (Note 38a), the Group's Insurance Underwriting business was required to comply with various operational regulatory requirements within Gibraltar. To the extent that significant external events could have increased the incidence of claims, these would have placed additional strain on the claims handling function, but any financial impact of such an event was considered to be an insurance risk.

iii) Other Businesses and Central Costs

The financial services business is required to comply with various operational regulatory requirements in the UK.

21 Interests in unconsolidated structured entities

A structured entity is defined as an entity that has been designed so that voting, or similar, rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual agreements. The Group had interests in unconsolidated structured entities in the form of investment funds comprising money market funds. These money market funds were held by the Group's Insurance Underwriting business (included within assets held for sale at 31 January 2025).

The nature and purpose of the money market funds is to provide maximum security and liquidity for the funds invested, while also providing an adequate return. The money market funds used by the Group were all members of the Institutional Money Market Funds Association. They were thus required to maintain specified liquidity and diversification characteristics of their underlying portfolios, which comprised investment grade investments in financial institutions.

The Group invested in unconsolidated structured entities as part of its investment activities. The Group did not sponsor any of the unconsolidated structured entities.

At 31 January 2025, the Group's total interest in unconsolidated structured entities is analysed as follows:

At 31 January 2025	Carrying value £m	Interest income £m	Fair value losses £m
Money market funds	62.9	2.0	-

The Group's Insurance Underwriting business was disposed of in the year ended 31 January 2026 (Note 38a) and, therefore, no balances are reported at 31 January 2026.

These investments were typically managed under credit risk management as described in Note 20. The Group's maximum exposure to loss on the interests presented above was the carrying amount of the Group's investments. No further loss could have been made by the Group in relation to these investments. For this reason, the total assets of the entities were not considered meaningful for the purposes of understanding the related risks and so have not been presented.

22 Inventories

	2026 £m	2025 (re-presented ¹¹) £m
Raw materials	3.4	3.7
Technical stocks	5.0	4.5
Finished goods	-	0.1
	8.4	8.3

Raw materials primarily relate to Ocean Cruise ship fuel, food, bar and sundry stocks. Technical stocks are spare parts for the Group's Ocean Cruise ships.

23 Trade and other receivables

	2026 £m	2025 £m
Trade receivables (Note 20b)	99.9	101.2
Loss allowance (Note 20b)	(1.5)	(1.5)
	98.4	99.7
Amounts due from discontinued operations	-	2.7
Other receivables	8.1	7.0
Prepayments	22.5	24.6
Contract cost assets (Note 3b)	8.1	4.9
Other taxes and social security costs	6.2	4.8
	143.3	143.7

An explanation of how the Group manages and measures the credit risk of trade receivables can be found in Note 20b. The Group expects trade and other receivables to be settled within 12 months and, therefore, they are classified as current in nature. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

11 Following a review by management of the classification of inventories, finished goods of £3.5m relating to the Ocean Cruise business have been reclassified to raw materials in the year to 31 January 2025. Reclassified inventories relate to Ocean Cruise ship fuel, food, bar and sundry stocks

Notes to the consolidated financial statements continued

24 Trust and escrow accounts

The CAA regulated the Group's River Cruise and Holidays businesses during the year; these businesses are required to hold cash in a ring-fenced arrangement. In respect of the non-flight components of the Travel business, to comply with its regulatory obligations, the Group is required to arrange financial security to protect customer monies and this is currently provided through ABTA. In addition, the Group is required to make ATOL Protection Contributions, which the Group pays into a ring-fenced account.

Prior to 1 October 2024, 70% of customer monies received in advance in relation to ATOL licensable bookings were held in an escrow arrangement (**Escrow Accounting**) until after the customer had travelled, when the Group had fulfilled all of its performance obligations with the customer. From 1 October 2024, in respect of the Holidays business, the Group moved from Escrow Accounting to simply holding cash within the business, in respect of the 70% element of customer monies. The remaining 30% is used to support the required prepayments in advance of operating the customer's holiday, namely flight costs. Interest arising from the funds held in escrow belongs to the Group.

The escrow arrangement is governed by a deed between the Group, the CAA Air Travel Trustees and an independent Trustee, PT Trustees Limited, which determines the inflows and outflows from the accounts.

In relation to ABTA bookings, a bonding requirement still exists (Note 37c).

25 Cash and cash equivalents

	2026 £m	2025 £m
Cash at bank and in hand	70.2	93.0
Short-term deposits and money market funds held outside of the Insurance Underwriting business	186.8	36.2
Cash and short-term deposits	257.0	129.2
Bank overdraft	(0.3)	(0.2)
Cash and cash equivalents held by disposal group (including money market funds)	–	74.1
Cash and cash equivalents in the consolidated statement of cash flows	256.7	203.1

Included within cash and cash equivalents at 31 January 2026 are amounts held by the Group's River Cruise, Holidays and Insurance Broking businesses, which are subject to contractual or regulatory restrictions (Note 35); and additional amounts paid into an escrow account relating to the Saga Pension Scheme (Note 27). Included within cash and cash equivalents at 31 January 2025 were amounts held by the Group's Insurance Underwriting business (included within assets held for sale), River Cruise and Holidays and Insurance Broking businesses, which were subject to contractual or regulatory restrictions (Note 35); and additional amounts paid into an escrow account relating to the Saga Pension Scheme (Note 27). The amounts held are not readily available to be used for other purposes within the Group and total £67.0m (2025: £123.8m). Available Cash¹² excludes these amounts.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are typically made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The bank overdraft is repayable on demand.

26 Trade and other payables

	2026 £m	2025 £m
Trade payables	168.5	145.5
Amounts due to discontinued operations	–	54.4
Other payables	16.8	9.0
Other taxes and social security costs	5.6	2.1
Assets in the course of construction	0.4	0.4
Accruals	62.0	43.9
	253.3	255.3

All trade and other payables are current in nature. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

12 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

27 Retirement benefit schemes

The Group operates retirement benefit schemes for the employees of the Group, consisting of a defined contribution plan and a legacy defined benefit plan.

In July 2021, following the completion of a review of the Group's pension arrangements, a consultation process with active members was launched. The consultation process concluded during October 2021 and, with effect from 31 October 2021, the Group closed both its schemes to future accrual: the Saga Pension Scheme (its defined benefit plan) and the Saga Workplace Pension Plan (its defined contribution plan). In their place, the Group launched a new defined contribution pension scheme arrangement, operated as a master trust. This move served to reduce the risk of further deficits developing in the future on the defined benefit scheme, while moving to a fairer scheme for all colleagues.

a) Defined contribution plans

There was one defined contribution scheme in the Group at 31 January 2026 (2025: one). The total charge for the year in respect of the defined contribution scheme was £4.8m (2025: £5.2m). The assets of this scheme are held separately from those of the Group in funds under the control of Trustees.

b) Defined benefit plan

The Group operated a funded defined benefit scheme, the Saga Pension Scheme, which was closed to future accrual on 31 October 2021. From 1 November 2021, members moved from active to deferred status, with future indexation of deferred pensions before retirement measured by reference to the Consumer Price Index (CPI). There will be no further service charges relating to the scheme and no future monthly employer contributions for current service.

The scheme is governed by the employment laws of the UK. The level of benefits provided depends on the member's length of service and average salary while a member of the scheme. The scheme requires contributions to be made to a separately administered fund which is governed by a Board of Trustees and consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The long-term investment objectives of the Trustees and the Group are to limit the risk of the assets failing to meet the liabilities of the scheme over the long term, and to maximise returns consistent with an acceptable level of risk so as to control the long-term costs of the scheme.

To meet those objectives, the scheme's assets are invested in different categories of assets, with different maturities designed to match liabilities as they fall due. The investment strategy will continue to evolve over time and is expected to match the liability profile increasingly closely. The pension liability is exposed to inflation rate risks and changes in the life expectancy of members. As the plan assets include investments in quoted equities, the Group is exposed to equity market risk. The Group provided super security to the Trustees of the scheme, which ranks before any liabilities under the senior facilities agreement (as detailed in Note 30). The value of the security was increased from being capped at £47.5m, to being capped at £51.4m, under the latest triennial valuation of the scheme at 31 January 2023, which was completed in January 2025.

The fair value of the assets and present value of the obligations of the Saga defined benefit scheme are as follows:

	2026 £m	2025 £m
Fair value of scheme assets	204.1	200.1
Present value of defined benefit obligation	(229.5)	(239.9)
Defined benefit scheme liability	(25.4)	(39.8)

The present values of the defined benefit obligation were measured using the projected unit credit valuation method.

During the year ended 31 January 2026, the net liability position of the Saga scheme reduced by £14.4m, resulting in an overall scheme deficit of £25.4m, mainly as a result of recovery plan contributions of £5.8m being paid by the Group; a Section 75 debt settlement of £3.2m in relation to the completion of the disposal of the Group's Insurance Underwriting business, AICL; the adoption of the latest cash commutation factors (effective from July 2025), which led to a decrease in the value placed on the deferred liabilities; and a reduction in the value placed on the liabilities as a result of increases in bond yields over the year. The latter was partially offset by the movement in matching assets held by the scheme, which also decreased. The £5.8m deficit funding contributions were paid by the Group under a recovery plan agreed under the triennial valuation of the scheme at 31 January 2023.

The movements observed in the scheme's assets and obligations were impacted by macroeconomic factors during the year, when actual inflation levels reduced compared to recent years, high-quality long-term corporate bond yields remained volatile and there continues to be rising cost of living pressures. The present value of defined benefit obligations decreased by £10.4m to £229.5m, primarily as a result of increases in bond yields over the year. The fair value of scheme assets increased by £4.0m, to £204.1m, largely driven by the recovery plan and Section 75 contributions.

Notes to the consolidated financial statements continued

27 Retirement benefit schemes continued

b) Defined benefit plan continued

The following table summarises the components of the net benefit expense recognised in the income statement, OCI and amounts recognised in the statement of financial position for the scheme for the year ended 31 January 2026:

	Fair value of scheme assets £m	Defined benefit obligation £m	Defined benefit scheme liability £m
1 February 2025	200.1	(239.9)	(39.8)
Pension cost charge to income statement			
Net interest	10.9	(13.0)	(2.1)
Included in income statement	10.9	(13.0)	(2.1)
Return on plan assets (excluding amounts included in net interest expense)	(8.4)	–	(8.4)
Actuarial changes arising from changes in financial assumptions	–	10.7	10.7
Actuarial changes arising from changes in demographic assumptions	–	(0.5)	(0.5)
Experience adjustments	–	5.7	5.7
Subtotal included in OCI	(8.4)	15.9	7.5
Benefits paid	(7.5)	7.5	–
Section 75 contribution from AICL (see Note 38a)	3.2	–	3.2
Total contributions by employer	5.8	–	5.8
At 31 January 2026	204.1	(229.5)	(25.4)

The following table summarises the components of the net benefit expense recognised in the income statement, OCI and amounts recognised in the statement of financial position for the scheme for the year ended 31 January 2025:

	Fair value of scheme assets £m	Defined benefit obligation £m	Defined benefit scheme liability £m
1 February 2024	204.5	(252.4)	(47.9)
Pension cost charge to income statement			
Net interest	10.2	(12.5)	(2.3)
Included in income statement	10.2	(12.5)	(2.3)
Return on plan assets (excluding amounts included in net interest expense)	(13.0)	–	(13.0)
Actuarial changes arising from changes in financial assumptions	–	18.1	18.1
Actuarial changes arising from changes in demographic assumptions	–	0.4	0.4
Experience adjustments	–	(0.9)	(0.9)
Subtotal included in OCI	(13.0)	17.6	4.6
Benefits paid	(7.4)	7.4	–
Total contributions by employer	5.8	–	5.8
At 31 January 2025	200.1	(239.9)	(39.8)

The major categories of assets in the scheme are as follows:

	2026 £m	2025 £m
Equities	59.2	49.9
Bonds	81.6	83.6
Property and alternatives	33.6	55.5
Hedge funds	21.1	6.1
Insured annuities	2.9	3.0
Cash and other	5.7	2.0
Total	204.1	200.1

Equities, bonds, property and hedge funds are not quoted in active markets. Unit prices of approximately 17% of the assets were not available at 31 January 2026 and were based on unit prices prior to the statement of financial position date (2025: approximately 28%). The impacts of COVID-19 over the past six years, and the Russia-Ukraine conflict, increased the level of uncertainty and volatility in global financial markets. While the ultimate extent of the effect of this on the asset portfolio is not possible to quantify, management used the latest available fund pricing data to derive the valuations of assets which are not quoted in active markets. Where assets do not have an observable market price, approximate techniques were used by the valuer to arrive at a valuation.

The scheme's investment strategy is to invest broadly 60% in return-seeking assets and 40% in matching assets (mainly government bonds). This strategy reflects the scheme's liability profile and the Trustees' and Group's attitude to risk. The scheme's investments include interest rate and inflation hedging. The Trustees' investment strategy also includes investing in liability-driven investment, the value of which will increase with decreases in interest rates and will move with inflation expectations. During the year, the scheme hedged around 85% of interest rate risk and inflation risk of the liabilities.

Included within bonds is a hedging component totalling £81.6m (2025: £83.6m). The property and alternatives category includes illiquid credit funds totalling £33.6m (2025: £47.0m) held as part of the return-seeking asset portfolio.

The pension scheme has not invested in any of the Group's own financial instruments.

The principal assumptions used in determining pension benefit obligations for the scheme are shown below:

	2026	2025
Real rate of increase of pensions in payment	2.90%	3.10%
Real rate of increase of pensions in deferment	3.00%	3.00%
Discount rate – pensioner	5.60%	5.45%
Discount rate – non-pensioner	5.80%	5.50%
RPI inflation – pensioner	3.00%	3.30%
RPI inflation – non-pensioner	3.15%	3.15%
CPI inflation – pensioner	2.75%	3.00%
CPI inflation – non-pensioner	3.00%	2.95%
Life expectancy of a member retiring in 20 years' time at age 60 – Male	26.7 yrs	26.4 yrs
Life expectancy of a member retiring in 20 years' time at age 60 – Female	28.7 yrs	28.6 yrs
Mortality base tables		
Continuous Mortality Investigation (CMI) Standard tables – Male (all amounts)	S3PA	S3PA
CMI standard tables – Female (middle amounts)	S3PA	S3PA
Scheme specific adjustment – Active male	n/a	n/a
Scheme specific adjustment – Active female	n/a	n/a
Scheme specific adjustment – Deferred male	116%	116%
Scheme specific adjustment – Deferred female	116%	116%
Scheme specific adjustment – Pensioner male	106%	106%
Scheme specific adjustment – Pensioner female	111%	111%

The discount rate assumption is used to calculate the defined benefit obligation. The rate is derived from high-quality corporate bonds, generally regarded as those with an AA rating. As in the prior year, management opted to use the XPS Single Agency curve for deriving the discount rate assumptions at January 2026.

In recent years, management made an allowance for inflation risk premium of 0.2% due to the scheme losing some of its inflation hedge. The inflation risk premium of 0.2% was retained for the valuation at 31 January 2026.

27 Retirement benefit schemes continued**b) Defined benefit plan continued**

Mortality assumptions are set using standard tables based on specific experience, where available, and allow for future mortality improvements. The scheme assumption is that a member currently aged 60 will live, on average, for a further 25.1 years if they are male and, on average, for a further 27.1 years if they are female. For the valuation at 31 January 2026, mortality assumptions were based on the latest data released by the CMI, being their CMI_2024 data model. The CMI 2024 model introduces an overlay function that models the rise and subsequent fall in mortality rates due to the COVID-19 pandemic, with no weighting parameter. This has acted to marginally increase the value of the liabilities in the scheme.

