

Annual Report 2022

A YEAR OF RESILIENCE,
STABLE PERFORMANCE
AND INTERNATIONAL
GROWTH.

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ABOUT MACE

**Mace is a global company
of world-class consultancy
and construction experts.**

01

OUR PURPOSE

To redefine the boundaries of ambition.

Global experts in shaping the built environment – leading the way to a more connected, resilient and sustainable world.

For over 32 years we have challenged ourselves to dream bigger, transform and innovate.

As the world around us changes and new challenges arise, we believe we have a greater responsibility than ever before to create opportunities for communities to thrive, and to do so sustainably.

Our purpose and three strategic priorities, guide us in leading the way to a more connected, resilient and sustainable world.

Every challenge is an opportunity to dream bigger and bring our ambitions to life - achieving more for every place, project and person we impact. As an employer, a supplier, a client and a collaborator, we equip and empower others to achieve more than they believe is possible.



One Za'abeel , Dubai

WHAT WE DO

At Mace, we see every challenge as an opportunity to dream bigger and bring our ambitions to life. We believe our only limits are the ones we give ourselves.

We were founded on a belief that the industry could be more efficient, innovative and responsible. Over the last 32 years, Mace has built a reputation and track record for delivering projects faster, more safely and to higher standards than ever before.

We connect expertise across the entire global built environment lifecycle to help our clients, people, communities and society achieve more than they believe possible.

Our breadth, scale and diversity of experience enable us to quickly and effectively respond to market needs and challenge the status-quo.

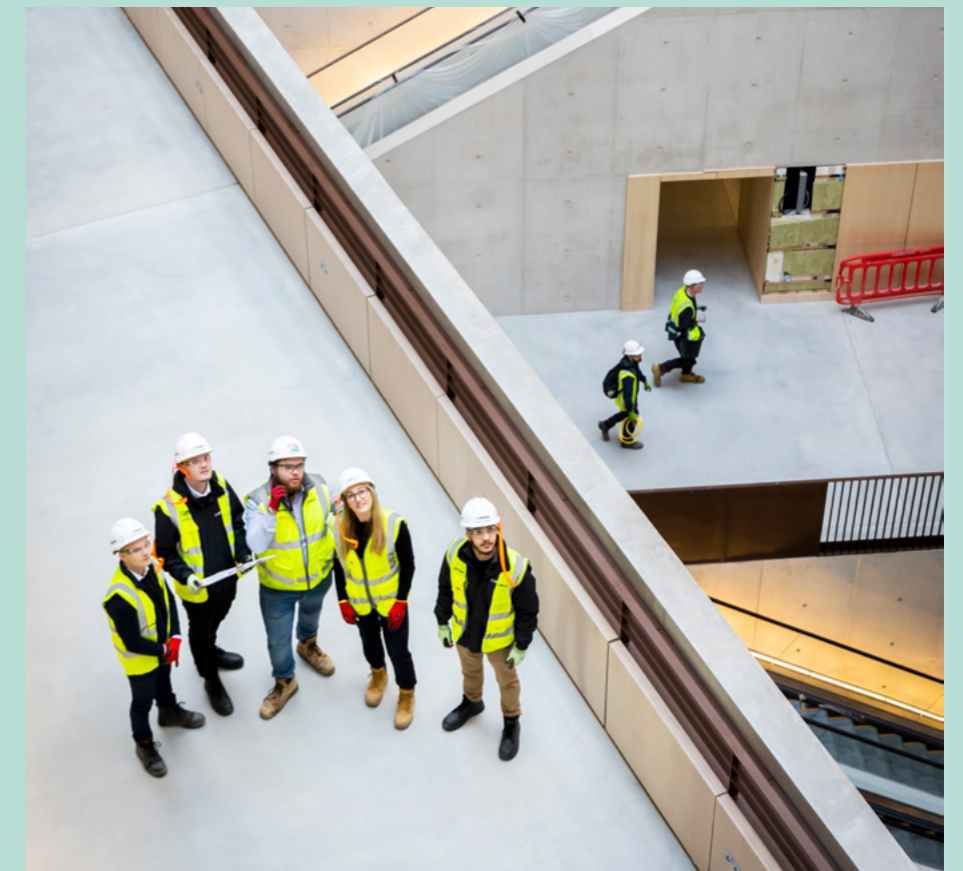
From Olympic parks and iconic skyscrapers to state-of-the-art data centres, schools, hospitals and homes, we recognise that now more than ever we must be bolder, braver and more resilient as we rise to new challenges and navigate through a rapidly changing world.

We operate across four global hubs in Europe, Middle East and Africa, the Americas and Asia Pacific.

The driving force behind our success is our people who, with their collective expertise, push us to think differently and to bravely lead the way.

Our culture respects equality, values diversity and encourages individuality – accepting and appreciating all views and beliefs and providing an environment in which ideas can come alive.

Together, we find a way to unleash the potential within every place, project and person – inspiring the stories that shape our lives and change our world. Because the ambitions we chase today will build the world we live in tomorrow.



Apprentices at UCL East, London

OUR ENGINES, MARKETS AND GLOBAL PRESENCE

Engines

Develop

Development

Consult

Programme, Project & Construction Management

PMO & Planning

Cost & Commercial

Business Advisory

Construct

Contracting

Construction management

Fit out

Specialist services

Operate

Facilities management consultancy

Helpdesk services

Managed services

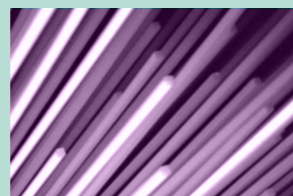
Markets



Cities and places

Corporate real estate
Commercial property
Education
Residential & regeneration
Justice & bluelight

Integrated resorts
Hotels & hospitality
Arts & culture
Global events
Sports
Retail



