

AUDIT COMMITTEE REPORT

“I am pleased to have taken on the role of Audit Committee Chair for Whitbread, and am looking forward to how the Committee will continue to support the business and it’s priorities. During the year, the Committee maintained its focus and oversight on the Group’s financial reporting and internal controls. We continue to respond to the changing regulatory and corporate governance landscape, building on our existing controls frameworks and best practice.”

Jonathan Howell
Chair, Audit Committee



Membership of the Audit Committee and meeting attendance

Name of director	Attendance at meetings
Jonathan Howell (Chair)*	-/-
Horst Baier	4/4
Frank Fiskers	4/4
Cilla Snowball	4/4
Shelley Roberts	4/4

* Jonathan Howell was appointed as Audit Committee Chair on 1 January 2026. Between this date and the end of the financial year there were no committee meetings held. During the year, Chris Kennedy, chaired the Audit Committee and the three Audit Committee meetings before stepping down from the Board on 19 June 2025. Horst Baier chaired one Audit Committee meeting as Interim Chair before stepping down on 1 January 2026

Roles and responsibilities of the Committee

The Board has delegated specific responsibilities to the Committee in accordance with the Code. The key responsibilities of the Audit Committee are to:

- monitor and review the integrity of the Group’s half-year and full-year financial results, and the financial reporting process including consideration of these reports being fair, balanced and understandable;
- monitor the statutory audit of the parent company and consolidated financial statements;
- review the Group’s internal controls and risk management systems;
- review and monitor the independence and effectiveness of the external auditor, in particular the provision of additional services;
- monitor and review the effectiveness of the Group’s Internal Audit function; and
- have primary responsibility for the recommendations to the Board in relation to the external auditor.

To aid its review, the Committee considers reports from the Group Finance Director and the Director of Internal Audit & Risk, as well as reports from the external auditor on the outcomes of its half-year review and annual audit. The Committee looks for constructive challenge from Deloitte as external auditor.

The Committee met four times in 2025/26. Meetings were attended by members of the Committee and, by invitation, the Chair of the Board, the Chief Executive, the Chief Financial Officer, the Director of Internal Audit & Risk, the Group Finance Director, the General Counsel and other relevant people from the business when appropriate.

The external auditor, Deloitte, is also invited to meetings except where discussion includes matters relating to its own independence, performance, reappointment, fees or audit tendering.

Composition of the Committee

In accordance with the UK Corporate Governance Code 2024, the Board has confirmed that all members of the Committee are independent non-executive directors and have been appointed to the Committee based on their individual financial and commercial experience.

The Board has also confirmed that the Chair of the Committee, has recent and relevant financial experience through his experience from his time as Group Chief Financial Officer of The Sage Group plc from 2018 to 2025. Jonathan is also the Non-Executive Director and Chair of the Audit Committee at Experian plc and previously served as a Non-Executive Director and as Chair of the Audit and Risk committee at Sage from 2013 to 2018, before becoming the Group CFO. Horst, who served as Interim Audit Committee Chair and continues to be a member of the Audit Committee, was Chief Financial Officer of TUI AG, previously London-listed Anglo-German leisure travel group, for eight years until the end of September 2018 and brings relevant financial experience to the Committee.

AUDIT COMMITTEE REPORT CONTINUED

Specific Areas of Focus of the Audit Committee

The Committee spent time on the following specific areas during the year, to consider and challenge relevant, current and important issues (a full listing of activities during the year is found on page 114):

Response to changes in UK governance code and provision 29

Oversight of the development and operation of processes to monitor and review the effectiveness of material controls, supporting the Board in meeting the requirements of the updated UK

Corporate Governance Code, including Provision 29 on internal controls.

Impact of Accelerating Growth Plan

The Accelerating Growth Plan is not by itself a significant matter; it does, however, have an impact across the significant matters of adjusting items, assets held for sale and impairment testing for this financial year and future financial years. The Group has announced it will extend the programme to include all remaining branded restaurants. The Audit Committee has considered and approved the approach taken by management across these areas.