A quantitative sensitivity analysis for significant assumptions at 31 January 2026 and their impact on the scheme liabilities is as follows:

Assumptions	Discount rate		Future inflation		Life expectancy at age 65	
Sensitivity	+/- 0.25%		+/- 0.25%		+/- 1 year	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Impact £m	(8.9)	9.4	4.8	(5.1)	5.6	(5.7)

Note: a positive impact represents an increase in the net defined benefit liability.

The sensitivity analyses are based on a change in an assumption, while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method was applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumption used in preparing the sensitivity analysis did not change compared with the prior period.

The expected contribution in respect of the accrual of benefits payable to the scheme for the next financial year is £nil and the average duration of the defined benefit plan obligation at the end of the reporting period reduced slightly from 17 years, down to 16-17 years. Formal actuarial valuations take place every three years for the scheme. The assumptions adopted for actuarial valuations are determined by the Trustees, agreed with the Group, and are normally more prudent than the assumptions adopted for IAS 19 purposes, which are a best estimate. Where a funding deficit is identified, the Group and the Trustees may agree a deficit recovery plan to pay additional contributions above those needed to fund the scheme.

The Group's latest approved triennial valuation of the Saga Scheme defined benefit plan at 31 January 2023 was completed in January 2025. Saga, and certain guarantor subsidiaries in the Group, provided super security to the Trustees of the scheme, which ranks before any liabilities under the Group's bank facilities. The value of the security was increased from being capped at £47.5m, to being capped at £51.4m under the latest triennial valuation. Further to this valuation, a recovery plan is in place for the scheme. Under an agreed deficit recovery plan totalling £62.0m, the Group made additional payments of £5.8m during the years ended 31 January 2026 and 31 January 2025 and will make annualised payments of £5.8m rising to £7.2m over the next seven financial years, with the last payment being made on 30 November 2032. In addition, the current annual recovery plan payments changed to equal quarterly payments with effect from the 28 February 2025 payment.

The total expected contribution in the year ending 31 January 2027 is £5.8m and relates entirely to the recovery payment.

The Group also agreed to pay additional amounts into an escrow account, should asset returns fall below an agreed level over set periods of time. Dependent upon the level of return on the scheme's assets between 31 January 2023 and 31 January 2033, any amount in the escrow account will be released to either the Group, or the scheme, by 30 June 2033.

In October 2024, the Group agreed certain amendments with the Trustees in order to permit, among other things, the guarantees to be granted in relation to the disposal of the Group's Insurance Underwriting business and the establishment of the Affinity Partnership with Ageas (Note 38a). On completion of the disposal of the Group's Insurance Underwriting business, AICL, a Section 75 contribution in relation to its share of the scheme's liabilities of £3.2m was triggered.

In January 2025, the Group agreed certain amendments with the Trustees in order to permit, among other things, the completion of refinancing of the Group's corporate debt (Note 30). One of the amendments agreed was an increase in the super security from being capped at £47.5m, to being capped at £51.4m (see above).

A High Court legal ruling in June 2023 (*Virgin Media Limited v NTL Pension Trustees II Limited*) decided that certain rule amendments were invalid if they were not accompanied by the correct actuarial Section 37 certificate confirmation. While the ruling only applied to the specific pension scheme in question, it could be expected to apply across other pension schemes that were contracted out on a salary-related basis and made amendments between 6 April 1997 and 6 April 2016. The ruling was appealed but, in July 2024, the Court of Appeal dismissed the appeal.

On 5 June 2025, the Government announced that they will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill, which would give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law; however, no additional liabilities are now expected to arise as a result of the Virgin Media court ruling.

The Group is considering the implications of the case on its defined benefit scheme. At 31 January 2026, the defined benefit obligation for the Group's scheme was calculated on the basis of the pension benefits currently being administered. The Group has not, as yet, assessed any potential impact due to the court ruling. However, the Group received initial legal advice, which suggests that there is no reason, based on the checks carried out, to assume that any historical scheme changes were not validly made, and that it is reasonable for the Trustees to take no further action at this stage. Any subsequent developments following the Court of Appeal's judgement will be monitored by the Group.

28 Insurance and reinsurance contract liabilities and assets

a) Reconciliation of opening and closing balances

The following tables reconcile the opening and closing balances held in relation to insurance and reinsurance contracts (Note 38a):

	Liabilities for remaining coverage		Liabilities for incurred claims		Total £m
	Excluding loss component £m	Loss component £m	Estimate of the present value of future cash flows £m	Risk adjustment £m	
At 1 February 2025					
Insurance contract liabilities	(46.3)	(1.8)	(235.9)	(33.7)	(317.7)
Insurance revenue (Note 38a)	66.6	-	-	-	66.6
Incurred claims and related expenses	-	2.3	(54.2)	(3.8)	(55.7)
Changes to liabilities for incurred claims	-	-	11.6	6.2	17.8
Insurance acquisition cash flows expensed	(13.5)	-	-	-	(13.5)
Losses on onerous contracts and changes in such losses	-	(6.5)	-	-	(6.5)
Other incurred insurance service expenses	-	-	(4.6)	-	(4.6)
Insurance service (expenses)/income (Note 38a)	(13.5)	(4.2)	(47.2)	2.4	(62.5)
Insurance finance expense (Note 38a)	-	-	(4.6)	(0.7)	(5.3)
Total changes in the consolidated income statement	53.1	(4.2)	(51.8)	1.7	(1.2)
Cash flows					
Premiums received	(78.4)	-	-	-	(78.4)
Insurance acquisition cash flows incurred	13.5	-	-	-	13.5
Claims and other expenses paid	-	-	64.8	-	64.8
Total cash flows	(64.9)	-	64.8	-	(0.1)
Disposed of with subsidiary undertaking	58.1	6.0	222.9	32.0	319.0
At 31 January 2026					
Insurance contract liabilities (Note 38a)	-	-	-	-	-

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total £m
	Excluding loss-recovery component £m	Loss-recovery component £m	Estimate of the present value of future cash flows £m	Risk adjustment £m	
At 1 February 2025					
Reinsurance contract (liabilities)/assets	(9.3)	-	88.9	28.2	107.8
Allocation of reinsurance premiums	(4.7)	-	-	-	(4.7)
Amounts recoverable for incurred claims and other expenses	-	-	2.6	0.1	2.7
Changes to amounts recoverable for incurred claims	-	-	(0.6)	(2.8)	(3.4)
Effect of changes in the risk of non-performance of reinsurance contracts	-	-	(0.2)	-	(0.2)
Net (expense)/income from reinsurance contracts (Note 38a)	(4.7)	-	1.8	(2.7)	(5.6)
Reinsurance finance income (Note 38a)	-	-	1.6	0.6	2.2
Total changes in the consolidated income statement	(4.7)	-	3.4	(2.1)	(3.4)
Cash flows					
Premiums paid	2.5	-	-	-	2.5
Amounts received	-	-	(3.3)	-	(3.3)
Total cash flows	2.5	-	(3.3)	-	(0.8)
Disposed of with subsidiary undertaking	11.5	-	(89.0)	(26.1)	(103.6)
At 31 January 2026					
Reinsurance contract (liabilities)/assets (Note 38a)	-	-	-	-	-

In the year to 31 January 2025, the Insurance Underwriting business was classified as a discontinued operation. As a result, insurance and reinsurance contract liabilities and assets at 31 January 2025 were reclassified as liabilities directly associated with assets held for sale and assets held for sale respectively

Notes to the consolidated financial statements continued

28 Insurance and reinsurance contract liabilities and assets continued

a) Reconciliation of opening and closing balances continued

	Liabilities for remaining coverage		Liabilities for incurred claims		Total £m
	Excluding loss component £m	Loss component £m	Estimate of the present value of future cash flows £m	Risk adjustment £m	
At 1 February 2024					
Insurance contract liabilities	(56.6)	(16.1)	(286.4)	(40.2)	(399.3)
Insurance revenue (Note 38a)	197.1	-	-	-	197.1
Incurred claims and related expenses	-	20.7	(148.1)	(7.1)	(134.5)
Changes to liabilities for incurred claims	-	-	37.0	15.5	52.5
Insurance acquisition cash flows expensed	(22.7)	-	-	-	(22.7)
Losses on onerous contracts and changes in such losses	-	(6.4)	-	-	(6.4)
Other incurred insurance service expenses	-	-	(13.2)	-	(13.2)
Insurance service (expenses)/income (Note 38a)	(22.7)	14.3	(124.3)	8.4	(124.3)
Insurance finance expense (Note 38a)	-	-	(13.6)	(1.9)	(15.5)
Total changes in the consolidated income statement	174.4	14.3	(137.9)	6.5	57.3
Cash flows					
Premiums received	(186.8)	-	-	-	(186.8)
Insurance acquisition cash flows incurred	22.7	-	-	-	22.7
Claims and other expenses paid	-	-	188.4	-	188.4
Total cash flows	(164.1)	-	188.4	-	24.3
At 31 January 2025					
Insurance contract liabilities	(46.3)	(1.8)	(235.9)	(33.7)	(317.7)
	Assets for remaining coverage		Amounts recoverable on incurred claims		Total £m
	Excluding loss-recovery component £m	Loss-recovery component £m	Estimate of the present value of future cash flows £m	Risk adjustment £m	
At 1 February 2024					
Reinsurance contract (liabilities)/assets	(3.1)	1.3	141.3	33.7	173.2
Allocation of reinsurance premiums	(17.1)	-	-	-	(17.1)
Amounts recoverable for incurred claims and other expenses	-	(1.5)	(11.3)	3.7	(9.1)
Changes to amounts recoverable for incurred claims	-	-	(32.5)	(10.8)	(43.3)
Loss-recovery on onerous underlying contracts and adjustments	-	0.2	-	-	0.2
Effect of changes in the risk of non-performance of reinsurance contracts	-	-	2.1	-	2.1
Net expense from reinsurance contracts (Note 38a)	(17.1)	(1.3)	(41.7)	(7.1)	(67.2)
Reinsurance finance income (Note 38a)	-	-	5.7	1.6	7.3
Total changes in the consolidated income statement	(17.1)	(1.3)	(36.0)	(5.5)	(59.9)
Cash flows					
Premiums paid	10.9	-	-	-	10.9
Amounts received	-	-	(16.4)	-	(16.4)
Total cash flows	10.9	-	(16.4)	-	(5.5)
At 31 January 2025					
Reinsurance contract (liabilities)/assets	(9.3)	-	88.9	28.2	107.8

In the year to 31 January 2025, the Insurance Underwriting business was classified as a discontinued operation. As a result, insurance and reinsurance contract liabilities and assets at 31 January 2025 were reclassified as liabilities directly associated with assets held for sale and assets held for sale respectively.

b) Insurance finance income or expense

The following table provides further detail on insurance finance income or expenses arising from insurance and reinsurance contracts:

	2026			2025		
	Insurance contracts (gross) £m	Reinsurance contracts £m	Net £m	Insurance contracts (gross) £m	Reinsurance contracts £m	Net £m
Unwind of discounting of liabilities for incurred claims	(4.9)	2.1	(2.8)	(15.5)	7.9	(7.6)
Impact of change in the discount rate on liabilities for incurred claims: Non-PPOs	(0.4)	0.3	(0.1)	1.3	(0.7)	0.6
Impact of change in the discount rate on liabilities for incurred claims: PPOs	6.7	(4.7)	2.0	8.7	(5.8)	2.9
Impact of change in carer wage inflation assumption for PPO liabilities for incurred claims	(6.7)	4.5	(2.2)	(10.0)	5.9	(4.1)
Net finance (expense)/income from insurance and reinsurance contracts	(5.3)	2.2	(3.1)	(15.5)	7.3	(8.2)

Insurance finance income or expenses are conceptually comparable to investment income or expenses arising from financial assets held within the Insurance Underwriting business:

- The expense created by the unwind of discounting of liabilities for incurred claims is conceptually similar to interest income derived from financial assets.
- The impact of the change in the discount rate on liabilities for incurred claims is conceptually similar to fair value gains or losses arising on financial assets, with both significantly impacted by changes in market interest rates.

However, the relevant amounts may differ for the following reasons:

- Insurance finance income or expenses arose solely from liabilities for incurred claims and corresponding reinsurance assets, whereas the financial assets held within the Insurance Underwriting business supported the Group's wider insurance liabilities (including liabilities for remaining coverage) and capital requirements. This led to differences between the value and duration characteristics of those financial assets and those of the liabilities for incurred claims which, in turn, led to differences between the investment income or expenses arising from those financial assets and insurance finance income or expense.
- Investment income or expenses included compensation for credit risk associated with the financial assets, with any change in credit risk being reflected in fair value gains or losses on those securities. Credit risk was explicitly excluded from the IFRS 17 discount rate and, therefore, there was no corresponding effect on insurance finance income or expense.

29 Contract liabilities

	2026 £m	2025 £m
Deferred revenue (Note 3b)	252.2	176.8
	252.2	176.8
Current	183.2	171.7
Non-current	69.0	5.1
	252.2	176.8

Deferred revenue primarily comprises advance amounts received from customers within the Travel segment for cruises and holidays booked, but not travelled, with departure dates after the reporting date; insurance premium street pricing adjustments and revenues received in advance in the Insurance segment in respect of insurance policies with a cover start date after the reporting date (where the policy was not underwritten by the Group); and motor and home insurance Affinity Partnership consideration received from Ageas (Note 38a). All represent the deferral of revenue for performance obligations not yet satisfied at the end of the year.

30 Loans and borrowings

	2026 £m	2025 £m
Bond	–	250.0
Term loan	335.0	–
DDTL	–	–
Ocean Cruise ship loans	289.2	344.8
Loan facility provided by Roger De Haan	–	75.0
RCF	–	–
Accrued interest and fees payable	7.5	5.1
	631.7	674.9
Less: deferred issue costs	(23.8)	(12.7)
	607.9	662.2

Bonds, RCF, term loan, DDTL and the loan facility provided by Roger De Haan

On 30 January 2025, the Group announced that it had secured new credit facilities to refinance its corporate debt in full. The new facilities, agreed by Saga Mid Co Limited, and provided by HPS Funds, comprised: a £335.0m term loan, a £100.0m DDTL and a £50.0m RCF.

Closing of the new credit facilities was subject to customary conditions and took place on 27 February 2025, together with the repurchase, repayment and cancellation of the £250.0m senior unsecured notes, the £85.0m loan facility provided by Roger De Haan and the existing £50.0m RCF.

On 15 May 2025, as a continuation of the refinancing, the Group syndicated the new £50.0m RCF, originally provided by HPS Funds, to NatWest and Barclays. Under the revised structure, NatWest and Barclays committed a combined £33.4m to the RCF, while the remaining £16.6m was reallocated to HPS Funds DDTL, increasing its total commitment from £100.0m to £116.6m.

At 31 January 2026, the Group's financing facilities consisted of a £335.0m term loan, a £116.6m DDTL and a £33.4m RCF. The term loan and DDTL both mature on 29 January 2031 and the RCF matures on 29 January 2029. The RCF and DDTL were undrawn at 31 January 2026.

i) Bonds

In May 2024, the Group repaid in full its £150.0m 2024 senior unsecured bond.