Mobility

Highways
Aviation
Rail
Ports



Defence & national security

Defence
Security & resilience
Space



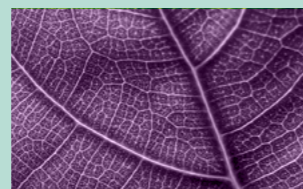
Technology & manufacturing

Industrial
Manufacturing
Data centres



Health & life sciences

Health & social care
Life sciences & pharmaceutical



Resilience

Energy (nuclear & renewables)
Utilities
Environment

Global presence

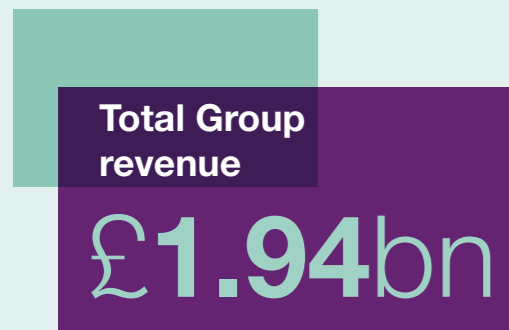


REFLECTING ON 2022

**The year of resilience,
steady performance and
international growth.**

02

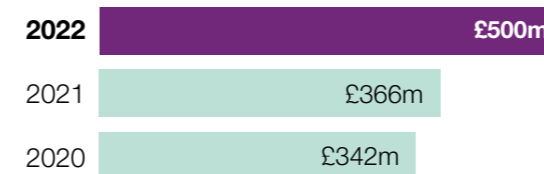
2022 AT A GLANCE



Consult

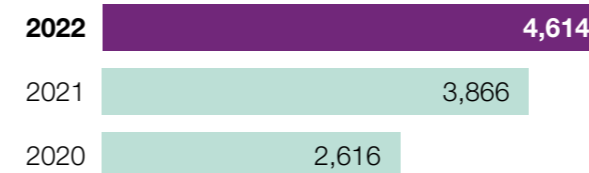
Consultancy revenue

£500m



Consultancy headcount

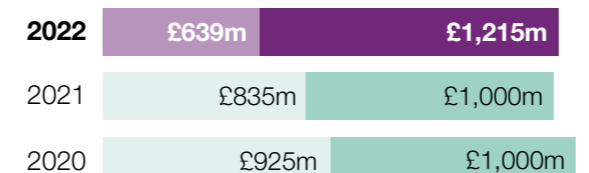
4,614



Develop

Gross Development Value under management (£m)

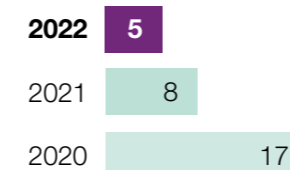
£1,854m



Mace GDV Under Management Client GDV Under Management

Development headcount

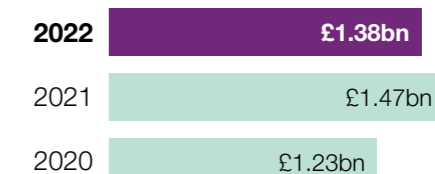
5



Construct

Construction revenue

£1.38bn



Construction headcount

1,531



Operate

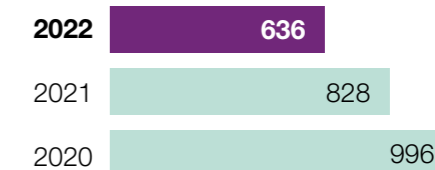
Operate revenue

£90m



Operate headcount

636



MACE GROUP EXECUTIVE BOARD



Mace Group's Executive Board is collectively responsible for leading our business strategy and ensuring we remain resilient, responsible and effective.

As a large privately owned company, we use the Wates Corporate Governance Principles for Large Private Companies as our framework to ensure that we are managing the business in the right way.

We continue to embed the principles in our operations and governance framework. This is reflected in our full Annual Report and Accounts, where we have disclosed our corporate governance arrangements.

Mark Reynolds
Group Chairman and Chief Executive

Mark Holmes
Deputy Chairman

David Allen
Chief Financial Officer
(appointed January 2023)

Jason Millett
CEO for Consultancy

Davendra Dabasia
COO for Consultancy
(appointed January 2023)

Gareth Lewis
CEO for Construction

Andrew Jackson
COO for Construction

Mandy Willis
Group Director for
Corporate Strategy

Stephen Jeffery
Chief Technical Officer

Michelle Barkess
Chief Information Officer

Amanda Baldwin
Chief People Officer

Lee Penlington
Group Commercial Director

GROUP CHAIRMAN AND CEO STATEMENT

2022 was the first full year of us delivering our 2026 business strategy. Set up to deliver against our ambitious global growth targets, we accelerated forward with a clear purpose, drive and determination that cut through the economic challenges that the industry experienced.

Having been developed shortly after the Covid-19 pandemic lockdown, our strategy was deliberately set up to embrace change and allow for flexibility in volatile markets. Despite the market uncertainties associated with increasing energy costs; rises in interest rates; and, in part due to the war in Ukraine, fluctuating material prices, our agility and resilience saw us achieve exceptional underlying performance – maintaining steady revenue (£1.94bn) while recording operating profit before exceptional items of £45.4m. The Group's profit before tax of £36.5m was achieved despite £13m exceptional impairment of a loan to a development joint venture.

Success largely came from the growth of our consultancy business and the realisation of a number of improvements to productivity and cost efficiency across our construction projects.

Our Consult engine outperformed expectations

considerably, increasing revenue by 36% to £500m (2021: £366m) and securing some significant programme wins, including the delivery of new transport infrastructure in Ontario, Canada, the regeneration of Ellinikon Airport in Athens, and a number of mega-projects in Saudi Arabia.

Our infrastructure teams had a particularly successful year, with the energy, transport, defence and aviation sectors all growing considerably. Mace was appointed to deliver the next phase of expansion at Manchester Airport. We secured work with Rolls Royce on the development of small modular reactors (the next generation of nuclear power), our contract to deliver reconstruction and resilience in Peru was extended, and we won our first role to deliver a data centre in the Philippines.



Mark Reynolds
Group Chairman and CEO

A year of resilience, stable performance and international growth



Toronto's Metrolinx Go Expansion programme

Our Construct engine navigated some significant challenges in 2022, such as inflation. To mitigate the risks of material shortages delaying project delivery, we strengthened the monitoring system we developed during Covid-19, to allow us to respond quickly to material availability and supply chain issues.

Despite a number of projects being delayed, the Engine secured more than £2.1bn of new projects in 2022, winning 54 bids in 52 weeks, and contributing 71% (£1.4bn) of the Group's revenue.

This success came from the commercial offices sector, a number of new retrofit and sustainability-led projects, data centres, and the fit-out and life sciences sectors – the latter being a new target market for the Engine.

Work continued at Heathrow with several infrastructure projects, and we were particularly proud of our work at Harwell Science and Innovation Campus where we delivered three cutting-edge research facilities.



AstraZeneca's new global HQ, Cambridge

During 2022, the Mace team achieved the practical completion of Battersea Power Station, one of the most complex and challenging construction projects in Europe; the delivery of a number of important construction milestones at Paddington Square, an iconic Renzo Piano designed building for Sellar in West London and progressing to the final stages of the construction of AstraZeneca's new global HQ in Cambridge.