ESG Reporting

On 26 February 2025, the EU Omnibus Directive was released resulting in changes to the Group's CSRD and EU taxonomy requirements, with the reporting year for Germany delayed by a year whilst the Group reporting under the EU taxonomy reporting becoming optional.

Minimum Standard published by the FRC

In accordance with the 2024 Code, the Group and its Audit Committee should follow the 'Audit Committees and the External Audit: Minimum Standard' (Standard) published by the FRC in May 2023.

The Standard has been applied during the year and is embedded within the Annual Report covering the Audit Committee's responsibilities including; oversight of auditors and audit, audit tendering and significant matters in the financial statements. The Committee's responsibilities have been reviewed against the Standard and are set out in its terms of reference, available at www.whitbread.co.uk/governance/

Significant matters in the financial statements

The Committee are provided a formal update from Management in the form of financial reporting papers at the relevant Audit Committees throughout the year, as well as relevant audit reporting papers from the external auditors.

The key areas of judgement and estimates considered by the Committee in relation to the 2025/26 accounts and disclosed in Note 2 to the consolidated financial statements on pages 162 to 171, were:

Significant matters in the financial statements	Response	Challenge and outcome	Cross reference
Adjusting items			
During the year certain items are identified and separately disclosed as adjusting items. Judgement is applied as to whether the item meets the necessary criteria as per the accounting policy disclosed in Note 2. This assessment covers the nature of the item, the cause of occurrence and the scale of impact of that item on reported performance. Reversals of previous adjusting items are assessed based on the same criteria. Note 6 provides information on all of the items disclosed as adjusting in the current year and comparative financial statements.	The Committee were informed of the adjusting items in this financial year as well as the controls that surround their identification and recognition.	The Committee challenged the appropriateness of the presentation of adjusting items, giving consideration to the nature and significance of each item classified as adjusting as well as considering multi-year programmes and their appropriate cut-off where such a programme is substantively complete. The Committee concluded that the items met the criteria as defined by the accounting policy and that the policy had been applied consistently across the years.	See Note 2 and Note 6 to the financial statements.
Assets held for sale			
Assets are classified as held for sale only if the asset is available for immediate sale in its present condition and a sale is highly probable and expected to be completed within one year from the date of classification. As a result of the Group's Accelerating Growth Plan (AGP) the Group is actively marketing a significant number of sites. Judgement exists on a site-by-site basis as to whether the sale will complete within one year. In exercising its judgement management has taken into consideration all available information including external market expert advice.	The Committee reviewed and considered the assumptions used by management to assess whether (on a site-by-site basis) the sales of those sites being marketed as part of the Group's Accelerating Growth Plan will complete within one year of and be actively marketed as at the balance sheet date.	The Committee specifically challenged the approach taken in relation to sites that are to be disposed of as part of the announced extension to include the remaining branded restaurants in the Accelerating Growth Plan, noting these sites were not actively marketed at the balance sheet date. The Committee has concluded that the available information including external market expert advice has been applied appropriately.	See Note 2 and Note 15 to the financial statements.