As a result of the Group securing new credit facilities on 30 January 2025 (see below), and drawing down on these on 27 February 2025, the 2026 senior unsecured bond was repaid in full, cancelled and de-listed.

The 2026 and 2024 bonds were both listed on the Irish Stock Exchange (Euronext Dublin). The 2026 and 2024 bonds were both guaranteed by Saga Services Limited and Saga Mid Co Limited.

Interest on the 2026 corporate bond was incurred at an annual interest rate of 5.5%. Interest on the 2024 corporate bond was incurred at an annual interest rate of 3.375%.

Accrued interest payable on the Group's bond at 31 January 2025 was £0.6m.

ii) Former RCF

Interest payable on the Group's former RCF, if drawn down, was incurred at a variable rate of Sterling Overnight Index Average (**SONIA**) plus a bank margin that was linked to the Group's former leverage ratio calculation¹³.

In March 2024, the Group concluded discussions with the lenders associated with the former RCF to increase the Group's financial flexibility. As a result, the following amendments were agreed, in addition to smaller, immaterial changes:

- Increase to the former leverage ratio calculation¹³ for all remaining testing periods to 6.25x.
- Quarterly covenant testing, irrespective of whether the loan is drawn.
- The introduction of a restriction whereby, post repayment of the 2024 bond, no utilisation of the facility is permitted if free liquidity is below £40.0m.
- Consent requirement for any early repayment of corporate debt or payment of shareholder dividends.

In September 2024, the Group concluded further discussions with the lenders associated with the former RCF to further increase the Group's financial flexibility. As a result, the following amendments were agreed, in addition to other smaller changes:

- Extension of the expiry date of the facility from 31 May 2025 to 31 March 2026.
- Former leverage ratio calculation¹³ test for all remaining testing periods reduced to 6.0x, based on a revised definition of the calculation, which was to be performed on a Group basis inclusive of amounts relating to the Ocean Cruise business.

¹³ The Group's former leverage ratio test was calculated as the ratio of the sum of the carrying values of the Group's debt facilities less the amount of Available Cash it held, to an adjusted Trading EBITDA that excluded the impact of IFRS 9 'Financial Instruments', IFRS 15 'Revenue Recognition', IFRS 16 'Leases' and IFRS 17 'Insurance Contracts' and acted as the denominator in the leverage ratio covenant calculation applicable to the RCF that was in place at 31 January 2025. Refer to the Alternative Performance Measures Glossary on pages 194-196 for the full definition and explanation of Available Cash and Trading EBITDA.

In November 2024, certain amendments were agreed in order to permit, among other things, the guarantees to be granted in relation to the disposal of the Group's Insurance Underwriting business and the establishment of the Affinity Partnership with Ageas (Note 38a).

In December 2024, the Group drew down £20.0m of its RCF. This amount was repaid in January 2025.

At 31 January 2025, the Group's £50.0m RCF was undrawn. Accrued fees payable on the Group's RCF at 31 January 2025 were £0.3m.

At 31 January 2025, the RCF was subject to covenants that are measured quarterly in April, July, October and January, being Net Debt¹⁴ to Adjusted Trading EBITDA¹⁴ of a maximum of 6.0x and interest cover of a minimum of 3.0x, based on measures as defined in the facility agreement, which are adjusted from the equivalent IFRS amounts. The ratio of Net Debt¹⁴ to Adjusted Trading EBITDA¹⁴ at 31 January 2025 was 4.7x and interest cover was 4.3x. The Group complied with the financial covenants of its borrowing facilities during the prior year.

As a result of the Group securing new credit facilities on 30 January 2025 (see below), and drawing down on these on 27 February 2025, the former RCF was cancelled at that date.

iii) Loan facility provided by Roger De Haan

In April 2023, the Group entered into a forward starting loan facility provided by Roger De Haan, commencing on 1 January 2024, under which the Group could draw down up to £50.0m with 30 days' notice to support liquidity needs and specifically the repayment of £150.0m bonds maturing in May 2024. The facility was provided on an arm's-length basis and was guaranteed by Saga plc, Saga Mid Co Limited and Saga Services Limited. Per the original terms of agreement, interest accrued on the drawn total of the facility at a rate of 10% and was payable on the last day of the period of the loan. The facility was originally due to mature on 30 June 2025, at which point any outstanding amounts, including interest, were due to be repaid. The facility was subject to a 2% arrangement fee, payable on entering the arrangement. A drawdown fee of 2% on any amount drawn down under the facility was payable on the drawing date; and milestone fees of 2% on any uncancelled amount of the facility became payable on 31 March 2024 and 31 December 2024 respectively.

In September 2023, the Group agreed an increase and extension to the existing loan facility provided by Roger De Haan. The increase was for the value of £35.0m, taking the total facility to £85.0m, and the facility was extended to expire on 31 December 2025, previously 30 June 2025. The interest rate paid on funds on the drawn total under this facility to finance the repayment of notes issued by Saga, or to provide cash collateral demanded by providers of bonding facilities to the Group, remained at 10%, but increased to 18% for any amounts drawn to support general corporate purposes. In addition, the previous arrangement and milestone fees of 2% remained payable; however, the drawdown fee of 2% increased to 5% for drawdowns for general corporate purposes. The amended facility was provided on the basis of certain conditions being met, including that:

- no professional advisers were to be appointed to or retained by Saga without prior approval of the Board; and
- no incremental financial indebtedness, over and above the facilities already in place, was to be incurred by Group companies, including contracts classed as finance lease arrangements under previous IFRS.

In April 2024, a reduction of the notice period required for drawdown of the loan, to 10 business days, was agreed, in addition to a further extension to the termination date of the facility, from 31 December 2025 to 30 April 2026.

In May 2024, the Group drew down £75.0m of the loan facility provided by Roger De Haan.

In September 2024, an increase to the maximum number of permitted facility utilisation requests was also agreed, from three to 10.

In November 2024, certain amendments were agreed in order to permit, among other things, the guarantees to be granted in relation to the disposal of the Group's Insurance Underwriting business and the establishment of the Affinity Partnership with Ageas (Note 38a).

At 31 January 2025, the Group had drawn £75.0m of its £85.0m loan facility provided by Roger De Haan. Accrued interest payable on the loan facility provided by Roger De Haan at 31 January 2025 was £1.8m.

As a result of the Group securing new credit facilities on 30 January 2025 (see below), and drawing down on these on 27 February 2025, the loan facility provided by Roger De Haan was repaid and cancelled at that date.

iv) Refinancing of corporate debt

On 30 January 2025, the Group announced that it had secured new credit facilities to refinance its corporate debt in full. The new facilities, agreed by Saga Mid Co Limited, with HPS Funds comprised:

- a £335.0m term loan facility that was to be drawn to:
 - repay the £250.0m senior unsecured bond, maturing July 2026;
 - repay the £75.0m drawings under the £85.0m loan facility provided by Roger De Haan, maturing April 2026; and
 - partially fund transaction costs;
- a £100.0m DDTL facility that is available for three years and may be drawn for certain purposes, including the repayment of amortisation within the Ocean Cruise ship debt facilities, mergers and acquisitions, and capital investment; and
- a £50.0m RCF.

On 15 May 2025, as a continuation of the refinancing, the Group syndicated the new £50.0m RCF, originally provided by HPS Funds, to NatWest and Barclays. Under the revised structure, NatWest and Barclays committed a combined £33.4m to the RCF, while the remaining £16.6m was reallocated to HPS Funds DDTL, increasing its total commitment from £100.0m to £116.6m.

¹⁴ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

30 Loans and borrowings continued

Bonds, RCF, term loan, DDTL and the loan facility provided by Roger De Haan continued

iv) Refinancing of corporate debt continued

The term loan and DDTL loan facilities mature in January 2031 and are subject to a margin ratchet based on the Group net Leverage Ratio¹⁵ (ranging from 625bps to 700bps), priced with an initial margin of 675bps over SONIA, which will reduce as the Group de-levers. The initial blended pro forma interest rate was around 7.6% in combination with the Ocean Cruise ship debt facilities, which were retained on existing terms. Interest payable under the RCF is at SONIA plus an initial margin of 3.5%, with the margin reducing as the Group de-levers.

Under the new credit facilities:

- the term loan and DDTL are subject to a covenant test that is measured quarterly in April, July, October and January, being Net Debt¹⁵ to Consolidated Pro Forma EBITDA¹⁵ of a maximum of 8.0x, based on measures as defined in the facilities agreements, adjusted from the equivalent IFRS amounts; and
- the RCF is also subject to a covenant, tested quarterly in April, July, October and January, being Net Debt¹⁵ to Consolidated Pro Forma EBITDA¹⁵ of a maximum of 8.8x, based on measures as defined in the facility agreement, adjusted from the equivalent IFRS amounts.

Closing of the new credit facilities was subject to customary conditions and took place on 27 February 2025, together with the repurchase, repayment and cancellation of the £250.0m senior unsecured notes, the £85.0m loan facility provided by Roger De Haan and the existing £50.0m RCF (see above).

The ratio of Net Debt¹⁵ to Consolidated Pro Forma EBITDA¹⁵ at 31 January 2026 was 3.7x, within the 8.0x covenant test. The Group complied with the financial covenants of its borrowing facilities during the current and prior periods.

Accrued interest payable on the Group's new credit facilities at 31 January 2026 was £5.5m.

Ocean Cruise ship loans

In June 2019, the Group drew down £245.0m of financing for its Ocean Cruise ship, Spirit of Discovery. The financing represents a 12-year fixed-rate sterling loan, secured against the Spirit of Discovery cruise ship asset, and backed by an export credit guarantee. The initial loan was repayable in 24 broadly equal instalments, with the first payment of £10.2m paid in December 2019.

The Board announced on 22 June 2020 that it had secured a debt holiday and covenant waiver for the Group's Ocean Cruise ship facilities. The Group's lenders agreed to a deferral of £32.1m in principal payments under the ship facilities that were due up to 31 March 2021.

These deferred amounts were to be paid between June 2021 and December 2024 for Spirit of Discovery and between September 2021 and March 2025 for Spirit of Adventure, and interest remained payable.

On 29 September 2020, the Group drew down £280.8m of financing for its Ocean Cruise ship, Spirit of Adventure. The financing, secured against the Spirit of Adventure cruise ship asset, represents a 12-year fixed-rate sterling loan, backed by an export credit guarantee. The loan is repayable in 24 broadly equal instalments, with the first payment originally due six months after delivery in March 2021, but initially deferred to September 2021 as a result of the debt holiday described above.

In March 2021, the Group reached agreement for a one-year extension to the debt deferral on its Ocean Cruise ship facilities. As part of an industry-wide package of measures to support the cruise industry, an extension of the existing debt deferral was agreed to 31 March 2022. The key terms of this deferral were:

- all principal payments to 31 March 2022 (£51.8m) deferred and repaid over five years;
- all financial covenants until 31 March 2022 waived; and
- dividends remain restricted while the deferred principal is outstanding.

During the year to 31 January 2024, the Group concluded discussions with its Cruise lenders in respect of the covenant restrictions attaching to its two ship debt facilities. Lenders agreed to waive the EBITDA to debt repayment covenant ratio for the 31 July 2023 testing date. In addition, lenders agreed to amend the covenants on the two ship debt facilities to reduce the EBITDA to debt repayment ratio from 1.2x to 1.0x for the additional periods up to, and including, 31 January 2025.

Interest on the Spirit of Discovery ship loan is incurred at an effective annual interest rate of 4.31% (including arrangement and commitment fees). Interest on the Spirit of Adventure ship loan is incurred at an effective annual interest rate of 3.30% (including arrangement and commitment fees). Interest payable on the Group's Ocean Cruise ship debt deferrals is incurred at a variable rate of SONIA plus a bank margin.

During the year to 31 January 2026, Ocean Cruise ship loan repayments of £55.6m (2025: £62.2m) were made by the Group. Accrued interest payable on the Group's Ocean Cruise ship loans at 31 January 2026 was £2.0m (2025: £2.4m).

At 31 January 2026, the Ocean Cruise ship debt facilities were subject to covenants that are measured six-monthly in July and January, being a debt service cover ratio and an interest cover ratio, based on measures as defined in the debt facility agreements, which are adjusted from the equivalent IFRS amounts. The debt service ratio, at 31 January 2026, was 1.9x (2025: 1.4x), in excess of the 1.2x covenant (2025: 1.0x) under the Ocean Cruise ship debt facilities at the same date. The interest cover ratio, at 31 January 2026, was 12.2x (2025: 7.9x), in excess of the 2.0x covenant under the Ocean Cruise the ship debt facilities at the same date.

Total debt and finance costs

At 31 January 2026, deferred debt issue costs were £23.8m (2025: £12.7m). The movement in the year of £11.1m represents an increase of £17.6m following the drawdown of the new credit facilities, being offset by £6.5m amortisation expense for the year.

During the year, the Group charged £63.3m (2025: £45.8m) to the income statement in respect of interest, fees and charges associated with the bonds, RCF, the loan facility provided by Roger De Haan, term loan, DDTL and Ocean Cruise ship loans. In addition, finance costs recognised in the income statement include £2.5m (2025: £2.1m) relating to interest and finance charges on lease liabilities, £2.1m (2025: £2.3m) relating to net finance expense on pension schemes, and net fair value losses on derivatives of £0.7m (2025: £0.3m). The Group complied with the financial covenants of its borrowing facilities during the current and prior years.

¹⁵ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

31 Provisions

	Restructuring £m	Onerous contract £m	Other £m	Total £m
At 1 February 2024	–	3.1	4.9	8.0
Charge for the year	16.5	1.3	17.3	35.1
Utilised during the year	–	(3.1)	(18.3)	(21.4)
At 31 January 2025	16.5	1.3	3.9	21.7
Charge for the year	4.0	–	9.1	13.1
Utilised during the year	(8.7)	(1.3)	(1.2)	(11.2)
At 31 January 2026	11.8	–	11.8	23.6

	Restructuring £m	Onerous contract £m	Other £m	Total £m
Current	11.8	–	8.7	20.5
Non-current	–	–	3.1	3.1
At 31 January 2026	11.8	–	11.8	23.6

	Restructuring £m	Onerous contract £m	Other £m	Total £m
Current	10.9	1.3	3.6	15.8
Non-current	5.6	–	0.3	5.9
At 31 January 2025	16.5	1.3	3.9	21.7

As detailed in Note 38a, in December 2024 the Group announced it had entered into a binding agreement with Ageas to establish a 20-year Affinity Partnership for motor and home insurance. As a result of this announcement, at 31 January 2025, a provision of £16.5m was made to cover the expected direct costs associated with the restructuring programme of the Group's Insurance Broking operations, in readiness for the Affinity Partnership becoming operational. Estimated restructuring expenditure primarily included staff-related, legal, consultancy and other change costs directly associated with the cessation of the existing operating model for Insurance Broking and was based on a detailed restructuring plan developed by management. The restructuring is expected to be completed by January 2027.

The onerous contract provision related to the Group's three-year fixed-price product guarantee in respect of motor insurance policies.