Business priorities

Pursue a sustainable world

Our drive to accelerate the built environment's response to the climate emergency continued in 2022.

For the third year in a row, we were a carbon neutral business, having further reduced our carbon emissions and offset the remaining via Gold Standard offsets.

However, we know that to make a significant difference we need to focus on what we can achieve through our scope of influence. Having set a target to save 1m tonnes of our clients' carbon by 2026, we secured a pipeline of savings in 2022 that will exceed that target. It's incredibly encouraging to see the industry finally coming together to accept responsibility and make change happen. Wherever we can lead and impact further change, we will do so.



The work of our teams over the last few years, meant that in 2022 Mace became one of the first built environment businesses in the UK to obtain ESG-linked finance facilities.

Grow together

Mace continued to invest in its most important asset: our people. As a business that has grown considerably over the last 32 years, and has ambitious plans to expand further, we are investing heavily to ensure that we have the right systems and processes in place to support our people.

Recruitment remains a key focus, particularly in those parts of the world where we have seen significant growth in 2022. We have also increased the number of graduates and apprentices we employ and continue to pursue reductions in our gender pay gap in the UK.

Employee engagement survey scores remained high, scoring 84% in 2022. We remain confident that our Engine plans and actions to invest in and develop our people will enable us to continue the improvement path towards our new targets for 2026.

We also saw our strongest health and safety performance on record, reporting a 0.03 AFR; helping to meet our goal that everyone who works for Mace or on our sites can go home safe and well, every day.

Deliver distinctive value

As an entrepreneurial business we instinctively employ innovators – people who are driven to go the extra mile and take ownership for developing new solutions that deliver better outcomes. To build on a culture that encourages creativity at every level, we launched an Innovation Fund that allocates financial support to reward new ideas and approaches.

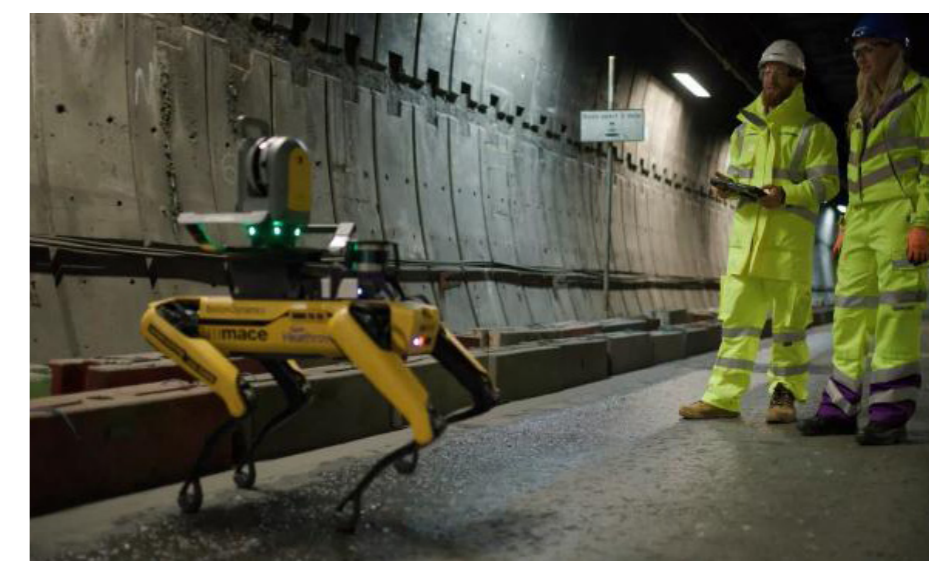
Further investment in innovation came in the shape of new technology that enables us to drive productivity improvements, create new service offerings for clients and enable safer working. 'Dave the Dog' (a robot designed to test the next generation of construction delivery) was recruited for our Heathrow projects and expenditure on research and development amounted to £57m (2021: £48m).

Looking to the future

2023 looks set to be another record year. With our pipeline for 2023 77% secured by the end of 2022 (2021: 71%), there are clear opportunities for growth in both the UK and international markets.

As we move into the final phase of our business strategy, we are confident that we have the resilience, agility and discipline to maximise the opportunities that will see us become a £3bn revenue business, employing more than 9,000 people across the world by 2026.

Thank you to our teams around the world for their continued commitment to Mace's growth and development, and for their dedication to realising our clients' ambitions. And thank you to everyone who supported and worked with us in 2022 – for your confidence in our drive to do things differently and your partnership in aligning to our purpose and values. We look forward to collaborating and growing together with you in the future.



Dave the Dog at Heathrow

OUR PRIORITIES

**Living out our purpose through
three strategic priorities.**

03

OUR PRIORITIES: PURSUE A SUSTAINABLE WORLD

Accelerate the built environment's response to the climate emergency.

2022 marked a major milestone in both our business and ESG strategies. Having committed to saving 1m tonnes of carbon for our clients by 2026, by the end of the year we had successfully secured a pipeline of savings that will see us exceed the target.

Far from being satisfied with this achievement, we immediately upped our target to 10m tonnes. It is undoubtedly an enormous challenge and will require a renewed fervour for developing and implementing innovative solutions, however, we believe we have a responsibility to forge ahead with ambitions that will deliver even better outcomes for our clients across the globe.

Elsewhere, 2022 saw us create more biodiversity gain than ever before and we reduced our carbon emissions from 12,276 tonnes in 2021 to 11,430 tonnes – offsetting the remainder through Gold



Creation of new bog pool habitats

Standard offsets and achieving Carbon Neutral status for the third year running.

Sharing knowledge

We know that meaningful action will come from holding ourselves to account for the ambitions we set and working in partnership with others to expedite action.

In 2022, we became a founding member of ConcreteZero, affirming our commitment to delivering low carbon concrete. We also stamped our presence on the world of green finance, becoming the first UK-based contractor to secure green credit facilities and backed by UK Export Finance. Our work in challenging and supporting our supply partners on sustainability was recognised by our ranking in CDP's top class for supply engagement.

Maintaining our belief that we are all in the fight against climate change together, we developed a microsite to share case studies and performance data of our journey, hosted an event for over 400 clients and external stakeholders, and for the third year running, published our annual 2022 carbon survey which presented the findings of how the wider industry is responding to climate change.