Significant matters in the financial statements	Response	Challenge and outcome	Cross reference
Recognition of German deferred tax asset			
The Group, through its market entry in Germany, has generated tax losses that will be available for offset against future taxable profits. These losses have resulted in a material unrecognised deferred tax asset.	The Committee were provided an update of the financial position of the German taxable profits profile on which the tax losses are generated.	The Committee challenged the basis of Management's assessment regarding the criteria to be met for recognition of the German loss generated deferred tax asset. The Committee has concluded that the assessment conducted supports not recognising the asset in this financial year, but the topic is appropriately classified as a Key Judgement for the Group.	See Note 2 to the financial statements.
Defined benefit pension			
Defined benefit pension plans are accounted for in accordance with actuarial advice using the projected unit credit method. The Group makes significant estimates in relation to the discount rates, mortality rates and inflation rates used to calculate the present value of the defined benefit obligation. Note 32 describes the assumptions used together with an analysis of the sensitivity to changes in key assumptions.	The Committee were informed that the principal assumptions used were updated for the latest available Trust valuation assumptions, as well as noting the specific methodology adopted for Alphabet Inc. bond issuances into the discount rate. The sensitivities around the assumptions were considered and the consistency in approach from 2024/25 to 2025/26 was assessed.	The Committee challenged the basis of the assumptions used to calculate the fair value of pension scheme assets and present value of defined benefit obligations under IAS 19, to satisfy itself that appropriate consideration and balance had been given to all macroeconomic factors.	See Note 2 and Note 32 to the financial statements.
Impairment testing - Property, plant and equipment and right-of-use assets			
The performance of the Group's impairment review requires management to make a number of judgements and estimates; a portion of these recur whereas others are considered as a result of certain events such as the impact of the accelerating growth plan.	The Committee were informed of the assumptions and methodology utilised across the Group's impairment model. The Committee were informed of the drivers of the impairment recognised in the financial year.	The Committee challenged management's approach, in particular the methodology used to estimate both value in use and fair value less costs of disposal for site level impairment reviews, as well as the approach taken where an individual asset within a CGU is no longer highly dependent on the remainder of the CGU for its expected cashflows. The Committee also challenged the inputs used in management's model, specifically challenging the valuations utilised, the advice provided by local market experts, the impact of the announced increase to business rates in future financial years and the application of growth rates. The Committee was satisfied that the Group has appropriately performed the impairment reviews, accounted for the impairment and impairment reversals identified, and that the related disclosures are appropriate.	See Note 2 and Note 14 to the financial statements.

Environmental, social and governance (ESG)

Due to the significant changes proposed around sustainability regulations and associated reporting requirements, ESG is a standing item on the Audit Committee's agenda and during the year the Committee:

- reviewed the impact of the EU Omnibus simplification package and the impact on timing to the Group and its subsidiaries;

- reviewed the impact of the UK SRS alignment announcement and determined it is appropriate to adopt these for Whitbread's first report year in FY28; and
- noted that the TCFD quantification was disclosed in FY26 and has been reviewed for changes in this financial year, noting no significant changes in the business to date to reflect.

Corporate governance

During the year, the Committee maintained close oversight of the business readiness activities supporting forthcoming corporate reporting (UK Corporate Governance Provision 29) and control reforms. The programme has continued to progress well, with materiality thresholds defined, material controls identified and an assurance approach developed. Initial dry run testing was completed, supported by extensive engagement with control owners and senior stakeholders, and the team further strengthened documentation to evidence

control effectiveness. The Committee reviewed and approved the proposed materiality, controls and assurance approach, and planning for the year ahead has been established to ensure appropriate coverage.

The programme continues to build on Whitbread's mature audit methodology and established risk and control frameworks, providing a robust platform for implementation.

AUDIT COMMITTEE REPORT CONTINUED

‘Speaking Out’ facility

In accordance with the Code, the Committee has continued to review the Company’s whistleblowing function. A system was introduced in 2024 and is operated by Safecall Ltd. This allows employees and third parties to report anonymously and in confidence in a variety of different ways. The Committee received half-yearly reports from the General Counsel on the operation of this function and the arrangements in place for proportionate and independent investigations.

Fair, balanced and understandable

In order to confirm to the Board that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, there has been a thorough verification and approval process using the Committee’s knowledge of the Company, as outlined below:

- The Annual Report and Accounts is drafted by the appropriate senior management with overall coordination by the Secretariat team to ensure consistency.
- Comprehensive reviews of the drafts of the Annual Report and Accounts are undertaken by management, members of the Executive Committee and the Audit Committee Chair.
- A final draft is reviewed by the Audit Committee prior to consideration by a Committee of the Board.
- Formal approval of the Annual Report and Accounts is given by the Disclosure Committee.