Other provisions primarily comprise:

- provisions for the return of insurance commission in respect of policies cancelled mid-term after the reporting date or as a result of being cancelled during the statutory cooling-off period after the reporting date;
- potential payments to underwriters in relation to policies cancelled as a result of a fault claim;
- customer remediation relating to areas, or incidents, where there is likely to be a requirement to remedy various errors that have had an adverse impact on customer outcomes;
- an employer liability provision relating to various Group-related, self-funded insurance arrangements; and
- an Emissions Trading Scheme (ETS) provision as the Group participates in the scheme. Allowances granted by government are initially recognised at nominal value (nil) and allowances purchased are recognised at cost. A provision is recognised for the obligation to deliver allowances equivalent to emissions produced. The provision is measured at the carrying amount of allowances held, plus the fair value of any additional allowances needed at the reporting date.

Other provisions are expected to be fully utilised within the next 12 months, with the exception of the employer liability and ETS provisions. The settlement cash outflows from the employer liability provision depend on the timing of the settlement of claims.

These items are reviewed and updated annually.

Notes to the consolidated financial statements continued

32 Reconciliation of liabilities arising from financing activities

The following tables analyse the cash and non-cash movements for liabilities arising from financing activities:

	2025 £m	Non-cash changes			2026 £m
		Financing cash flows £m	New leases (Note 18) £m	Other £m	
Lease liabilities (Note 37)	26.1	(6.3)	17.9	0.7	38.4
Term loan (Note 30)	–	335.0	–	–	335.0
DDTL (Note 30)	–	–	–	–	–
Ocean Cruise ship loans (Note 30)	344.8	(55.6)	–	–	289.2
Loan facility provided by Roger De Haan (Note 30)	75.0	(75.0)	–	–	–
Bonds (Note 30)	250.0	(250.0)	–	–	–
RCF (Note 30)	–	–	–	–	–
Deferred issue costs (Note 30)	(12.7)	(17.6)	–	6.5	(23.8)

	2024 £m	Non-cash changes			2025 £m
		Financing cash flows £m	New leases (Note 18) £m	Other £m	
Lease liabilities (Note 37)	26.3	(7.3)	8.0	(0.9)	26.1
Ocean Cruise ship loans (Note 30)	407.0	(62.2)	–	–	344.8
Loan facility provided by Roger De Haan (Note 30)	–	75.0	–	–	75.0
Bonds (Note 30)	400.0	(150.0)	–	–	250.0
RCF (Note 30)	–	–	–	–	–
Deferred issue costs (Note 30)	(15.6)	–	–	2.9	(12.7)

Included within 'Other' for lease liabilities are amounts relating to foreign exchange movements of £0.8m credit (2025: £0.6m debit) and lease re-assessments of £0.1m debit (2025: £0.3m debit) (Note 18).

Included within 'Other' for deferred issue costs is the amortisation of costs of £6.5m (2025: £4.4m), offset by an increase of £nil (2025: £1.5m) following the drawdown of the new credit facilities (2025: drawdown of the loan facility provided by Roger De Haan) (Note 30).

Accrued interest payable on the Ocean Cruise ship loans, the term loan, the loan facility provided by Roger De Haan and bonds listed above is disclosed in Note 30. Interest and debt issue costs paid during the year are included within operating activities in the consolidated statement of cash flows.

33 Called up share capital

	Ordinary shares		
	Number	Nominal value £	Value £m
Allotted, called up and fully paid			
At 1 February 2024	141,795,822	0.15	21.3
Issue of shares – 3 May 2024	1,565,919	0.15	0.2
At 31 January 2025	143,361,741	0.15	21.5
Issue of shares – 14 July 2025	1,493,744	0.15	0.2
At 31 January 2026	144,855,485	0.15	21.7

On 3 May 2024, Saga plc issued 1,565,919 new ordinary shares of 15p each, with a value of £0.2m, for transfer into an EBT to satisfy employee incentive arrangements. The newly issued shares rank pari passu with existing Saga shares.

On 14 July 2025, Saga plc issued 1,493,744 new ordinary shares of 15p each, with a value of £0.2m, for transfer into an EBT to satisfy employee incentive arrangements. The newly issued shares rank pari passu with existing Saga shares.

34 Reserves

Share-based payment reserve

Prior to vesting, the share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. More detail is provided in Note 36.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

Cost of hedging reserve

The cost of hedging reserve reflects the gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in the OCI and accounted for similarly to gains or losses in the hedging reserve.

Own shares held reserve

The own shares reserve represents the cost of shares in the Company held by the Group's EBT to satisfy options under the Group's share option plans (see Note 36). The number of ordinary shares held by the EBT at 31 January 2026 was 0.6m (2025: 0.9m).

35 Capital management

The Group's objectives, when managing capital, are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital comprises total equity of £72.3m (2025: £57.7m) as shown on the consolidated statement of financial position. The Group operates in a number of regulated markets and includes subsidiaries which are required to comply with specific requirements in respect of capital or other resources.

The Group's Insurance Broking business is regulated primarily by the FCA in the UK, and the cash requirements of its River Cruise and Holidays businesses are regulated by the CAA in the UK. The Group's Insurance Underwriting business was regulated primarily by the Financial Services Commission (**FSC**) in Gibraltar. It is the Group's policy to comply with the requirements of these regulators in respect of capital adequacy, or other similar tests, at all times.

The Group's regulated Insurance Underwriting business was based in Gibraltar, and regulated by the FSC, and was required to ensure that it had a sufficient level of capitalisation in accordance with Solvency 2 Technical Standards (effective 31 December 2024). Prior to 31 December 2024, the Group's Insurance Underwriting business was required to have a sufficient level of capitalisation in accordance with Solvency II.

The Group, and its subsidiaries, have complied with externally imposed capital requirements during the year. The amounts set out in the following three paragraphs are provisional and unaudited.

The Group monitored its ability to comply with the requirements of Solvency II and Solvency 2 throughout the year to 31 January 2025 and up to the date of disposal of its underwriting business on 1 July 2025, having previously received approval from the FSC for the Undertaking of Specific Parameters when applying the standard formula to measure capital requirements for this business under Solvency II and Solvency 2 rules. Under Solvency 2, AICL remained well capitalised and, at 31 January 2025, available capital was £95.4m (unaudited) against a Solvency Capital Requirement of £44.7m (unaudited), giving 213% (unaudited) coverage.

The Group's regulated Insurance Broking business is based in the UK and regulated by the FCA. Due to the nature of the business, the capital requirements are significantly less than for the Insurance Underwriting business, but the Group is required to comply with the Adequate Resources requirements of Threshold Condition 2.4 of the FCA Handbook. The Group undertakes a rigorous assessment against the requirements of this Condition on an annual basis and, as a consequence, calculates and holds an appropriate amount of capital in respect of the Insurance Broking business. The Minimum Regulatory Capital requirement of this business at 31 January 2026 was £3.6m (2025: £3.0m).

The regulated River Cruise and Holidays businesses are required to comply with a main test based on liquidity. The CAA liquidity test is a requirement to hold at least 70% of advanced customer receipts in cash on the last day of each month. The Group monitors its compliance with this test on a monthly basis, including forward-looking compliance using budgets and forecasts. At 31 January 2026 and 31 January 2025, the businesses had sufficient coverage against this covenant.

From time to time, the Group purchases its own shares on the market; the timing of these purchases depends on market prices. The shares are primarily intended to be used for issuing shares under the Group's share option programmes. Buy and sell decisions are made on a specific transaction basis; the Group does not have a defined share buy-back plan.

36 Share-based payments

The Group has granted a number of different equity-based awards to employees and customers that it has determined to be share-based payments:

a) Share options and Free Shares offer granted at the time of the Initial Public Offering (IPO)

- On 29 May 2014, nil cost options over 13,132,410 shares were granted to certain Directors and employees with no exercise price and no service or performance vesting conditions. There were no cash settlement alternatives.
- Eligible customers and employees who acquired their shares under the Customer or Employee Offers in the Prospectus received one bonus share for every 20 shares they acquired and held continuously for one year to 29 May 2015. As these were bonus shares, there was no exercise price and no cash settlement alternative.

b) STP

- In July 2022, the Board and shareholders approved the issue of an additional new award called the STP. The STP has a five-year vesting period and participants receive a 12.5% share in shareholder value (share price plus dividends) created above a £6 per share hurdle over a five-year performance period commencing from the grant date, subject to continuing employment. For Directors and senior leaders, the STP will be equity-settled. For other employees, the STP will be settled in cash. There is a cap of £88.0m on the value of awards that may vest, and the awards have a range of grant dates based on the tranche that each participant falls into.
- On 5 July 2022, nil cost options were issued under the STP to certain Directors and other senior employees which vest and become exercisable on the fifth anniversary of the grant date, subject to continuing employment.

Notes to the consolidated financial statements continued

36 Share-based payments continued

b) STP continued

- During the 2025 remuneration policy cycle, it was deemed that the STP award was no longer aligned to the current updated business strategy. In June 2025, the decision was made to revert to the previous Executive reward programme that was in place prior to the STP, removing the STP award and attached reduced RSP condition for Executives only. STP awards for senior leaders and colleagues remain in place.

c) RSP

- The RSP is a discretionary executive share plan under which the Board may grant options over shares in Saga plc.
- On 25 June 2025, nil cost options over 1,533,377 shares were issued under the RSP to certain Directors and other senior employees that vest and become exercisable on the third anniversary of the grant date, subject to continuing employment. There were no cash settlement alternatives.

d) Long-term Incentive Plan (LTIP)

- The LTIP is a legacy discretionary executive share plan, under which the Board may, within certain limits and subject to applicable performance conditions, grant options over shares in Saga plc. There are no cash settlement alternatives.
- Up to 31 January 2017, these options were 50% linked to a non-market vesting condition, earnings per share, and 50% linked to a market vesting condition, total shareholder return (TSR).
- From 1 February 2017 to 31 January 2018, these options were 60% linked to non-market vesting conditions (30% linked to basic earnings per share and 30% linked to organic earnings per share) and 40% linked to a market vesting condition, TSR.
- From 1 February 2018, these options were 60% linked to non-market vesting conditions (30% linked to organic earnings per share and 30% linked to return on capital employed (ROCE) and 40% linked to a market vesting condition, TSR.
- From 1 February 2019, these options were 75% linked to non-market vesting conditions (50% linked to operational and strategic measures and 25% linked to ROCE) and 25% linked to a market vesting condition, TSR.

e) DBP

- On 28 May 2025, nil cost options over 655,094 shares were issued under the DBP to Executive Directors, reflecting their deferred bonus in respect of 2024/25, which vest and become exercisable on the third anniversary of the grant date. Under the DBP, executives receive a maximum of two-thirds of the bonus award in cash and a minimum of one-third in the form of rights to shares of the Company. There were no cash settlement alternatives.

f) Employee Free Shares

- Employee Free Shares is a discretionary share plan under which shares were awarded to eligible employees on the annual anniversary of the IPO and allocated at nil cost; these shares become beneficially owned over a three-year period from allocation, subject to continuing service. There were no cash settlement alternatives.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid, or payable, by the recipient on receipt of the option. The options carry neither rights to dividends, nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. With the exception of share options granted at the time of the IPO, if an employee ceases to be employed by the Group, the option rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

The table below summarises the movements in the number of share options outstanding for the Group and their weighted average exercise price:

	IPO options	RSP	LTIP	DBP	STP	Employee Free Shares	Total
At 1 February 2025	–	5,643,017	9,503	1,344,966	–	1,231,790	8,229,276
Granted	–	1,533,377	–	655,094	–	–	2,188,471
Forfeited	–	(1,123,430)	–	–	–	(49,121)	(1,172,551)
Exercised	–	(1,210,693)	(5,118)	(304,983)	–	(379,647)	(1,900,441)
At 31 January 2026	–	4,842,271	4,385	1,695,077	–	803,022	7,344,755
Exercise price	£nil	£nil	£nil	£nil	£nil	£nil	£nil
Exercisable at 31 January 2026	–	357,958	4,385	–	–	175,600	537,943
Average remaining contractual life	–	1.4 years	–	1.5 years	1.4 years	0.8 years	1.3 years
Average fair value at grant	n/a	£1.56	£6.60	£1.31	n/a	£2.31	£1.59

The average fair values at grant date were restated to reflect the impact of the share consolidation on 13 October 2020.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 January 2026 was £2.42 (2025: £1.11).

The following information is relevant in the determination of the fair value of options granted during the year under the equity-settled share-based remuneration schemes operated by the Group.

	RSP	DBP
Expected life of share option	3 years	3 years
Weighted average share price	£1.76	£1.44

As only limited historical data for the Group's share price is available, the Group estimated the Company's share price volatility as an average of the volatilities of its TSR comparator group over a historical period commensurate with the expected life of the award immediately prior to the date of the grant for awards under the RSP, DBP and Employee Free Share scheme.

For awards under the STP scheme, approved in July 2022, a volatility assumption of 31% was employed, calculated based on volatility in Saga plc's historical share price in the five years to 31 December 2019. This time period was selected to exclude the impact of the COVID-19 pandemic, which had a significant impact on Saga since the beginning of 2020. The impacts on the share price of profit warnings in December 2019 and April 2019 were also excluded from the calculation. The Group charged £3.9m (2025: £4.2m) during the year to the income statement in respect of equity-settled share-based payment transactions, including £0.2m relating to the acceleration of remaining STP vesting charges following the cancellation of the award for Executives. This was charged to administrative and selling expenses.

The Group did not enter into any share-based payment transactions with parties other than employees during the current period.

37 Commitments and contingencies

a) Lease commitments

The Group leases various River Cruise ships, offices, warehouses, equipment and vehicles. The contract lengths of the leases vary considerably and may include extension or termination options. Where it is reasonably certain that an extension option will be triggered in a contract, lease payments to be made in respect of the option are included in the measurement of the lease liability. Future minimum lease payments under lease contracts, together with the present values of the net minimum lease payments, are as follows:

	2026 £m	2025 £m
Within one year	9.9	6.7
Between one and five years	27.8	19.9
After five years	12.0	4.2
Total minimum lease payments	49.7	30.8
Less amounts representing finance charges	(11.3)	(4.7)
Present value of minimum lease payments	38.4	26.1

At 31 January 2026, the value of lease liabilities contracted for, but not provided for, in the financial statements in respect of right-of-use assets amounted to £13.5m (2025: £22.5m). For the current year, these commitments relate to Spirit of the Lorelei. The lease commitments in the prior year related to the River Cruise vessels, Spirit of the Moselle and Spirit of the Lorelei.

b) Commitments

At 31 January 2026, the capital amount contracted for, but not provided for, in the financial statements in respect of property, plant and equipment amounted to £nil (2025: £nil).

c) Contingent liabilities

The Travel businesses are each members of ABTA, a trade body which provides customers with financial protection when booking their holiday, if there is no flight component. Under this membership, the Group is required to provide bonds for this purpose, and at 31 January 2026, the Group had £66.9m (2025: £59.0m) of bonds in place.

38 Discontinued operations and assets held for sale**a) Discontinued operations**

Further to the announcement made on 16 December 2024, the Group completed the disposal of its Insurance Underwriting business, AICL, to Ageas on 1 July 2025. This followed receipt of regulatory approval and all other conditions associated with the sale being satisfied.

In addition, on 16 December 2024, the Group announced it had entered into a binding agreement with Ageas to establish a 20-year Affinity Partnership for motor and home insurance.

Pursuant to a share purchase agreement (**SPA**), Ageas UK acquired AICL for a base consideration of £65.0m (subject to adjustments) and an additional consideration of £2.5m which was paid following the commencement of the Affinity Partnership and, therefore, the sale of new policies and the renewal of existing ones, in December 2025.