Upskilling our people remained a significant part of our carbon reduction strategy. Through a series of masterclasses delivered by our responsible

business leaders, individuals and teams from across the globe attended events and training on subjects from diesel-free construction, to achieving net zero in existing portfolios, and delivering biodiversity.

Leading through action

By focusing on both embodied and operational carbon and employing solutions such as migration from diesel generators, modern construction methods and lower/zero carbon materials, we were able to secure a total pipeline of carbon savings of 1.14m tonnes by year end.

Trials and action came in the shape of the largest ever UK pour of carbon reducing concrete at Euston's HS2 site, delivering our first-ever diesel-free construction project at 78 St James Street and introducing a ban on diesel generators for all of our construction projects.

Biodiversity commanded the attention it deserved in 2022, as we worked towards our target of creating 500 hectares of net gain. Without significant land holdings of our own, we entered into partnerships with Lancashire Wildlife Trust and Greater Manchester's moss lands and delivered 54.3 hectares in the year.

Meeting adversity with ingenuity

With many successes, there were of course major challenges. We fell short of our annual carbon reduction target of 10%, delivering a total reduction of 7%. This performance varied considerably across Scope 1, 2 and 3.

Our Scope 3 emissions were impacted by the realities of growing as a global business, with additional expenditure in business travel and facilities management marking a clear shift from the predominant home-working approach that was adopted during the pandemic.

In response to these setbacks, we took steps such as the launch of an EV car scheme to incentivise more sustainable travel. Our investment in the growing data centre sector necessitated additional water usage for commissioning and cooling. Our data centre project in Odense, Denmark uses the heat generated to provide energy to over 10,000 homes. When facing substantial obstacles and the realities of modern infrastructure, we strive to bring innovative thinking to help maintain progress towards our targets.

Next steps

Our increasingly circular approach to the built environment has allowed us to make important steps in 2022. Tracking and reducing the emissions throughout the lifecycle of raw materials and buildings is key to future carbon reductions. Central to this approach will be collecting more sophisticated data from construction projects that allow us to optimise and tailor our carbon strategy. We will also continue to invest in low carbon alternatives to essential materials, emphasised by our target of using 50% low carbon concrete by 2030.

2026 target

1m tonnes of client carbon reduced

Performance in 2022

11,430^{tn}

2026 target

10% corporate carbon reduced each year

Performance in 2022

7%
reduction

2026 target

500 hectares of biodiversity

Performance in 2022

54.3^{ha}
gain

OUR PRIORITIES: GROW TOGETHER

Engage, develop and inspire our people, clients, partners and communities.

As a rapidly growing global business with ambitious plans for the future, we are evolving our ways of working so that our people can build careers that exceed their own expectations, are supported to perform to their best, and feel a clear sense of purpose and empowerment in whatever role they hold.

Our people are our business. The way they think, the way they challenge themselves, and their commitment to our clients and each other, is what has made Mace the business it is today and is what will ensure we meet our ambitious targets in the future.

Our focus for 2022 has been on evolving both the culture of the business and the support we give through development and tools to set our people up for success in a business of significant size and geographical reach.

Creating a culture aligned to our purpose

In 2022 we grew to 7,271 people – a major milestone for our business; and for the first time more than half of our Consult colleagues were based outside the UK.

To ensure that we take the best from the culture that has guided us and led to such success over the last 32 years, and because being a purpose-led business means acting differently, we launched a new set of behaviours in July that underpin our values.

Through behavioural sessions and a toolbox of collateral, the behaviours are being used to support appraisals, career development plans and recruitment selection, and are paving the way for a strong future.

Improving inclusivity

Our culture is also being supported by the fantastic work of our ESG group networks (Women at Mace, Pride at Mace, Parents at Mace, Ethnic Diversity and Inclusion, Enabled at Mace and Mace Military). All run by Mace people, they have had a tremendous impact in 2022 on Mace becoming more diverse and acting more inclusively.

With an ambition to be the most inclusive built environment employer by 2026, we moved closer as the first build environment company to adopt the Sunflower scheme, which supports people with hidden disabilities, and we rose more than 100 places in Stonewall's annual workplace equality index to 37th place - becoming recognised as the first contractor in the Top 100 and the second highest in our industry.



2022 Pride month installation at our London HQ

In its broadest sense, inclusion helps to attract talent from all backgrounds and in doing so enables Mace and the industry to draw from the richness of our differences. In early July, we welcomed 53 undergraduates to our programmes. It is the most diverse group of undergraduates to be welcomed into Mace yet – in part due to our support of the #10,000 Black Interns programme.

We continued to invest in talent and increased the number of graduates and apprentices by 197 in 2022 (63% increase on 2021) which in total made up 5.3% of our workforce. 169 colleagues also began apprenticeships for further professional development. Two of our school leaver apprentices were recognised by winning Construction Apprentice of the Year at the Multicultural Awards and Rising Star of the Year in the South West at the National Apprenticeship Awards. We also ranked 9th in the top 100 RateMyApprenticeship apprentice employer table.

In September, Mace Inclusion Week explored what it means to bring your whole self to work, with some powerful contributions from our colleagues. This focus continued in October with Work Life Week and Black History Month.

We also signed the Chartered Institute of Building's (CIOB) Diversity and Inclusion Charter, committing to improve inclusion across the built environment. And we were awarded Clear Assured Silver Standard - an accreditation for demonstrating that diversity and inclusion are reflected across all policies and processes.

We are proud of our commitment to continuously improve and create an inclusive experience for all employees, embedded not only in the day-to-day ways we work but owned at a strategic level, with long term objectives and meaningful measurement.

Transformation

During the year we launched a Global Opportunities Portal to encourage Mace people to discover their next adventure, and advance our programmes for 'future leaders'. Whether in a new area of the business or in a different country we are making opportunities more visible and accessible to our people.

And in October, we launched a virtual assistant as part of MyHR – a management tool to simplify the way Mace people access help and information related to our HR services.

Supporting our people

With new working patterns continuing to settle down in the aftermath of Covid-19, we formalised our agile working policy in the UK. Although many of our colleagues had been working in this way for some time, this new approach enabled colleagues, depending on their role, to have greater choice about where they work, all in aid of a healthier work-life balance and improved business performance.

Due to global macro economic issues and the unprecedented increases in inflation in the UK, we made a decision to support the lowest paid third of our UK colleagues with a salary increase. A similar intervention has subsequently been made in key locations with similar challenges across the world.