Going concern and viability

The assessment of the Group to continue as a going concern, being a period of at least 12 months from the date of signing these financial statements, is supported by the following:

- cash and cash equivalents of £0.2bn at the balance sheet date with access to undrawn committed borrowing facilities of £0.8bn;
- the Group maintains sufficient headroom to its current financial covenant throughout the going concern period; and
- £1.0bn of sterling bonds are maturing outside of the going concern period, between May 2027 and May 2032.

In arriving at the going concern assessment for the Group the Committee challenged management to ensure the business rates cost increase from the Autumn 2025 Budget and the subsequent impact on the business planning cycle have been considered adequately.

The Committee has reviewed the Group’s assessment of viability over a period greater than 12 months. In assessing viability, the Committee has considered the Group’s position as listed above, considered the current financial and operational position of the Group, the Group’s business planning cycle and the period over which the directors have carried out a robust assessment of the principal risks and uncertainties facing the Group, as outlined on pages 66 to 71 of the Annual Report. As part of the assessment, the Group, considers its likely investment grade status over the viability assessment period.

Further detail of the assessment following this can be found within the Viability Statement.

 **The viability statement** can be found on page 72

Internal control and risk management

The Audit Committee oversees the effectiveness of Whitbread’s systems of risk management and internal control. As part of its annual cycle, the Committee undertakes

a formal review of the overall framework, including the risk management policy, management’s risk assessment processes, and the adequacy of monitoring and reporting arrangements. The Committee also reviews updates to the Financial Control Framework as part of its oversight of financial governance.

Responsibility for identifying, assessing and managing financial and non-financial functional risks sits with designated risk owners across the business. These risks are monitored and mitigated through established processes, supported by the cross-functional Risk Working Group, which provides visibility of emerging or elevated risks. The Executive Committee retains ownership of principal risks, sets the risk appetite and oversees mitigating actions. Internal Audit provides regular updates to the Committee on insights arising from Executive Committee risk discussions and the activities of the Risk Working Group. During the year, the Board undertook a robust assessment of the Company’s principal and emerging risks and approving the risk appetite. For each principal risk, the Board also reviewed and confirmed the level of assurance required.

Within the wider Finance Controls Framework (FCF), both the Control Steering Group and the Fraud Risk Steering Committee assess the strength of the control environment and review fraud-related indicators. Internal Controls present periodic updates to the Committee, including outcomes of FCF testing and fraud risk management.

During the year, the Committee received updates on legal compliance and corporate reform readiness. The Committee also approved revisions to the treasury policy and tax strategy, and received a comprehensive review of employee relations within UK operations, including key themes and emerging risks.

Overall, the Committee is satisfied that the systems of risk management and internal control operated effectively throughout the year. The UK control environment remains robust, underpinned by clear accountability, strong governance and regular monitoring, with our overseas businesses progressively maturing.

 **Further details of the principal risks facing the Company** can be found on pages 66 to 71

Internal Audit

The Internal Audit function provides independent and objective assurance over the effectiveness of Whitbread’s risk management processes and internal controls established by management. Its work helps the Audit Committee and the Board evaluate whether core systems and processes remain robust as the business grows, supporting sound governance and sustainable long-term performance.

The Audit Committee discusses and approves the annual Internal Audit plan and receives regular reports and updates on audit progress, key findings, and status of management actions. To support the Committee’s assessment of Internal Audit’s independence, the Director of Internal Audit and Risk meets privately with the committee at least once a year.

Over the last 12 months, Internal Audit completed a broad programme of work across operational and people processes in both the UK and Germany, incorporating testing of associated financial controls.

Group-wide audits were delivered across the technology functions with a continued focus on cyber risk and the transition of programme activity into IT services. In addition, the function undertook programme assurance reviews across three of our strategic programmes: the implementation of the new HR & Payroll system, transformation of the supply chain and exploratory development

of the revenue management system. This coverage provided valuable insight on areas of complexity and change, contributing to strengthened oversight of key business risks.