The profit before tax in the income statement in respect of discontinued operations comprises:

	2026 £m	2025 £m
Profit before tax	12.6	22.7
Costs of disposal incurred to date	–	(3.6)
Loss on disposal of discontinued operations	(10.2)	–
	2.4	19.1

The (loss)/profit after tax in the income statement in respect of discontinued operations comprises:

	2026 £m	2025 £m
Profit after tax	9.7	16.5
Costs of disposal incurred to date, net of tax	–	(2.7)
Loss on disposal of discontinued operations, net of tax	(10.2)	–
	(0.5)	13.8

The impact of the discontinued operations on the reported earnings/(loss) per share is as follows:

	2026 £m	2025 £m
Basic (loss)/earnings per share from discontinued operations	(0.4p)	9.8p
Diluted (loss)/earnings per share from discontinued operations	(0.4p)	9.8p

The loss on disposal of AICL is as follows:

	2026 £m
Initial cash consideration received at completion (after adjustments to base consideration)	57.9
Additional cash consideration received (after adjustments to base consideration)	10.9
Additional consideration received following the commencement of the Affinity Partnership	2.5
Costs of disposal not previously provided for	(2.5)
Amounts recognised as a liability of the Group in respect of properties	(15.7)
Receipt of a Section 75 contribution in relation to AICL's share of pension scheme liabilities	3.2
Cash and cash equivalents deposits disposed of as part of the transaction	(84.4)
Carrying value of net liabilities disposed	17.9
	(10.2)

The adjustments made to the base consideration included receipt of a Section 75 contribution of £3.2m in relation to AICL's share of the pension scheme's liabilities, a property asset value adjustment in respect of its Solvency II value, and a net asset value adjustment reflecting the excess of AICL's Solvency II net asset valuation at completion.

Control over property assets, previously owned by AICL, transferred to a subsidiary of Saga plc at the point of sale, through the contractual arrangements contained within the SPA. These property assets are not, therefore, reflected in the carrying value of the net assets disposed reported above. A liability in respect of these property assets of £15.7m is recorded within the trade and other payables balance on the Group's consolidated statement of financial position, representing amounts payable to Ageas UK upon the earlier of a future sale of these properties to a third-party purchaser and the repurchase of the freehold by a subsidiary of Saga plc. All amounts payable are expected to be settled within two years of the end of the year.

For the year ended 31 January 2026, all cash flows relating to the disposal of AICL have been included under investing activities within the consolidated statement of cash flow.

'Disposal group eliminations and adjustments' referred to in the tables below comprise the following:

- The Group adopted IFRS 17 for the first time in the year ended 31 January 2024. IFRS 17 applies to all insurance and reinsurance contracts, covering the principles of recognition, measurement, presentation and disclosure. IFRS 17 only applies to insurance contracts that are underwritten by the Group and related reinsurance contracts held. It does not affect the accounting for the Group's Insurance Broking activities. As AICL, the Group's Insurance Underwriting business, has been classified as part of the disposal group held for sale in the statement of financial position and as discontinued operations in the income statement, all IFRS 17 related consolidation entries have also been classified as such accordingly.
- Intra-disposal group revenue and cost of sales were eliminated on consolidation.
- Inter-group transactions with the disposal group were eliminated on consolidation.

i) Results of the disposal group for the year

	Notes	Disposal group £m	Disposal group eliminations and adjustments £m	2026 £m
Revenue from Insurance Broking services		8.5	(11.7)	(3.2)
Other revenue (non-Insurance Underwriting)		1.7	-	1.7
Non-insurance revenue		10.2	(11.7)	(1.5)
Insurance revenue	28	62.4	4.2	66.6
Total revenue		72.6	(7.5)	65.1
Cost of sales (non-Insurance Underwriting)		(7.4)	8.9	1.5
Gross profit/(loss) (non-Insurance Underwriting)		2.8	(2.8)	-
Insurance service expenses	28	(45.3)	(17.2)	(62.5)
Net (expense)/income from reinsurance contracts	28	(6.3)	0.7	(5.6)
Insurance service result		10.8	(12.3)	(1.5)
Administrative and selling expenses		(1.4)	14.0	12.6
Net finance expense from insurance contracts	28	(5.3)	-	(5.3)
Net finance income from reinsurance contracts	28	2.2	-	2.2
Investment income/(expense)		6.0	(1.4)	4.6
Profit/(loss) before tax		15.1	(2.5)	12.6
Income tax expense		(0.9)	(2.0)	(2.9)
Profit/(loss) from discontinued operations attributable to equity holders of the parent		14.2	(4.5)	9.7

	Disposal group £m	Disposal group eliminations and adjustments £m	2026 £m
Reconciliation to Underlying Profit/(Loss) Before Tax¹⁶			
Profit/(loss) before tax	15.1	(2.5)	12.6
Fair value gains on debt securities	(2.2)	-	(2.2)
Changes in underwriting discount rates on non-PPO liabilities	0.1	-	0.1
Onerous contract provision	2.2	2.1	4.3
Restructuring costs	0.4	-	0.4
Underlying Profit/(Loss) Before Tax¹⁶	15.6	(0.4)	15.2

16 Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

Notes to the consolidated financial statements continued

38 Discontinued operations and assets held for sale continued

	Notes	Disposal group £m	Disposal group eliminations and adjustments £m	2025 £m
Revenue from Insurance Broking services		21.1	(29.5)	(8.4)
Other revenue (non-Insurance Underwriting)		8.1	(0.1)	8.0
Non-insurance revenue		29.2	(29.6)	(0.4)
Insurance revenue	28	186.4	10.7	197.1
Total revenue		215.6	(18.9)	196.7
Cost of sales (non-Insurance Underwriting)		(19.5)	17.1	(2.4)
Gross profit/(loss) (non-Insurance Underwriting)		9.7	(12.5)	(2.8)
Insurance service expenses	28	(101.5)	(22.8)	(124.3)
Net expense from reinsurance contracts	28	(66.5)	(0.7)	(67.2)
Insurance service result		18.4	(12.8)	5.6
Administrative and selling expenses		(2.1)	23.1	21.0
Impairment of non-financial assets		(4.1)	–	(4.1)
Net finance expense from insurance contracts	28	(15.5)	–	(15.5)
Net finance income from reinsurance contracts	28	7.3	–	7.3
Investment income/(expense)		14.5	(3.3)	11.2
Profit/(loss) before tax		28.2	(5.5)	22.7
Income tax (expense)/credit		(7.1)	0.9	(6.2)
Profit/(loss) from discontinued operations attributable to equity holders of the parent		21.1	(4.6)	16.5

	Disposal group £m	Disposal group eliminations and adjustments £m	2025 £m
Reconciliation to Underlying Profit/(Loss) Before Tax¹⁷			
Profit/(loss) before tax	28.2	(5.5)	22.7
Fair value gains on debt securities	(5.1)	–	(5.1)
Changes in underwriting discount rates on non-PPO liabilities	(0.6)	–	(0.6)
Onerous contract provision	(17.1)	4.1	(13.0)
Impairment of non-financial assets	6.3	–	6.3
Restructuring costs	0.3	–	0.3
Underlying Profit/(Loss) Before Tax¹⁷	12.0	(1.4)	10.6

ii) Net cash flows of the disposal group

The net cash flows of the disposal group during the year were as follows:

	2026 £m	2025 £m
Operating	(11.1)	14.9
Investing	31.3	45.0
Financing	(10.0)	(19.1)
Net cash inflow	10.2	40.8

¹⁷ Refer to the Alternative Performance Measures Glossary on pages 194-196 for definition and explanation

b) Property assets held for sale

At the end of the year ended 31 January 2021, the Group made the decision to initiate an active programme to locate buyers for a number of its freehold properties and one of its long leasehold properties. At the point of reclassification to held for sale, the carrying values were considered to be equal to, or below, fair value less costs to sell, and hence no revaluation at the point of reclassification was required.

At the end of the year ended 31 January 2023, the Group made the decision to initiate an active programme to locate buyers for a further two of its freehold properties. The Group also reclassified, to held for sale, the related fixtures and fittings associated with one of these freehold properties.

At 31 January 2023, the carrying values of the properties classified as held for sale, totalling £31.2m, were representative of either each property's fair value or historic cost less accumulated depreciation and any impairment charges to date, whichever was lower.

During the year ended 31 January 2024, the Group declassified one of the properties held for sale at 31 January 2023, to property, plant and equipment, since it was no longer being actively marketed for disposal. The carrying value of this property at 31 January 2023 was £3.4m. Other than this one property, there were no changes in relation to the Group's intention to sell any of the properties classified as held for sale at 31 January 2023.

At 31 January 2024, the Group obtained updated market valuations of its freehold properties held for sale, to determine the fair value of each building. As a consequence of the remeasurement of the properties to the lower of fair value less cost to sell and the carrying value, management concluded that net impairment charges totalling £10.4m should be recognised against the Group's property assets held for sale.

At 31 January 2024, the carrying values of the properties classified as held for sale, totalling £17.4m, were representative of either each property's fair value or historic cost less accumulated depreciation and any impairment charges to date, whichever was lower.

During the year ended 31 January 2025, the Group declassified one of the properties to property, plant and equipment, since it was no longer being actively marketed for disposal. The carrying value of this property at 31 January 2025 was £6.0m.

At 31 January 2025, the Group obtained updated market valuations of its freehold properties held for sale, to determine the fair value of each building. As a consequence of the remeasurement of the properties to the lower of fair value less cost to sell and the carrying value, management concluded that net impairment charges totalling £0.4m should be recognised against the Group's property assets held for sale.

At 31 January 2026, the Group again obtained updated market valuations of its freehold properties held for sale. The carrying values of the properties, totalling £11.0m, were representative of either each property's fair value, or historic cost less accumulated depreciation and any impairment charges to date, whichever is lower. No gains or losses were recognised with respect to the properties during the year. The properties continue to be actively marketed, with completion expected within 12 months of the end of the financial period, although the Directors note that a successful completion within this timeframe cannot be assured. All properties classified as held for sale at 31 January 2026 are held by continuing operations.

Notes to the consolidated financial statements continued

39 Subsidiaries

The entities listed below are subsidiaries of the Company or Group at 31 January 2026. The ordinary equity shares of all subsidiary undertakings are 100% owned. All subsidiary undertakings are included within the consolidated financial statements. The registered office address for all entities registered in England is 3 Pancras Square, London N1C 4AG, United Kingdom.

Company name	Country of registration	Nature of business
Saga Personal Finance Limited	England	Delivery of regulated investment products
Saga Services Limited	England	Regulated insurance broking
CHMC Limited ¹⁸	England	Motor accident management
PEC Services Limited ¹⁸	England	Repairer of automotive vehicles
ST&H Limited	England	Tour operating
Saga Travel Group (UK) Limited	England	Tour operating
Titan Transport Limited ¹⁸	England	Tour operating
Saga Cruises Limited	England	Cruising
Saga Cruises V Limited	England	Cruising
Saga Cruises VI Limited	England	Cruising
Saga Crewing Services Limited ¹⁸	England	Cruising
CustomerKNECT Limited ¹⁸	England	Mailing house
Saga Mid Co Limited	England	Debt service provider
Saga Publishing Limited ¹⁸	England	Publishing
CHMC Holdings Limited	England	Dormant holding company
ST&H Group Limited	England	Holding company
Saga Leisure Limited ¹⁸	England	Holding company
Saga Group Limited	England	Provision of administrative function for central costs
Confident Services Limited	England	Dormant company
Saga Membership Limited	England	Dormant company
Saga Travel Group Limited	England	Dormant company
Saga Radio (North West) Limited	England	Dormant company

In addition to the above, the Directors consider that, under the terms of the contractual arrangements in place, Saga plc has control over the Saga EBT. The results and net assets of the EBT have, therefore, been included in the Group consolidation. The registered office of the EBT is 26 New Street, St Helier, Jersey JE2 3RA.

¹⁸ These subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ended 31 January 2026. As required, Saga plc, the ultimate parent undertaking and controlling party of the Group, guarantees all outstanding liabilities to which these subsidiary companies are subject at the end of the financial year, until they are satisfied in full. This is in accordance with Section 479C of the Companies Act 2006. The guarantee is enforceable against Saga plc as the ultimate parent undertaking, by any person to whom the subsidiary companies listed above are liable in respect of those liabilities

40 Related party transactions

As set out in Note 30, in April 2023, the Group entered into a forward starting loan facility provided by Roger De Haan, commencing on 1 January 2024, under which the Group could draw down up to £50.0m with 30 days' notice to support liquidity needs and specifically the repayment of £150.0m bonds maturing in May 2024. The facility was provided on an arm's-length basis and was guaranteed by Saga plc, Saga Mid Co Limited and Saga Services Limited. Per the original terms of agreement, interest accrued on the drawn total of the facility at a rate of 10% and was payable on the last day of the period of the loan. The facility was originally due to mature on 30 June 2025, at which point any outstanding amounts, including interest, were due to be repaid. The facility was subject to a 2% arrangement fee, payable on entering the arrangement.

A drawdown fee of 2% on any amount drawn down under the facility was payable on the drawing date; and milestone fees of 2% on any uncanceled amount of the facility became payable on 31 March 2024 and 31 December 2024 respectively.

In September 2023, the Group agreed an increase and extension to the existing loan facility provided by Roger De Haan. The increase was for the value of £35.0m, taking the total facility to £85.0m, and the facility was extended to expire on 31 December 2025, previously 30 June 2025. The interest rate paid on funds on the drawn total under this facility to finance the repayment of notes issued by Saga, or to provide cash collateral demanded by providers of bonding facilities to the Group, remained at 10%, but increased to 18% for any amounts drawn to support general corporate purposes. In addition, the previous arrangement and milestone fees of 2% remained payable; however, the drawdown fee of 2% increased to 5% for drawdowns for general corporate purposes. The amended facility was provided on the basis of certain conditions being met, including:

- no professional advisers were to be appointed to or retained by Saga without prior approval of the Board; and
- no incremental financial indebtedness, over and above the facilities already in place, was to be incurred by Group companies, including contracts classed as finance lease arrangements under previous IFRS.

In April 2024, a reduction of the notice period required for drawdown of the loan to 10 business days was agreed, in addition to a further extension to the termination date of the facility, from 31 December 2025 to 30 April 2026.

In May 2024, the Group drew down £75.0m of the loan facility provided by Roger De Haan.

In September 2024, an increase to the maximum number of permitted facility utilisation requests was also agreed, from three to 10.

In November 2024, certain amendments were agreed in order to permit, among other things, the guarantees to be granted in relation to the disposal of the Group's Insurance Underwriting business and the establishment of the Affinity Partnership with Ageas (Note 38a).

At 31 January 2025, the Group had drawn £75.0m of its £85.0m loan facility provided by Roger De Haan. Accrued interest payable on the loan facility provided by Roger De Haan at 31 January 2025 was £1.8m.

As a result of the Group securing new credit facilities on 30 January 2025 (please refer to Note 30), and drawing down on these on 27 February 2025, the loan facility provided by Roger De Haan was repaid and cancelled at that date.