2026 target

10% reduction in gender pay gap each year

Performance in 2022

11.2%*

(2021/2022 gender pay gap 27.7%)

*data aligned to financial year 2021/22

2026 target

85% colleague engagement score

Performance in 2022

84%

colleague engagement

2026 target

0.04 accident frequency rate

Performance in 2022

0.03

accident frequency rate

Performance in 2022

0.12

Lost time frequency rate

2026 target

£700m value to society

Performance in 2022

£682m

Health and safety

Building on the 2021 foundation of embedding practices and tools to manage our risks and behaviours, simplifying our processes, and implementing intelligent data solutions; our consistent culture of health, safety and wellbeing excellence produced exceptional results in 2022.

Our pro-active approach to seeking out risks, sharing learning and campaigning for safer behaviours resulted in a reduction of reportable incidents from 25 in 2021 to eight. As a result we reduced our lost time frequency (LTIFR) rate to a record 0.12 (from 0.20 in 2021), and our RIDDOR reportable accident frequency rate (AFR) significantly improved from 0.06 to 0.03, beating our 2026 strategic targets.

For the second year running we held an electrical safety awareness week, attended by site teams, clients and contractors, further entrenching our Mace value of Safety first – going home safe and well.

Our continued commitment and performance were recognised externally with 11 awards at the 2022 Royal Society for the Prevention of Accidents (RoSPA) annual ceremony, including

eight Gold awards and three President awards.

During 2022 we maintained our focus on the wellbeing of our people across the globe by creating safe places to talk and listen on the topics of mental health and physical wellbeing, and by marking events such as Mental Health Awareness Week and Time to Talk Day.

Following two very challenging years, our attention was on the rest and recovery of our people and introducing a tailored programme to support them in protecting their immediate and long-term health and wellbeing while still being productive.

In the last five years, we have improved from 3.50 to 4.25 Good Days at Work. As a result, a record 74% of Mace people said they would feel comfortable revealing a mental health condition at work and 46% reported higher psychological health scores.

The happiness of our people remains paramount and we were delighted that our employee engagement score reached 84% and remains on track to reach 85% by 2026.



Mace Foundation

In 2022, the Mace Foundation (UK registered charity: 1150134) celebrated 10 years of giving back. In that time Mace people have donated over £7.7million to hundreds of charities all around the world. This equates to £45m worth of social value.

Together, the Foundation and Mace colleagues donated £780k, giving back globally to hundreds of communities, via the Foundation’s charity partnerships, match funding programme and one-off donations.

£164k was donated to the Foundation’s charity partner Dubai Cares, Mind and St Mungo’s. The funding made a real difference by:

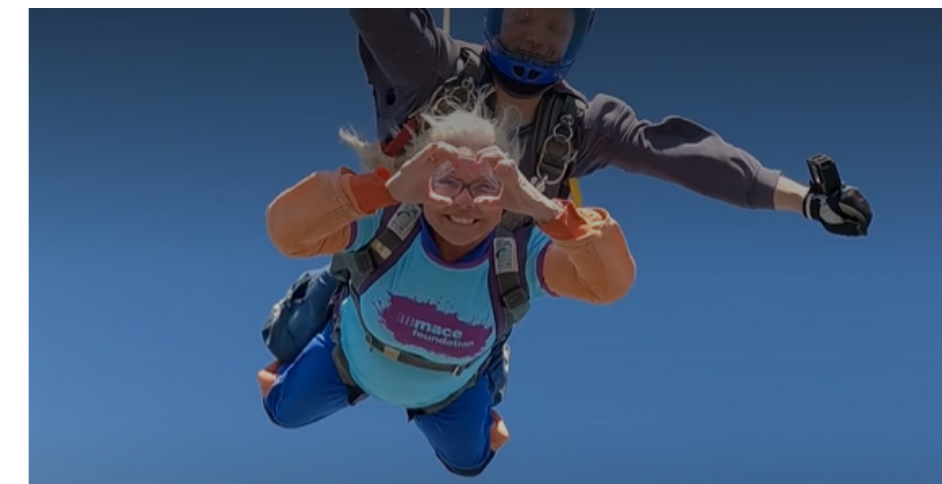
- Leaving a legacy in Nepal by funding the construction and operation of a three-classroom primary school;
- Supporting thousands of people struggling with their mental health by funding Mind’s Information Services;
- Helping 558 people leave the streets into secure accommodation and 44 people reconnect with friends or family for housing across the UK and internationally; and
- Supporting 82 people in their recovery from homelessness through St Mungo’s construction skills education and employment programme.

The Foundation’s match funding programme remains the centrepiece of its work and allows Mace people to increase

funds they are raising for a charity close to their hearts or in their communities. £413k was raised for 113 charities via this programme. Over the last 10 years, the Foundation has donated more than £1m into this programme supporting thousands of Mace people.

The Mace Foundation was able to help more communities thrive by making donations to LandAid’s Ukraine Small Grants Scheme, Trussell Trust, Feeding America, Foodbank Australia, Akshaya Patra in India, SOS Children’s Village in Vietnam, Friends of Dagoretti in Kenya and Ekukhanyeni and Frida Hartley Shelter in South Africa. Over the course of the year these donations were able to:

- Support charities and community groups providing essential support to Ukrainian refugees who fled their home country due to horrific circumstances. This included welfare advice and support, homelessness prevention, integration activities for families and children, English language classes and employability support;
- Develop a set of user-focused interventions to encourage healthy relationships and increase students’ wellbeing focused on the prevention of gender-based violence in schools across Peru; and
- Help feed thousands of families around the world who have been impacted by inflation and the increasing cost-of-living.



£7.7m

Donated by the Mace Foundation and Mace people between 2012 and 2022.

OUR PRIORITIES: DELIVER DISTINCTIVE VALUE

Service excellence, innovation and industry transformation.

Mace has long been built on the foundation of finding a better way – one that is safer, more efficient and creates more value for our clients, partners and communities.

In 2022, we published our new innovation strategy, setting out how Mace would continue to invest and develop new technologies and approaches to transform our industry.

We also saw the arrival of the Building Safety Act, the most significant piece of legislation affecting our industry in a generation. The Act will provide our sector with the opportunity to create a safer, more productive, and digitally-driven industry.