Internal Audit operates a rolling 24-month plan, with the first 12 months of activity approved by the Committee in March for the year ahead. This approach provides flexibility to respond and re-prioritise audits as business priorities evolve. The plan is risk-based, aligned to Whitbread's principal risks, and determined by the Audit Universe. It reflects areas of major change, recurring themes from prior audit results, management views and external risk trends. Follow-up audits are undertaken where significant risks were identified to confirm that agreed actions have been implemented and are operating effectively.

The function continues to conform to professional standards through its Quality Assurance and Improvement Programme, and coordination with external audit ensures efficient coverage of key risk areas. The Committee monitors Internal Audit effectiveness throughout the year and, in 2025, reviewed and updated the Internal Audit Terms of Reference to reflect the latest Institute of Internal Auditors' Standards.

The Committee concluded that Internal Audit remains appropriately resourced, independent, and effective in providing assurance over key risks and internal controls. In 2026, the Committee will consider feedback gathered from stakeholders following the FY26 year end to inform its ongoing assessment. An External Quality Assessment is scheduled during 2026 in line with the five-year requirement of the Institute of Internal Auditors. The Committee will approve the scope, consider the findings and any recommended enhancements to ensure continued alignment with best practice.

External auditor

On behalf of the Board, the Committee oversees the relationship with the external auditor. Deloitte was appointed as the auditor of the Company in 2015 following a formal tender process. The Audit Committee recommended to the Board the reappointment of Deloitte for the financial year, and for this to be ratified at the upcoming annual general meeting.

The current lead audit partner is William Smith, who was appointed in 2025.

Audit effectiveness

The effectiveness of the external audit process is dependent on appropriate audit risk identification at the start of the audit cycle. We receive a detailed audit plan from Deloitte, identifying its assessment of these key risks. These risks were reviewed and they, together with the work done by the auditor, were used to challenge management's assumptions and estimates around these areas, as well as other areas reported upon. The effectiveness of the audit process was assessed in addressing these matters through the reporting we received from Deloitte at both the half year and year end. In addition, feedback was sought from the Committee, the Board and management on the effectiveness of the audit process and targeted and tailored questionnaires were completed.

In the October 2025 meeting, the Committee reviewed the FRC's Audit Quality Review results of Deloitte, assessing the quality of the results of the audit inspections and considering whether any specific observations impact upon Whitbread's external audit. The relevant areas identified involved audit work on Impairment, noting the need for specific focus on data, evaluation and challenge of key assumptions in cashflow forecasts.

An assessment of the effectiveness of Deloitte in respect of the previous financial year was undertaken in July 2025. Overall, the audit was considered to be effective and executed to a high standard with relevant and robust challenge together with working through significant judgemental areas and best practice governance. Improvements had been made in significant financial reporting matters, with earlier planning and identification of the key decision points delivering a more effective process in relation to impairment and the defined benefit pension scheme.

The focus for this financial year is to continue to improve the systems audit approach that reflects the maturity of the finance systems environment, and to deliver the minor improvements in the wider audit that build on the successes from previous years. A joint action plan has been agreed between Whitbread and Deloitte to address these areas.

As part of our review process for the financial year, the Committee will be assessing the work of the year-end audit after it is finalised, incorporating an external audit effectiveness review for this financial year which will be completed and reported to the Audit Committee.

Auditor independence

To safeguard the objectivity and independence of the external auditor, the Committee's terms of reference set out the policy in respect of provision of services by the external auditor. The Committee regularly reviews this policy for necessary changes in response to changes in related standards and regulatory requirements.

The policy defines permitted non-audit services that can be provided by the auditor, because of the knowledge and experience of the external auditor and/or

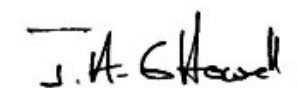
for reasons of confidentiality, meaning it can be more efficient or prudent to engage the external auditor rather than another party. This is particularly the case with audit-related assurance services that are closely connected to the audit function where the external auditor has the benefit of knowledge gained from work already performed as part of the audit.