Balance sheet

	Notes	2026 £m	2025 £m
Fixed assets			
Investment in subsidiaries	2	840.4	659.3
Current assets			
Debtors – amounts falling due after more than one year	3	80.0	337.2
Debtors – amounts falling due within one year	3	–	0.1
		80.0	337.3
Creditors – amounts falling due within one year	4	(3.0)	(2.1)
Net current assets		77.0	335.2
Creditors – amounts falling due after more than one year	5	–	(249.0)
Net assets		917.4	745.5
Capital and reserves			
Called up share capital	6	21.7	21.5
Share premium account		648.3	648.3
Own shares held reserve		(1.6)	(1.4)
Retained earnings		239.9	67.5
Share-based payment reserve		9.1	9.6
Total shareholders' funds		917.4	745.5

The Company has not presented its own profit and loss account as permitted by Section 408(3) of the Companies Act 2006 (the **Act**). The profit included in the financial statements of the Company, determined in accordance with the Act, was £168.0m (2025: £470.5m profit).

Company number: 08804263

The Notes on pages 190-193 form an integral part of these financial statements.

Signed for and on behalf of the Board on 20 April 2026 by



Mike Hazell
Group Chief Executive Officer



Mark Watkins
Group Chief Financial Officer

Statement of changes in equity

	Called up share capital £m	Share premium account £m	Own shares held reserve £m	Retained earnings £m	Share-based payment reserve £m	Total equity £m
At 1 February 2024	21.3	648.3	(1.2)	(407.6)	10.1	270.9
Profit for the financial year	-	-	-	470.5	-	470.5
Issue of share capital (Note 6)	0.2	-	(0.2)	-	-	-
Share-based payment charge	-	-	-	-	4.2	4.2
Transfer upon vesting of share options	-	-	-	4.6	(4.7)	(0.1)
At 31 January 2025	21.5	648.3	(1.4)	67.5	9.6	745.5
Profit for the financial year	-	-	-	168.0	-	168.0
Issue of share capital (Note 6)	0.2	-	(0.2)	-	-	-
Share-based payment charge	-	-	-	-	3.9	3.9
Transfer upon vesting of share options	-	-	-	4.4	(4.4)	-
At 31 January 2026	21.7	648.3	(1.6)	239.9	9.1	917.4

The Notes on pages 190-193 form an integral part of these financial statements.

Notes to the Company financial statements

1.1 Accounting policies

a) Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard (FRS) 101 'Reduced Disclosure Framework'.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments, where necessary, in order to comply with the Companies Act 2006 (the **Act**) and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements are prepared under the historical cost convention, as modified by derivative financial assets and financial liabilities measured at fair value through profit or loss and, in accordance with the Act, are prepared on a going concern basis (please refer to Note 2.1 of the Saga plc consolidated accounts on page 111 for an assessment of the going concern basis for the Group and the Company).

The Company's financial statements are presented in sterling and all values are rounded to the nearest hundred thousand (£m), except when otherwise indicated.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 January 2026.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures'.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B-D, 40A-D, 111 and 134-136 of International Accounting Standard (IAS) 1 'Presentation of Financial Statements'.
- The requirements of IAS 7 'Statement of Cash Flows'.
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- The requirements of paragraphs 17 and 18A of IAS 24 'Related Party Disclosures'.
- The requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 45(b) and 46-52 of IFRS 2 'Share-based Payment'.

b) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost, less a provision for impairment, and are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If there is an indication that the recoverable value of a previously impaired investment in a subsidiary has increased, previously recognised impairments are reversed up to the lower of historical cost and the recoverable value of the investment.

c) Debtors

Trade and other debtors are initially recognised at fair value and, where the time value of money is material, subsequently measured at amortised cost using the effective interest rate (EIR) method. Provision for impairment is made using the simplified approach set out in IFRS 9 'Financial Instruments', whereby no credit loss allowance is recognised on initial recognition and then, at each subsequent reporting date, the loss allowance will be the present value of the expected cash flow shortfalls over the remaining life of the debtors (i.e. lifetime expected credit losses (ECLs)). Balances are written off when the probability of recovery is assessed as being remote.

Amounts due from Group undertakings are classified as debtors. They have no fixed date of payment and are payable on demand. The amounts due from Group undertakings are disclosed at amortised cost.

d) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised 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 credits and unused tax losses, can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and is 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. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 reporting date. Deferred tax is charged, or credited, in the income statement, except when it relates to items charged or credited in other comprehensive income (OCI), in which case the deferred tax is dealt with in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

e) Share-based payments

The Company provides benefits to employees (including Directors) of Saga plc and its subsidiary undertakings, in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is measured by reference to the fair value on the grant date and is recognised as an expense over the relevant vesting period, ending on the date on which the employee becomes fully entitled to the award.

Fair values of share-based payment transactions are calculated using market price valuation modelling techniques.

In valuing equity-settled transactions, assessment is made of any vesting conditions to categorise these into market performance conditions, non-market performance conditions and service conditions.

Where the equity-settled transactions have market performance conditions (that is, performance that is directly or indirectly linked to the share price), the fair value of the award is assessed at the time of grant and is not changed, regardless of the actual level of vesting achieved, except where the employee ceases to be employed prior to the vesting date.

For service conditions and non-market performance conditions, the fair value of the award is assessed at the time of grant and is reassessed at each reporting date to reflect updated expectations for the level of vesting. No expense is recognised for awards that ultimately do not vest.

At each reporting date prior to vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and, in the case of non-market conditions, the best estimate of the number of equity instruments that will ultimately vest or, in the case of instruments subject to market conditions, the fair value on grant adjusted only for leavers. The movement in the cumulative expense since the previous reporting date is recognised in the income statement, with the corresponding increase in the share-based payments reserve.

Upon vesting of an equity instrument, the cumulative cost in the share-based payments reserve is reclassified to reserves.

f) Equity

The Group has ordinary shares that are classified as equity. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

g) Own shares

Own shares represent the shares of the Company that are held by an Employee Benefit Trust (**EBT**). Own shares are recorded at cost and deducted from equity. The Directors consider that, under the terms of the contractual arrangements in place, the Company has control over the EBT. The results and net assets of the EBT have, therefore, been included in the Group consolidation.

h) Financial instruments

i) Financial assets

On initial recognition, a financial asset is classified as either amortised cost, fair value through other comprehensive income (**FVOCI**) or fair value through profit and loss (**FVTPL**). The classification of financial assets is based on the business model in which a financial asset is managed, and its contractual cash flow characteristics.

The Company measures all financial assets at fair value at each reporting date, other than those instruments measured at amortised cost.

The Company's financial assets at amortised cost include amounts due from Group undertakings. The Company does not hold any financial assets classified as FVOCI or FVTPL.

(a) Financial assets at amortised cost

Initial recognition and measurement

A financial asset is classified at amortised cost if it meets both of the following conditions and is not elected to be designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent measurement

These assets are subsequently measured at amortised cost using the EIR method. The amortised cost is reduced by impairment losses (see (b) to the right). Impairment losses are recognised in profit or loss as they are incurred. Any gain or loss on derecognition is recognised in profit or loss immediately.

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or when the Company has transferred substantially all the risks and rewards relating to the asset to a third party.

(b) Impairment of financial assets

The ECL impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI.

The Company measures loss allowances at an amount equal to 12-month ECLs, except for trade receivables and contract assets that result from transactions within the scope of IFRS 15.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are measured as a probability-weighted estimate of credit losses. Credit losses are measured as the probability of default in conjunction with the present value of the Group's exposure. Loss allowances for ECLs on financial assets measured at amortised cost are deducted from the gross carrying amount of the assets, with a corresponding charge to the income statement.

ii) Financial liabilities

Initial recognition and measurement

All financial liabilities are classified as financial liabilities at amortised cost on initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities comprise loans and borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

i) Audit remuneration

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements.

Notes to the Company financial statements continued

1.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the Company to select accounting policies and make estimates and assumptions that affect items reported in the primary Company financial statements and Notes to the Company financial statements.

Significant estimates

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and predictions of future events and actions. Actual results may, therefore, differ from those estimates.

The table below sets out those items the Company considers susceptible to changes in critical estimates and assumptions, together with the relevant accounting policy.

Acc. policy	Items involving estimation	Sources of estimation uncertainty
1.1b)	Investment in subsidiaries impairment testing	<p>The Company determines whether the investment in subsidiaries needs to be impaired when indicators of impairment exist, or historic impairments reversed if there are indicators of improvement in the circumstances that triggered the original impairment. This requires an estimation of the value-in-use of the subsidiaries owned by the Company. The value-in-use calculation requires the Company to estimate the future cash flows expected to arise from the subsidiaries, discounted at a suitably risk-adjusted rate to calculate present value.</p> <p>Sensitivity analysis was undertaken to determine the effect of changing the discount rate, the terminal value and earnings before interest, tax, depreciation and amortisation (EBITDA) multiple on the present value calculation, which is shown in Note 2 below.</p>

2 Investment in subsidiaries

	£m
Cost	
At 1 February 2024	4,132.7
At 31 January 2025 and 31 January 2026	4,132.7
Impairment	
At 1 February 2024	3,965.4
Amounts reversed in the year	(492.0)
At 31 January 2025	3,473.4
Amounts reversed in the year	(181.1)
At 31 January 2026	3,292.3
Net book value	
At 31 January 2026	840.4
At 31 January 2025	659.3

See Note 39 to the consolidated financial statements for a list of the Company's investments.

The market capitalisation of the Company increased from £177.5m at 31 January 2025 to £759.6m at 31 January 2026. The Directors considered this an indicator that the recoverable value of the previously impaired investment in its subsidiaries could have increased. An assessment was, therefore, performed in which the recoverable amount of the investment was compared with its carrying value.

A value-in-use of the Company's subsidiaries was determined based on a sum-of-the-parts valuation for each of the Group's businesses, using discounted cash flow projections from the Group's Board-approved five-year plan to 2030/31 for certain parts of the business, and EBITDA multiples to estimate the present value of future dividend streams for other subsidiaries.

For the discounted cash flow projections, a terminal value was calculated using the Gordon Growth Model based on the fifth year of those projections and an annual growth rate of 2.0% (2025: 2.0%) as the expected long-term average nominal growth rate of the UK economy. Cash flows for a base case scenario and a stressed case scenario were then discounted to present value using a suitably risk-adjusted nominal discount rate relevant to each of the segments.

At 31 January 2026, the range of pre-tax discount rates used was 12.2% to 14.8% (2025: 12.6% to 15.2%). EBITDA multiples of 6.4x to 11.1x (2025: 6.6x to 12.0x) were used for the Travel businesses. As per IAS 36.44, incremental cash flows directly attributable to growth initiatives not yet enacted at the balance sheet date were removed for the purpose of the value-in-use calculation. In the year ended 31 January 2026, the recoverable amount calculated using this methodology when compared against the carrying value of the investment in subsidiaries resulted in headroom of £181.1m in a probability weighted scenario of base case to stressed case cash flows. The headroom was identified as being reflective of strong trading forecasts for the Travel businesses. No further impairment was, therefore, assessed as necessary and management have reversed impairments recorded in previous years of £181.1m at 31 January 2026.

In the prior year, an impairment assessment was also performed in which the recoverable amount of the investment was compared with its carrying value. The recoverable amount, when compared with the carrying value of the investment in subsidiaries, resulted in £492.0m headroom in a probability weighted scenario of base case to stressed case cash flows. The headroom was identified as being reflective of strong trading forecasts for the Travel businesses and reduced financing risk resulting from the successful refinancing of the Group's corporate debt. Management, therefore, concluded no further impairment was necessary and reversed impairments recorded in previous years of £492.0m at 31 January 2025.

The carrying value calculated is most sensitive to the EBITDA multiple, the discount rate and the terminal growth rate assumed. A quantitative sensitivity analysis for each of these at 31 January 2026, and its impact on the carrying value of investment in subsidiaries, is as follows:

	EBITDA multiple		Pre-tax discount rate		Terminal growth rate	
	+1x £m	-1x £m	+1.0ppt £m	-1.0ppt £m	+1.0ppt £m	-1.0ppt £m
Impact	137.4	(137.4)	(16.4)	13.5	15.1	(11.5)

The sensitivity movement for the market multiple equates to a 9.4% movement in the underlying EBITDA assumption.

3 Debtors

	2026 £m	2025 £m
Amounts falling due after more than one year		
Amounts due from Group undertakings	80.0	337.2
	80.0	337.2
Amounts falling due within one year		
Other debtors	-	0.1
	-	0.1

For amounts due from Group undertakings, the ECLs are considered to be immaterial.

4 Creditors – amounts falling due in less than one year

	2026 £m	2025 £m
Other creditors	0.1	0.1
Accruals	2.9	1.4
Accrued interest and fees payable	-	0.6
	3.0	2.1

5 Creditors – amounts falling due in more than one year

	2026 £m	2025 £m
Bonds	-	250
Unamortised issue costs	-	(1.0)
	-	249.0

Please refer to Note 30 of the Saga plc consolidated accounts on pages 174-176 for further details relating to the bonds.

6 Called up share capital

	Ordinary shares		
	Number	Nominal value £	Value £m
Allotted, called up and fully paid			
At 1 February 2024	141,795,822	0.15	21.3
Issue of shares – 3 May 2024	1,565,919	0.15	0.2
At 31 January 2025	143,361,741	0.15	21.5
Issue of shares – 14 July 2025	1,493,744	0.15	0.2
At 31 January 2026	144,855,485	0.15	21.7

On 3 May 2024, Saga plc issued 1,565,919 new ordinary shares of 15p each, with a value of £0.2m, for transfer into an EBT to satisfy employee incentive arrangements. The newly issued shares rank pari passu with existing Saga shares.

On 14 July 2025, Saga plc issued 1,493,744 new ordinary shares of 15p each, with a value of £0.2m, for transfer into an EBT to satisfy employee incentive arrangements. The newly issued shares rank pari passu with existing Saga shares.

7 Commitments

During the year, the Company provided guarantees for the Group's bond, Ocean Cruise ship debt, £50.0m former Revolving Credit Facility and bank overdraft (please refer to Notes 25 and 30 of the Saga plc consolidated accounts on pages 166, and 174-176). At 31 January 2026, as a result of the Group's refinancing of its debt facilities, the Company provided guarantees for the Ocean Cruise ship debt only.

Alternative Performance Measures Glossary

The Group uses a number of Alternative Performance Measures (APMs), which are not required or commonly reported under International Financial Reporting Standards (IFRS), the Generally Accepted Accounting Principles (GAAP) under which the Group prepares its financial statements, but which are used by the Group to help the user of the accounts better understand the financial performance and position of the business.

Definitions for the primary APMs used in this report are set out below. APMs are usually derived from financial statement line items and are calculated using consistent accounting policies to those applied in the financial statements, unless otherwise stated. APMs may not necessarily be defined in a consistent manner to similar APMs used by the Group's competitors. They should be considered as a supplement to, rather than a substitute for, GAAP measures.

Underlying Revenue

Underlying Revenue represents revenue excluding ceded reinsurance premiums earned on business underwritten by the Group, the Insurance Broking onerous contract provision, the prior year AXA profit share payable on cessation of the private medical insurance (PMI) contract, the release of deferred revenue associated with motor and home three-year fixed-price policies, modification of Travel breakage policy and revenue associated with the exit from some of our smaller, loss-making activities.

This measure is useful for presenting the Group's underlying trading performance as it excludes non-cash technical accounting adjustments and one-off financial impacts that are not expected to recur. In the case of the Insurance Broking onerous contract provision, this is excluded due to it being a fair value type adjustment to revenue that will reverse over time.