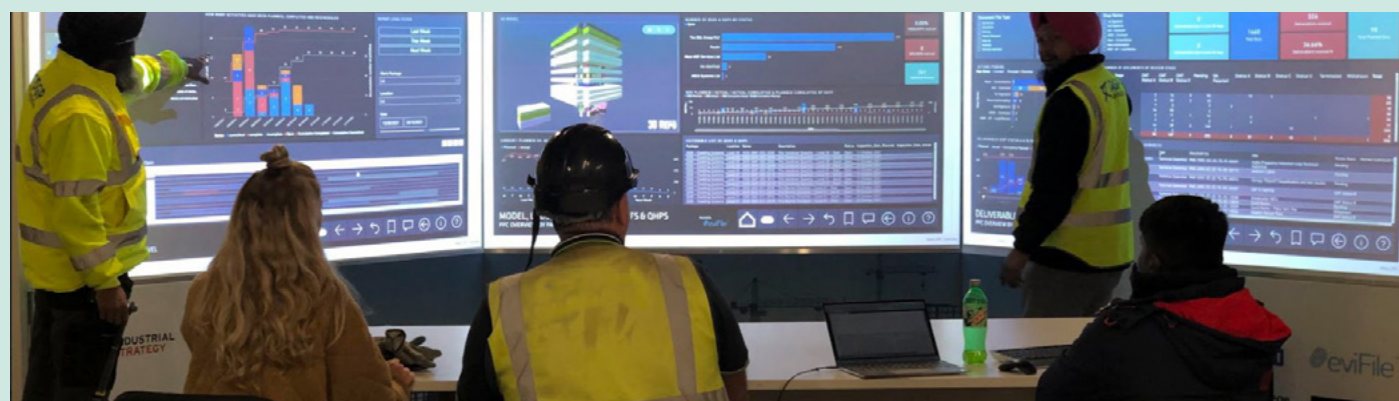
Construction to production (C2P)

C2P is one of our key innovations, helping us to deliver buildings faster, smarter and greener and maximising offsite delivery methods through the latest technologies and the adoption of modern methods of construction.

Over 2022, we developed a digital product library to capture best-in-class C2P applications across the business and equip our people with the tools to enable them to evaluate and apply the best build strategy and C2P Plan on every bid at tender stage.

We continued to advance technical innovations across our projects. 2022 saw us develop and test our patented low carbon cassettes, securing their 2023 installation on two projects - a commercial office midrise building at Palmerston Court and a one-off virtual control tower at Heathrow Airport. The cassettes eliminate the need for metal decking, reducing carbon emissions by 55%, and reducing the programme duration by 40%.

Harnessing C2P methods at 40 Leadenhall Street, we started the installation of more than 1,407 offsite manufactured MEP sub assemblies and at Heathrow we commenced the installation of more than 720 MEP modules within the Cargo



Digital command centre

Tunnel, increasing productivity by 197% and 98% respectfully. We are now establishing a full 'kit of parts' approach to ensure we continue to move our construction solutions forward.

Net zero carbon

In 2022, 78 St James's Street, London became our first diesel-free full-scale project. We now require all new Mace sites under contractual obligation to use regulated HVO products instead of diesel and banned diesel generators across the business.

In July 2022, we partnered with Persefoni, a leading Climate Management & Accounting Platform to offer a more efficient and transparent solution to help manage carbon reduction in the construction and operation of buildings.

Collaboration continued to be crucial as we reduced the embodied carbon in the materials on which our industry relies.

We entered into a partnership with manufacturer Saint Gobain to use a new form of glass, which has 40% less carbon than standard. And we continued to work with Hydro Building Systems to save 1,271 tonnes of embodied carbon across the year, through the use of recycled, low carbon aluminium.

Digital and data

The second iteration of our Innovation Strategy has been a springboard to accelerate the speed and grow the scale of progress across all of our Engines – from our work at the Forge, winner of Digital Construction Project of the Year and Digital Innovation in Offsite Construction, to the development

of digital command centres and the world of robotics.

With a typical construction project comprising more than a hundred procured packages of work, each collecting and reporting similar data in different places, Mace and a consortium of private sector SMEs and academic institutions secured funding from Innovate UK to explore and develop 'The AEC Production Control Room'. Using a standardised data model, automated software integrations and a centralised data cloud, the control room enables faster and better-informed decision making.

In the world of robotics, 2022 saw our trial of 'Dave the Dog', a robot equipped to provide 3D laser scans, during the refurbishment of a 1960's cargo tunnel at Heathrow. The dog reduces the setting out time by at least 50% and removes the risk of human error by working directly from the BIM model.

Industry transformation wouldn't be possible without investment. In 2022 we increased our R&D investment to 3% of turnover (up from 2.5% in 2021) and launched a new fund for aspiring innovators, designers and problem solvers across Mace. The first round received 100 applications, 20 of which have been given the go-ahead.

2026 target

85% client satisfaction score

Performance in 2022

86%

client satisfaction score

2026 target

90 good days at work

Performance in 2022

85

good days at work

2026 target

3.5% R&D Investment

Performance in 2022

3%

R&D Investment

OUR ENGINES

**Together, we find a way
to unleash the potential
within every place, project
and person.**

04

OUR ENGINES: CONSULT

2022 was another strong year for the Consult business.

Over the last three years the business has achieved significant and continuous growth. 2022 was no exception. Consult reported revenue of £500m and £37.4m profit before corporate recharges in 2022 (a 36% increase on 2021) – and a 22% increase in headcount.

Through significant multi-year programmes and projects, further diversification of the business, and broadening our geographical footprint outside of the UK, we have continued to build

our global capability and resilience in line with our 2026 Business Strategy.

In 2022, 42% of our income came from work outside of the UK. We have secured strong earnings through significant programme wins in the Kingdom of Saudi Arabia, Canada, Latin America and in new Asia Pacific markets, where we are providing an innovative delivery model to our clients.



Reconstruction with Changes programme, Peru

Having operated across the Middle East for more than 20 years, our presence in KSA expanded significantly in 2022. We were appointed on several mega-programmes, on which we are working directly with the government and quasi-government bodies to help create the cities of the future.

In Canada, we were awarded the Delivery Partner contract for the largest transit infrastructure programme in Canadian history to support Metrolinx's GO Expansion program. In Lima we were appointed to deliver a new Infrastructure Improvement Plan, building on our efforts to deliver positive social outcomes for communities across the region.

Having previously formed a partnership with the leading Southeast Asian project management provider, Tenman project management (Tpm) in 2021, we began rapidly expanding our footprint in the Asia Pacific region and were awarded a contract to support the delivery of the first hyperscaler in the Philippines - significant growth in the data centres sector.

