

Serco awarded landmark contract for UK Armed Forces Recruitment Service

Serco Group plc ("Serco" or the "Company")

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Serco, the international provider of critical government services, has been selected by the UK Ministry of Defence to deliver its next-generation recruitment solution for the Royal Navy, the British Army, the Royal Air Force and Strategic Command. The contract will see recruitment for the military brought together for the first time.

Serco's mission to bring together the right people, the right technology and the right partners has underpinned the development of the new Armed Forces Recruitment Service (AFRS) solution. It will place the candidate at the heart of the recruitment process, ensure the Armed Forces achieve the right number and quality of candidates to satisfy their requirements, while remaining agile and responsive to change.

The contract has an estimated value of £1.0bn over the initial seven-year term and up to £1.5bn should the Ministry of Defence elect to exercise all three one-year extension options beyond the initial term. A 21-month mobilisation period is expected to begin in April 2025 with most of the costs charged to profit as they are incurred. The new service is scheduled to commence in early 2027.

Serco will be the prime contractor and, in conjunction with a strong team of delivery partners, will provide an end-to-end service from candidate attraction through to assessment, enlistment and onboarding into initial training. The new recruitment service, including management of all Armed Forces Career Offices across the UK, will operate with a blended workforce that incorporates military service personnel. AFRS is underpinned by best-in-class integrated technology, designed to improve the overall candidate experience at the same time as modernising and speeding up the current recruitment process.

Mark Irwin, Serco Group Chief Executive, said: "It is a true privilege to be selected to partner with the UK Ministry of Defence in service of the nation's current and future Armed Forces. Serco has been working with the MOD for over 60 years, and we fully recognise the critical importance of recruiting and retaining the right number of well-trained personnel willing to serve and defend their country. Along with our partners, we have invested in the development of this solution since the procurement for AFRS was launched in 2021 and we are fully committed to ongoing collaboration with the MOD to ensure we adapt to current and emerging needs."

Anthony Kirby, UK & Europe Chief Executive, said: "This contract reflects our broader ability to support members of the Armed Forces on their career journey, from recruiting the right personnel, to providing assessments, medicals, and onboarding, leading into their military training. I am proud of the significant and strategic partnership we have with the MOD and look forward to building upon this as we enter this new service."

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About Serco

Serco brings together the right people, the right technology, and the right partners to create innovative solutions that make a positive impact and address some of the most urgent and complex challenges facing the modern world.

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With a primary focus on serving governments globally, Serco's services are powered by more than 50,000 people working across defence, space, migration, justice, healthcare, mobility, and customer services.

Serco's core capabilities include service design and advisory, resourcing, complex programme management, systems integration, case management, engineering and asset & facilities management.

Underpinned by Serco's unique operating model, Serco drives innovation and supports customers from service discovery through to delivery.

More information can be found at www.serco.com

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