Underlying Revenue reconciles to the statutory measure of revenue as follows:

£m	12m to Jan 2026	Change	12m to Jan 2025
Underlying Revenue	715.0	(6.9%)	768.2
Ceded reinsurance premiums earned on business underwritten by the Group	4.7	(72.5%)	17.1
Included within discontinued operations	(65.1)	66.9%	(196.7)
Underlying Revenue from continuing operations	654.6	11.2%	588.6
Insurance Broking onerous contract provision	1.3	(27.8%)	1.8
AXA profit share payable on cessation of PMI contract	–	100.0%	(2.6)
Release of deferred revenue on three-year fixed-price policies	7.0	100.0%	–
Modification of Travel breakage policy	(3.0)	(100.0%)	–
Exit from smaller, loss-making activities	0.1	(80.0%)	0.5
Revenue per statutory financial statements	660.0	12.2%	588.3

Underlying Profit Before Tax

Underlying Profit Before Tax represents the profit/(loss) before tax excluding the impairment of Insurance Broking goodwill and the following other exceptional items:

- release of deferred revenue associated with motor and home three-year fixed-price policies;
- Affinity Partnership transition;
- loss on disposal of subsidiaries, including the write-off of the written to earned adjustment;
- costs and fees associated with the Group's previous corporate debt, including accelerated amortisation of fees relating to the loan facility provided by Roger De Haan;
- net unrealised fair value losses on derivatives;
- Ocean Cruise dry dock costs and customer compensation;
- impairment of the carrying value of non-financial assets;
- impact of change in the discount rate on non-periodical payment order (PPO) liabilities¹;
- fair value gains on debt securities;
- foreign exchange gains/(losses) on River Cruise ship leases;
- movements in insurance onerous contract provisions (net of reinsurance recoveries)²;
- profit share payable to AXA on cessation of the PMI contract;
- the IFRS 16 lease accounting adjustment on River Cruise vessels;
- restructuring costs; and
- modification of Travel breakage policy.

It is reconciled to statutory loss before tax within the Group Chief Financial Officer's Review on page 27.

This measure is the Group's key performance indicator and is useful for presenting the Group's underlying trading performance, as it excludes non-cash technical accounting adjustments due to their volatility and one-off financial impacts that are not expected to recur.

As Underlying Profit Before Tax includes the benefits of restructuring programmes, but excludes significant costs, such as the impairment of non-financial assets and restructuring items, it should not be regarded as a complete picture of the Group's financial performance, which is presented in its financial statements. The exclusion of other underlying items may result in Underlying Profit Before Tax being materially higher or lower than reported loss before tax. In particular, when significant non-financial asset impairments and restructuring charges are excluded, Underlying Profit Before Tax will be higher than earnings reported in the financial statements.

¹ This adjustment reduces the risk of residual volatility from changes in market interest rates adversely affecting Underlying Profit Before Tax

² The IFRS 17 onerous contract requirements create a timing mismatch between when claims are incurred and when they are recognised in profit before tax. Underlying Profit Before Tax adjusts for this timing mismatch by reversing the impact of these requirements

Trading EBITDA

Trading EBITDA is defined as earnings before interest payable, tax, depreciation and amortisation, and excludes exceptional items and impairments.

Trading EBITDA, on a rolling 12-month basis, is a key component of Consolidated Pro Forma EBITDA (see overleaf), which acts as the denominator in the Group's Leverage Ratio covenant calculations applicable to the term loan, delayed-draw term loan (DDTL) and Revolving Credit Facility (RCF) that were in place at 31 January 2026. It reconciles to Total Underlying Profit Before Tax as follows:

£m	12m to Jan 2026	Change	12m to Jan 2025
Ocean Cruise Trading EBITDA	105.3	18.0%	89.2
River Cruise Trading EBITDA	5.9	47.5%	4.0
Holidays Trading EBITDA	15.2	40.7%	10.8
Insurance Broking Trading EBITDA	20.2	(9.8%)	22.4
Insurance Underwriting Trading EBITDA	18.6	(5.1%)	19.6
Other Businesses and Central Costs Trading EBITDA	(12.1)	(36.0%)	(8.9)
Trading EBITDA	153.1	11.7%	137.1
Depreciation and amortisation	(32.5)	8.2%	(35.4)
Net finance costs (including Cruise, Holidays and Insurance Underwriting)	(61.2)	(13.5%)	(53.9)
Total Underlying Profit Before Tax	59.4	24.3%	47.8

£m	12m to Jan 2026	Change	12m to Jan 2025
Trading EBITDA	153.1	11.7%	137.1
Insurance Broking Trading EBITDA from discontinued operations	0.4	126.7%	(1.5)
Insurance Underwriting Trading EBITDA from discontinued operations	(18.6)	5.1%	(19.6)
Trading EBITDA from continuing operations	134.9	16.3%	116.0

£m	12m to Jan 2026	Change	12m to Jan 2025
Depreciation and amortisation per above table	32.5	8.2%	35.4
Depreciation included within other exceptional items	4.5	4.3%	4.7
Depreciation and amortisation per statutory financial statements	37.0	7.7%	40.1

£m	12m to Jan 2026	Change	12m to Jan 2025
Net finance costs (including Ocean Cruise and Insurance Underwriting) per left table	61.2	(13.5%)	53.9
Included within other exceptional items	10.4	(92.6%)	5.4
Included within discontinued operations	(3.0)	(65.9%)	(8.8)
Net finance costs per consolidated income statement	68.6	(35.8%)	50.5

Consolidated Pro Forma EBITDA

Consolidated Pro Forma EBITDA represents Trading EBITDA, excluding the impact of IFRS 16 'Leases' and the Trading EBITDA associated with the disposed Insurance Underwriting business and acts as the denominator in the Group's Leverage Ratio covenant calculation applicable to the term loan, DDTL and RCF.

Consolidated Pro Forma EBITDA is calculated as follows:

£m	12m to Jan 2026	Change	12m to Jan 2025
Trading EBITDA	153.1	11.7%	137.1
Impact of IFRS 16	(1.6)	36.0%	(2.5)
Impact of disposal of Insurance Underwriting	(18.2)	(100.0%)	-
Consolidated Pro Forma EBITDA	133.3	(1.0%)	134.6

Gross Written Premiums

Gross Written Premiums represent the total premium that the Group charges to customers for a core insurance product, excluding insurance premium tax but before the deduction of any outward reinsurance premiums, measured with reference to the cover start date of the policy. This measure is widely used by insurers so provides a meaningful comparison of performance with our peers. It is analysed further within the Group Chief Financial Officer's Review on page 31.

Written Gross Profit After Marketing Expenses

Written Gross Profit After Marketing Expenses is calculated as written revenue, less cost of sales and marketing expenses. This measure provides a meaningful view of the contribution of each Insurance Broking product, before accounting for operating expenses, and is analysed further within the Group Chief Financial Officer's Review on page 31.

Alternative Performance Measures Glossary continued

Underlying Basic Earnings Per Share

Underlying Basic Earnings Per Share represents the basic earnings/(loss) per share excluding the post-tax effect of:

- release of deferred revenue associated with motor and home three-year fixed-price policies;
- Affinity Partnership transition;
- loss on disposal of subsidiaries, including the write-off of the written to earned adjustment;
- costs and fees associated with the Group's previous corporate debt, including accelerated amortisation of fees relating to the loan facility provided by Roger De Haan;
- net unrealised fair value losses on derivatives;
- Ocean Cruise dry dock costs and customer compensation;
- impairment of the carrying value of non-financial assets;
- impact of change in the discount rate on non-PPO liabilities³;
- fair value gains on debt securities;
- foreign exchange gains/(losses) on River Cruise ship leases;
- movements in the insurance onerous contract provisions (net of reinsurance recoveries)⁴;
- profit share payable to AXA on cessation of PMI contract;
- the IFRS 16 lease accounting adjustment on River Cruise vessels;
- restructuring costs; and
- modification of Travel breakage policy.

This measure is reconciled to the statutory basic earnings/(loss) per share in Note 12 to the accounts on page 147.

This measure is linked to the Group's key performance indicator, Underlying Profit Before Tax, and represents what management considers to be the underlying shareholder value generated in the period.

Available Cash

Available Cash represents cash held by subsidiaries within the Group that is not subject to regulatory restrictions, net of any overdrafts held by those subsidiaries, and excludes additional amounts paid into an escrow account relating to the Saga Pension Scheme. This measure is reconciled to the statutory measure of cash in Note 25 to the accounts on page 166.

Available Operating Cash Flow

Available Operating Cash Flow is net cash flow from operating activities after capital expenditure but before income tax received, interest paid, restructuring costs and other one-off payments, which is available to be used by the Group as it chooses and is not subject to regulatory restriction.

Available Operating Cash Flow reconciles to net cash flows from operating activities as follows:

£m	12m to Jan 2026	Change	12m to Jan 2025
Net cash flows from operating activities (reported)	117.0	3.4%	113.2
Exclude cash impact of:			
Trading of restricted divisions	(25.9)	58.2%	(61.9)
Restructuring costs and other one-off payments	48.2	77.9%	27.1
Interest paid	49.9	19.7%	41.7
Income tax received	(0.4)	88.9%	(3.6)
	71.8	>500%	3.3
Cash released from restricted divisions	26.2	13.9%	23.0
Capital expenditure funded from Available Cash	(20.6)	(12.0%)	(18.4)
Cash collateralised Association of British Travel Agents bonding	11.5	200.0%	(11.5)
Available Operating Cash Flow	205.9	87.9%	109.6

Net Debt

Net Debt is the sum of the carrying values of the Group's debt facilities and pre-IFRS 16 lease liabilities less the amount of Available Cash it holds and acts as the numerator in the Group's Leverage Ratio covenant calculation applicable to the term loan, DDTL and RCF. It is analysed further within the Group Chief Financial Officer's Review on page 38.

Leverage Ratio

Leverage Ratio is the ratio of Net Debt to Consolidated Pro Forma EBITDA as of the last day of a relevant period. It is a key metric used to report the Group's capacity to service its debt.

³ This adjustment reduces the risk of residual volatility from changes in market interest rates adversely affecting Underlying Profit Before Tax

⁴ The IFRS 17 onerous contract requirements create a timing mismatch between when claims are incurred and when they are recognised in profit before tax. Underlying Profit Before Tax adjusts for this timing mismatch by reversing the impact of these requirements

Glossary

ABTA (Association of British Travel Agents) the trade association for tour operators and travel agents in the UK, of which the Group's Cruise and Holidays businesses are members

Act the UK Companies Act 2006, applicable to Saga, as amended from time to time

Add-on an ancillary insurance product that is actively marketed and sold in addition to a core policy

Affinity Partnership the binding agreement with wholly-owned subsidiaries in the UK of Ageas SA/NV, under which a 20-year partnership for motor and home insurance has been established

Ageas (wholly owned UK subsidiaries of Ageas SA/NV) provider of personal insurance in the UK with whom Saga have entered a 20-year Affinity Partnership for motor and home insurance, alongside the sale of the Insurance Underwriting business, Acromas Insurance Company Limited

AGM (Annual General Meeting) to be held at 11.00am on 30 June 2026 at Herbert Smith Freehills Kramer LLP, Exchange House, Primrose Street, London, EC2A 2EG

AI (artificial intelligence) a computer or a computer-controlled system used to perform tasks that typically require human intelligence

AICL (Acromas Insurance Company Limited) the Group's discontinued Insurance Underwriting business

Annual Bonus Plan an incentive provided to the Executive Directors, linked to achievement in delivering goals that are closely aligned with the Group's strategy

Annual policies 12-month insurance policies, sold by the Group's Insurance Broking business, with no option for the customer to fix the premium at renewal

APMs (Alternative Performance Measures) a series of measures which are not required, or commonly reported, under accounting standards but are used by the Group to help users better understand the financial performance and position of the business

ATOL (Air Travel Organisers' Licensing) government-run financial protection scheme operated by the Civil Aviation Authority, the regulators of the Group's River Cruise and Holidays businesses

Board Saga plc Board of Directors

BU (business unit) term used to refer to an area of the business, such as Insurance, Cruise, Holidays, Money or Publishing

CAA (Civil Aviation Authority) one of the bodies that regulates the Group's River Cruise and Holidays businesses

CEO (Chief Executive Officer) Mike Hazell for the 2025/26 financial year

CFO (Chief Financial Officer) Mark Watkins for the 2025/26 financial year

CGR (Corporate Governance Reforms) a range of legislative and business-led measures, designed by the UK Government to improve corporate governance

CGU (cash generating unit) smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets

CII (Carbon Intensity Indicator) regulations, applicable to the Group's Ocean Cruise business, introduced during 2023/24, enabling the cruise industry to meet its emission targets

Clawback a requirement, within the Group's Remuneration Policy, for Executive Directors to return remuneration or benefits to a company in special circumstances

Code the UK Corporate Governance Code published by the UK Financial Reporting Council, setting out guidance in the form of principles and provisions to address the principal aspects of corporate governance

Company Saga plc

Competition and Markets Authority regulator responsible for promoting fair competition, preventing anti-competitive behaviour, and protecting consumers

Contract boundary the measurement of the Group's insurance contracts issued, and reinsurance contracts, which reflects all future cash flows arising from insurance coverage within the boundary of each contract

COR (combined operating ratio) the ratio of the claims costs and expenses incurred to underwrite insurance (numerator), to the revenue earned by the Group's discontinued Insurance Underwriting business (denominator) in a given period. Can otherwise be calculated as the sum of the loss ratio and expense ratio

CPI (Consumer Price Index) a measure of inflation that tracks changes over time in the prices of a representative basket of goods and services purchased by households

CPO (Chief People Officer) Roisin Mackenzie for the 2025/26 financial year

CustomerKNECT the Group's in-house mailing and printing business

DBP (Deferred Bonus Plan) reward scheme, within the Group's Remuneration Policy, used to incentivise colleagues over the longer term, ensuring alignment with Company goals

DDTL (delayed-draw term loan) the facility that the Group has in place with its lender, allowing draw-down of funds up to £116.6m

DEI&B (diversity, equity, inclusion and belonging) the agenda under which the Group is committed to creating an inclusive culture where all colleagues can bring their full and authentic selves to work

DPA (Data Protection Act) a UK law, applicable to the Group, that regulates the use and protection of personal data

DTR (Disclosure and Transparency Rules) rules published by the UK Financial Conduct Authority relating to the disclosure of information by a company, such as Saga plc, listed in the UK

Earnings per share represents underlying shareholder value generated in a given period

EBITDA (earnings before interest, tax, depreciation and amortisation) of acquired intangibles, non-trading costs and impairments

EBT (earnings before tax) profit or loss for the period before the deduction of taxation

ECL (expected credit loss) probability-weighted estimate of credit losses over the life of a financial instrument

Economic Crime and Corporate Transparency Act legislation designed to improve transparency over UK companies and other legal entities to strengthen the business environment, support national security and disrupt economic crime

EEXI (Energy Efficiency Existing Ship Index) benchmark used to indicate a ship's energy efficiency, in which the Group's Ocean Cruise ships achieve an 'A' rating

EIR (effective interest rate) the rate that exactly discounts the Group's estimated future cash flows to the gross carrying amount of a financial asset or amortised cost of a financial liability

EQ (Equiniti) the Group's share registrar and first point of contact for shareholding enquiries