In the UK we continued to build on our track record with the defence sector, providing critical management services to shape some of the country's most important defence projects and programmes. Paragon, a joint arrangement led by Mace and Turner & Townsend, secured a three-year contract extension on existing work as the Commercial Delivery Partner for



Five Wells Prison, Wellingborough

Ministry of Defence's Defence Equipment & Support (DE&S).

Our work with the Ministry of Justice (MoJ) saw us complete the HMP Five Wells prison and support their programme to create 18,000 new prison places across England, including new buildings, expansions, and refurbishments. Using a Design for Manufacturing and Assembly approach, we implemented offsite manufacturing on the project. The digital standards set for the programmes are considered internationally ground-breaking, putting the UK and the MoJ at the very forefront of transforming construction projects.

In June we celebrated 10 years since the London 2012 Olympics at the Queen Elizabeth Olympic Park. We worked with clients and partners to recognise the legacy, that has been delivered and the impact that has shaped our people and our business. We also saw the completion of

the landmark Commonwealth Games and extended commissions on government frameworks, including with the Department of Work and Pensions.

Within our UK transport sector, we secured a five-year contract to deliver commercial services on two of National Highways' major projects through its Complex Infrastructure Programme. Acting as agile partners for National Highways, our aim is to create better outcomes for our clients and other stakeholders in these significant projects.

Our focus for 2023 is to continue accelerated growth across our four global hubs by leveraging international best practice, adopting a holistic, market-driven approach covering a broad range of sectors and continuing to invest in building and nurturing high performing teams to drive exceptional outcomes for clients, colleagues and communities in which we work.

OUR ENGINES: CONSTRUCT

2022 was a good year for our Construct business despite the economic challenges that impacted the whole industry.

Having begun the year with 73% of the business' budgeted turnover secured, we achieved growth in several sectors, including offices, life sciences and data centres, and progressed a number of complex buildings that achieved ambitious sustainability goals for our clients.

Construct revenues were £1.4bn in 2022 (71% of Mace Group's turnover) and £81.9m profit before corporate recharges. Due to high inflation and economic uncertainty, this was below our 2021 turnover of £1.5bn. Several projects, scheduled to start in 2022, were delayed to allow for the market to settle.

The most significant milestone in 2022 was the practical completion of Phase 2 of the Battersea Power Station redevelopment. This is one of the largest and most complex projects that Mace has ever completed. Over a five-year period, we transformed the Grade II* Listed power station, which was decommissioned 40 years ago, restoring it to the highest modern standards.



Battersea Power Station, London

Shard Place and The Forge, both progressed under construction management contracts, and as confidence grew in people returning to the workplace, our Offices division completed several major developments, including Warwick Court, the JJ Mack Building (Charterhouse Street), 78 St James St and 50 Finsbury Square. Our interiors business also achieved significant growth, moving back into the top three fit-out contractors in London by taking on several ambitious projects for blue-chip clients, winning our biggest fit-out job (Peterborough Court) in more than 10 years and placing a renewed focus on retrofit.

The aviation sector continued to rebound during the year and we worked on several major infrastructure improvement projects at Heathrow, including the Cargo Tunnel. Mace also successfully secured a place in



The Forge, London

three major lots on Heathrow's H7 Framework, which will help to ensure a strong five-year pipeline of work.

Our Technology & Manufacturing business continued to progress several data centres in Ireland, the Netherlands and London. We also expanded the reach of this business unit by winning our first bid in the semiconductor market.

Our Life Sciences and Public Sector business went from strength to strength in 2022. We were appointed to work with L&G Begbroke Science Park in Oxford and with Precis Advisory at Belgrove House in Kings Cross, and we made significant progress at the UCL East campus in Stratford, and the National Satellite Testing Facility at Harwell, Oxfordshire.

We go into 2023 as number one contractor in London in the industry league tables, and with a strong pipeline of work, we will continue to evolve our construction to production offer and invest time and money in finding ways to create low-carbon buildings through low-carbon construction processes.



Extreme Photonics Application Centre (EPAC), Harwell

OUR ENGINES: DEVELOP

2022 proved to be a challenging year for Develop, with interest rates rising and some segments of the real estate market slowing down.

Despite this, our various schemes progressed. SG1 (our town centre regeneration in partnership with Stevenage Borough Council) completed the first phase of demolition. In South London we achieved the final sales of the 686 residential properties at our Greenwich Square development.

In Oxford, our mixed-use development, in which Mace holds a 50% JV interest in, moved into the final stages, with several parts of the mixed-use scheme completing.

Phase 2 of that project, which will include residential and retail units was forward funded in September 2022 and is now under construction.

We now plan to focus on driving our development management offer through our consultancy business through both our consultancy business and effective partnerships with local authorities.



Botley town development, Hampshire

OUR ENGINES: OPERATE

Collaboration, connection and culture.

With hybrid working patterns firmly established in 2022, the need for people-focused, activity based office design intensified and became a key focus for corporate real estate leaders.

In the context of this 'new normal', the workplace took on greater significance as businesses strived to attract and retain the best talent and offer more versatile venues for high performance working and collaboration.

In response, our Operate engine continued to evolve its offer – securing a significant number of contract renewals and extensions

across the Americas, MEA, APAC and the UK and Europe. However, despite the market beginning to settle down, the fallout from Covid-19 continued to impact our facilities management business, with revenue falling to £90m (2021: £110m).

For 2022, Mace Operate engine became one of a select few facilities management service providers to be awarded the RoSPA President's Award, which recognises ten years of gold standard health, safety and wellbeing performance.