For these specifically permitted audit-related assurance services, the Group can employ the external auditor without reference to the Audit Committee, subject to a specified fee limit of up to £250,000. Where these services are less than £250,000 they are approved by Group Finance.

For the services permitted in certain circumstances, agreement must be sought from the Chair of the Audit Committee, where fees are less than the limit specified, or with full Audit Committee approval where fees are anticipated to be greater than £250,000. A tender process would be held where appropriate.

Total non-audit fees amounted to £0.1m, as broken down below:

£0.1m for audit-related assurance (interim review); although this is considered to be a non-audit service, the objectives of the review are aligned with the audit.



Jonathan Howell
Chair, Audit Committee
29 April 2026

AUDIT COMMITTEE REPORT CONTINUED

Main activities during the year

In 2025/26, the Audit Committee's work covered internal controls, risk management, internal audit, external audit and financial reporting. The details of the matters discussed at Committee meetings are shown below.

March 2025

- Review of the year-end financial statements and reports template, accounting judgements methodology and early view on estimates and impairment approach.
- External audit – approval of remuneration, terms of engagement and non-audit fees.
- Approval of the Internal Audit plan.
- Risk and controls – financial controls update, approval of risk management policy and risk management framework and deep dive on cyber risks.
- Compliance report and TCFD.
- Committee evaluation report.
- UK Corporate Reform update.
- Sustainability reporting update – outcome from EU Omnibus and TCFD quantification.

April 2025

- 2024/25 Annual Report and Accounts including strategic report, governance and consolidated accounts.
- Approval of the impact of judgements and estimates.
- Review of going concern, viability statement and fair, balanced and understandable assessment; external evaluation of the Committee; review and approval of the AC terms of reference.
- External audit – year-end audit report and non-audit fees.
- Internal Audit – internal audit report and terms of reference.
- Risk and controls – review of statements on risk management and controls and litigation report.
- Compliance report (including subsidiary audit status) – whistleblowing update and TCFD report.
- Whistleblowing report and Whistleblowing policy.
- Externally facilitated Committee evaluation report.
- Approval of Audit Committee terms of reference.

July 2025

- Compliance – treasury policy.
- Internal audit report and external quality assessment action plan update.
- External audit – auditor effectiveness review and financial reporting update.
- Risk and controls – financial control framework update.
- UK corporate reform – material risks and controls.

October 2025

- Review of 2025/26 interim results – including management papers in relation to judgements and estimates, impairment and going concern.
- External audit – half-year report, interim letter of representation and preliminary audit plan.
- Risk and controls – financial controls update and UK Corporate Governance Code – key controls plan.
- Internal Audit – interim update including retail audit.
- Compliance – litigation report, compliance report, whistleblowing, employee relations in Whitbread UK operations and tax Strategy.

Main activities post-financial year

March 2026

- Review of year-end financial statements and report template – including accounting judgements and estimates methodology.
- External audit – audit update report, AQR output review, non-audit fees and UK Corporate Code update.
- Internal Audit – approval of plan and update on recent internal audits.
- Provision 29 dry run test results and FY27 timeline
- Risk and controls – approval of risk management policy and management framework and update on financial control framework.
- Compliance report.
- External Audit Committee effectiveness review.

April 2026

- 2025/26 Annual Report and Accounts including strategic report, governance and consolidated accounts.
- Review of Going Concern and Viability Assessment – including review of Downside scenario (severe but plausible scenario).
- Approval of the impact of updated judgements and estimates including approval of going concern assessment on behalf of the Board.
- External audit – year-end audit report and non-audit fees and approval of remuneration.
- Internal Audit – internal audit report and terms of reference.
- Risk and controls – review of statements on risk management and tax controls and litigation report.
- Compliance report – whistleblowing and TCFD update.



 Image: Premier Inn Margate