Equity-settled transactions instances where services received from colleagues are settled in the form of shares, or share options, in the Group

Escrow Accounting an arrangement with the Civil Aviation Authority whereby the Group holds 70% of customer monies received in advance, in relation to Air Travel Organisers' Licensing bookings, until they return from their holiday. From 1 October 2024, in respect of the Holidays business, the Group moved from Escrow Accounting to simply holding cash within the business

ESEF (European Single Electronic Format) the electronic reporting format that the Group must use to prepare annual financial reports

ESG (Environmental, Social and Governance) central factors in measuring the sustainability and societal impact of the Group

ESG Champion Gemma Godfrey for the 2025/26 financial year

ETS (Emissions Trading Scheme) a cap-and-trade scheme that limits total greenhouse gas emissions across certain sectors and establishes a market price for carbon allowances

Executive Director of Saga plc (unless otherwise stated)

Expense ratio the ratio of expenses incurred to underwrite insurance (numerator) to the revenue earned by the Group's discontinued Insurance Underwriting business (denominator) in a given period

Experienced Voices a panel of our customers who participate in research for the Group

Glossary continued

FAME (fatty acid methyl ester) a biofuel which has been trialled on board our Ocean Cruise ships

FCA (Financial Conduct Authority) the independent UK body that regulates the financial services industry, including the Group's Insurance Broking and Money businesses

FRC (Finance Reporting Council) independent regulator in the UK and Ireland responsible for regulating auditors, accountants and actuaries

Free Shares the gift of shares to colleagues to recognise their contributions towards the Group's performance

FRS (Financial Reporting Standard) accounting standards issued by the International Financial Reporting Standards Foundation

FSC (Financial Services Commission) regulator for the non-bank financial services sector and global business

FTSE 250 the Financial Times Stock Exchange 250 Index is a mid-cap stock index that consists of the 101st to the 350th largest companies listed on the London Stock Exchange

FTSE Women Leaders Review an independent framework, which the Group reports against, that sets recommendations to improve the representation of women in leadership roles across the UK's largest companies

FuelEU Maritime regulation that came into force in January 2025, applying to our Cruise business, encouraging the adoption of low or zero carbon fuels

Fulfilment cash flows in relation to the measurement of liabilities for incurred claims under International Financial Reporting Standard 17 'Insurance Contracts', the sum of the expected future discounted cash flows; and a risk adjustment margin above the expected future cash flows that represents the compensation required for bearing non-financial uncertainty

FVOCI (fair value through other comprehensive income) one of three classification categories for the Group's financial assets under International Financial Reporting Standard 9 'Financial Instruments'

FVTPL (fair value through profit and loss) one of three classification categories for the Group's financial assets under International Financial Reporting Standard 9 'Financial Instruments'

GAAP (Generally Accepted Accounting Principles) a common set of accounting principles, standards and procedures issued by the Financial Accounting Standards Board

GDPR (General Data Protection Regulation) data protection regulation introduced in 2018 that applies to most UK businesses, including the Group

GHG (greenhouse gas) a type of gas for which Saga provides annual reporting on its emissions

GIPP (General Insurance Pricing Practices) a review into pricing practices within the UK insurance market conducted by the Financial Conduct Authority

Going concern an accounting term for a business that is assumed to be able to meet its financial obligations when they fall due

Gross premium the premium that the Group charges to a customer in respect of insurance cover

Group the Saga plc group

Host insurance contract the total cash flows arising from all insurance contracts of the Group, considered as a whole

HPS Funds Certain funds, entities (or affiliates or subsidiaries of such funds or entities) and/or accounts managed, advised or controlled by HPS Investment Partners, LLC or its subsidiaries

IAA (Internal Audit and Assurance) the Group's Internal Audit and Assurance function

IAS (International Accounting Standards) accounting standards issued by the International Accounting Standards Committee

IBNR (incurred but not reported) a claims reserve provided to meet the estimated cost of claims that have occurred, but have not yet been reported to the insurer

IEA (International Energy Agency) global organisation which provides policy recommendations, analysis and data on the energy sector

IFRS (International Financial Reporting Standards) accounting standards issued by the International Accounting Standards Board

IMO (International Maritime Organization) a specialised agency of the United Nations responsible for regulating shipping

Insurance acquisition cash flows acquisition costs arising from the selling or renewing of insurance policies underwritten by the Group

Insurance service result insurance revenue less insurance service expenses

Interest cover the ratio applicable to the Ocean Cruise ship debt facilities in place at 31 January 2026, calculated by dividing Trading EBITDA (numerator as described in the Alternative Performance Measures Glossary) by net cash interest (denominator)

IPCC (Intergovernmental Panel on Climate Change) the United Nations body for assessing the science related to climate change

IPO (Initial Public Offering) the first sale of shares by a previously unlisted company to investors on a securities exchange

IPT (insurance premium tax) tax payable on general insurance premiums in the UK

IR (Investor Relations) the team responsible for facilitating communication between the Group and its investors

KPI (key performance indicator) quantifiable measures that the Group uses to evaluate performance

KPMG (KPMG LLP) the Group's external auditor

Load factor the booked proportion of the total capacity across the Group's Cruise ships, calculated by dividing the number of berths booked by the total berths available

Loss ratio the ratio of the claims costs (numerator) to the net earned premium (denominator) in a given period

LSE (London Stock Exchange) the stock exchange upon which Saga plc is listed

LTIIP (Long-Term Incentive Plan) legacy reward scheme used to incentivise colleagues over the longer term, ensuring alignment with Company goals

Malus an arrangement that permits the forfeiture of unvested remuneration awards in circumstances the Company considers appropriate

Management Report the Directors' Report, together with the Strategic Report, within this document

Master Trust the Group's defined contribution pension scheme, operated by Aviva

MMQ (middle market quotation) the average of the best buying and selling prices quoted by market makers taken at the close of the market each day

Net premium the component of gross premium that is charged by the Group's discontinued Insurance Underwriter for each insurance claim

New business new insurance policies, sold by the Group, to customers that do not have an existing policy

Notice formal communication sent to shareholders to inform them about the upcoming Annual General Meeting

OCI (other comprehensive income) revenues, expenses, gains and losses under International Financial Reporting Standards that are excluded from the income statement

Operating Board the first layer of the Group's management below Board level

Other Businesses CustomerKNECT Limited and Saga Publishing Limited and Saga Personal Finance Limited

PAA (premium allocation approach) a simplified method for measuring the Group's insurance revenue and expenses over time

Parker Review an independent framework of business professionals who each bring, on a voluntary basis, a wide range of gender and ethnically diverse perspectives

PCSR (post-cessation shareholding requirements) the obligation for an Executive Director to continue holding shares in the Company for a defined period after leaving employment

People Champion Julie Hopes for the 2025/26 financial year and Gemma Godfrey with effect from 23 March 2026 (following Julie's resignation on 27 February 2025)

People Committee a monthly forum, chaired by the Chief People Officer and attended by Lead Colleague Ambassadors from across the Group, allowing colleagues to share their thoughts and views

Per diem the total amount of Cruise revenue earned per passenger per day

PMI (private medical insurance) one of the products offered within the Group's Insurance Broking business

Policies in force the number of core insurance policies in force at any given time

PPO (periodic payment order) a court order prescribing settlement of an insurance claim through regular payments

PRUs (principal risks and uncertainties) the most significant risks threatening the Group

PwC PricewaterhouseCoopers, the Group's remuneration advisers until 1 December 2025

RCF (Revolving Credit Facility) the facility that the Group has in place with its lenders, allowing the draw-down of funds up to £33.4m

Real living wage a pay rate that is independently calculated, based on the cost of living and is typically higher than the national minimum wage

Reinsurance contractual arrangements where an insurer transfers part, or all, of the insurance risk written to another insurer, in exchange for a share of the customer premium

Relationship Agreement the agreement that regulates the relationship between the Group and Roger De Haan

Restricted Shares shares granted to colleagues under specific plans with vesting conditions, typically linked to continued employment and performance

Risk adjustment one of the components for measuring the liability for incurred claims under International Financial Reporting Standard 17 'Insurance Contracts', being an explicit margin above the expected future cash flows that represents the compensation required for bearing non-financial uncertainty

ROCE (return on capital employed) a financial ratio used as a performance condition under the Group's legacy long-term incentive plan

RSP (Restricted Share Plan) share scheme, and corresponding share awards used to incentivise colleagues over the longer term, ensuring alignment with company goals

Saga Cruise ST&H Limited, Saga Cruises Limited, Saga Cruises V Limited, Saga Cruises VI Limited and Saga Crewing Services Limited

Saga Holidays Saga Travel Group (UK) Limited, Saga Travel Group Limited and Titan Transport Limited

Saga Hub the Group's internal communications platform that keeps colleagues informed and connected

Saga Insurance Saga Services Limited, CHMC Holdings Limited, CHMC Limited and PEC Services Limited

Saga Money Saga Personal Finance Limited

Saga Publishing Saga Publishing Limited

Saga Travel the Group's Cruise and Holidays businesses

Scope 3 emissions greenhouse gas emissions present in the value chain which are not directly controlled by the Group

SECR (Streamlined Energy and Carbon Reporting) a sustainability reporting framework, which is mandatory for large organisations in the United Kingdom

Senior Managers and Certification Regime a financial services regulation in the UK, designed to impose personal accountability on senior managers in Finance and Insurance

Shareholder information annual reports, notices of shareholder meetings and other documentation that Saga is required to send to shareholders

Shareholder Reference a unique reference number issued to shareholders of Saga plc

Shareview Portfolio an online portal, accessed via www.sagashareholder.co.uk, that allows shareholders to manage all aspects of their shareholding in Saga plc

SID (Senior Independent Director) Peter Bazalgette until 9 April 2025, followed by Gareth Hoskin for the remainder of the 2025/26 financial year

SIP (Share Incentive Plan) a plan available to all colleagues, allowing them to purchase shares in Saga plc through a monthly payroll deduction

SLT (Senior Leadership Team) the second layer of the Group's management below Board level

SMC (Small and medium cap) an index containing the Financial Times Stock Exchange largest 250 companies and those of small market capitalisation

Solvency capital/Solvency II insurance regulations designed to harmonise European Union insurance regulation, primarily concerning the amount of capital that European insurance companies must hold under a measure of capital and risk

SONIA (Sterling Overnight Index Average) a replacement for the London inter-bank offered rate, introduced in the UK in 2021

SPA (Share Purchase Agreement) binding agreement for Ageas (UK) Limited to purchase the shares of the Group's discontinued Insurance Underwriting business, Acromas Insurance Company Limited

Speak Up Champion Gareth Hoskin for the 2025/26 financial year

SPF (Saga Personal Finance) the Group's personal finance business, known as Saga Money

SSL (Saga Services Limited) the Group's Insurance Broking business

SSP (Shared Socioeconomic Pathway) climate change scenarios of projected socioeconomic global changes up to 2100 as defined in the Intergovernmental Panel on Climate Change Sixth Assessment Report on climate change in 2021

STP (Saga Transformation Plan) a long-term incentive plan, as part of the Group's Remuneration Policy, for participants to receive a portion of the value created above a stretching hurdle over a five-year period

Street pricing adjustment any adjustment to the net premium of an insurance policy that is applied during the broking service

Swaps fixed price contracts used by the Group to manage its exposure to fuel prices

TCFD (Task Force on Climate-related Financial Disclosures) part of the regulatory framework introduced by the Financial Stability Board to improve, and increase, reporting on climate-related financial information

tCO₂e tonnes of carbon dioxide equivalent

Three-year fixed-price policy an insurance policy, provided by the Group, with the option for the customer to fix the premium for three years

tNPS (transactional net promoter score) represents the willingness of customers to recommend the Group's products and services to others following a recent transaction

Trust (Employee Benefit Trust) a discretionary trust set up by the Group to hold shares on behalf of its colleagues

Trust Fund property held, including inter-alia money, and ordinary shares in the Company, in trust in favour, or for the benefit, of colleagues of the Group

TSR (total shareholder return) the theoretical growth in value of a shareholding over a period, by reference to the beginning and ending share price, assuming that dividends, including special dividends, are reinvested to purchase additional units of the equity

UMAS a university-based commercial energy and environmental advisory service to the shipping sector

UK United Kingdom

UKLR (UK Listing Rules) a set of mandatory regulations of the UK Financial Conduct Authority applicable to a company listed on the London Stock Exchange

VaR (Value at Risk) a probability-based estimate of the risk of loss in relation to the Group's portfolio of insurance contracts

Written to earned adjustment the Insurance Broking accounting adjustment, required under International Financial Reporting Standard 15 'Revenue from Contracts with Customers', that spreads revenue and, historically, associated costs, which are underwritten by the Group over the life of the insurance policy

WTW (Willis Towers Watson) the Group's remuneration advisers from 1 December 2025

Shareholder information

Financial calendar

2026 Annual General Meeting – 30 June 2026

Shareholder information online

The Company will publish annual reports, notices of shareholder meetings and other documents, which we are required to send to shareholders (**shareholder information**), on our website. Consenting shareholders will be notified either by post or email, if preferred, each time the Company publishes shareholder information. This allows us to increase the speed of communication, reduce our impact on the environment and keep costs to a minimum.

You can change your communication preference via your Shareview Portfolio which can be accessed on our website (www.sagashareholder.co.uk) or by contacting Equiniti (**EQ**). To register, you will require your Shareholder Reference which can be found on most communications from EQ.

Shareview Portfolio is free, secure, easy to use and allows you to elect to receive certain shareholder communications electronically, update your UK bank account details, send your general meeting voting instructions in advance of meetings, keep your contact details up to date and buy and sell shares easily.

Shareholder fraud

Shareholders are advised to be wary of any unsolicited advice or offers, whether over the telephone, through the post or by email. If any such unsolicited communication is received, please check that the company or person contacting you is properly authorised by the Financial Conduct Authority (**FCA**) before engaging. Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way, you may lose your money. For more information, or if you are approached by fraudsters, please visit the FCA website (www.fca.org.uk/consumers/scams), where you can report and find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768. If you have already paid money to share fraudsters, you should contact Action Fraud on 0300 123 2040.

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Corporate brokers

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London EC2N 2AX

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Equiniti Group

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Aspect House
Spencer Road
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Shareholder helpline: +44 (0) 371 384 2640

Calls to freephone numbers will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Lines are open 8.30am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

customer@equiniti.com

Information for shareholders

Information for investors is provided online via the Group's corporate website (www.corporate.saga.co.uk/investors).

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Registered in England and Wales. Company Number: 08804263

Corporate websites

Information made available on the Group's websites does not, and is not intended to, form part of this Annual Report and Accounts.

Forward-looking statements

This Annual Report and Accounts contains certain forward-looking statements with respect to Saga's expectations, including strategy, management objectives, future developments and financial position and performance. These statements are subject to assumptions, risks and uncertainties, many of which relate to factors that are beyond Saga's ability to control and which could cause actual results and performance to differ materially from those expressed or implied by these forward-looking statements. Any forward-looking statements made are based upon the knowledge and information available to Directors on the date of this Annual Report and Accounts and are subject to change without notice. Shareholders are cautioned not to place undue reliance on the forward-looking statements. Nothing in this Annual Report and Accounts should be construed as a profit estimate or forecast.

This publication is produced by a CarbonNeutral® company and the paper is Carbon Balanced with World Land Trust.

Balancing is delivered by World Land Trust, an international conservation charity, who 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.

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