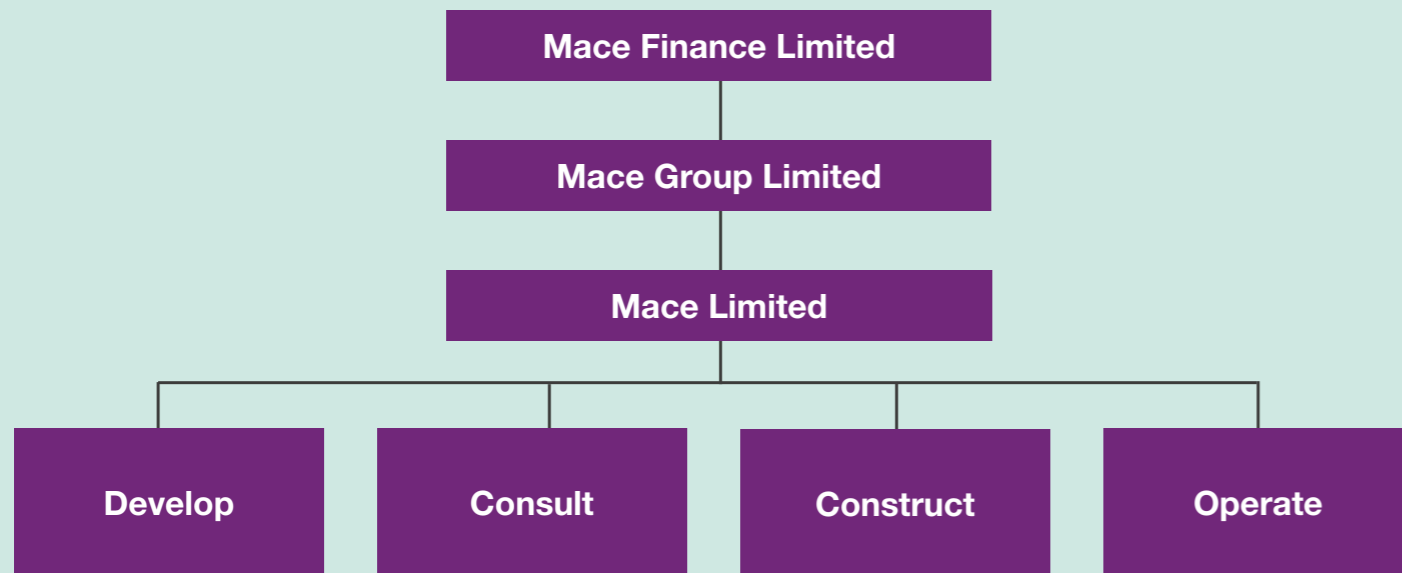


RoSPA President's Award

FINANCIAL OVERVIEW

05

OUR REPORTING STRUCTURE



MACE FINANCE LIMITED

EXTRACT OF THE CONSOLIDATED ACCOUNTS

MACE FINANCE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 DECEMBER 2022

	2022 £000s	2021 £000s
Group revenue	1,936,488	1,933,017
Cost of sales	(1,718,568)	(1,733,335)
Gross profit	217,920	199,682
Administrative expenses	(174,452)	(156,983)
Other Income	1,045	3,892
Fair value on financial assets measured at FVPL (inc. derivatives)	856	(2,052)
Operating profit before exceptional items	45,369	44,539
Exceptional – impairment loss on loan to joint venture	(13,009)	(9,983)
Exceptional – software expenses	-	(2,544)
Operating profit before exceptional items	32,360	32,012
Share of profit of associates and joint ventures	2,625	2,999
Profit on disposal of subsidiaries	649	6,070
Profit before interest	35,634	41,081
Finance income	5,574	5,102
Finance costs	(4,747)	(7,911)
Profit before taxation	36,461	38,272
Income tax expense	(14,220)	(7,604)
Profit from continuing operations	22,241	30,668
Profit for the year attributable to:		
Owners of the parent	22,520	30,359
Non-controlling interest	(279)	309
	22,241	30,668
Other comprehensive income		
<i>Items that will or may be classified to profit and loss:</i>		
Exchange differences on re-translation of foreign subsidiaries	5,227	(2,311)
Remeasurement of defined benefit obligation	901	(91)
Total comprehensive income for the year	28,369	28,266
Total comprehensive income for the year attributable to:		
Owners of the parent	28,515	27,957
Non-controlling interest	(146)	309
	28,369	28,266

MACE FINANCE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	2022 £000s	2021 £000s
Non-current assets		
Property, plant and equipment	26,993	22,956
Intangible assets	166,755	166,225
Deferred tax asset	10,095	8,121
Investments in joint ventures & associates	944	1,341
Other Investments	11,314	12,998
Restricted cash	244	-
Trade and other receivables	600	1,199
	216,945	212,840
Current assets		
Trade and other receivables	519,091	466,844
Development loan to joint venture	44,430	60,352
Development work in progress	7,494	12,543
Asset of a disposal group classified as held for sale	-	932
Current tax assets	1,353	8,046
Restricted cash	26,281	237
Cash at bank	153,933	166,731
	752,582	715,685
Current liabilities		
Trade and other payables	(703,419)	(716,135)
Provisions	(9,334)	(12,483)
Liabilities of a disposal group classified as held for sale	-	(776)
Financial liabilities	(473)	(2,320)
Current tax liabilities	(6,045)	(13,261)
Lease liabilities & borrowings	(56,726)	(45,212)
	(775,997)	(790,187)
Net current assets	(23,415)	(74,502)
Total assets less current liabilities	193,530	138,338
Non-current liabilities		
Trade and other payables	(527)	-
Provisions	(88,395)	(83,663)
Financial liabilities	(181)	(6,416)
Lease liabilities & borrowings	(49,386)	(17,777)
Deferred tax liabilities	(1,511)	(1,227)
Net assets/(liabilities)	53,530	29,255
Capital and reserves		
Called up share capital	1	2
Own shares	(7,744)	(21,957)
Foreign exchange reserve	(589)	12,401
Retained earnings	60,814	36,938
Equity shareholders' funds	52,482	27,384
Non-controlling interests	1,048	1,871
	53,530	29,255

MACE FINANCE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2022

	2022 £000s	2021 £000s
Cash flows from operating activities*	(3,491)	54,276
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(5,836)	(7,005)
Acquisition of subsidiaries	(7,279)	(6,001)
Disposal of subsidiaries	82	8,816
Acquisition of investments	-	(2,882)
Dividends from joint ventures	2,524	4,406
Proceeds from disposals of property, plant and equipment and intangible assets	451	-
Change in cash within assets held for sale	-	(254)
Net cash (used in)/generated from investing activities	(10,058)	(2,920)
Cash flows from financing activities		
Dividends paid to company shareholders	(3,751)	(3,375)
Dividends paid to non-controlling interests	(677)	-
Repurchase of own shares	(323)	(34,915)
Exercise of options	92	-
Increase in borrowings	40,000	(126,610)
Repayment of borrowings	(10,000)	-
Repayment of lease liabilities	(5,134)	-
Net cash movement from financing activities	20,207	(164,900)
Net increase/ (decrease) in cash at bank and bank overdrafts	6,658	(113,544)
Cash at bank and bank overdrafts at beginning of year	126,936	244,649
Effects of currency translation on cash at bank and bank overdrafts	(3,730)	(4,169)
Cash at bank and bank overdrafts at end of year	129,864	126,936
Cash at bank and bank overdrafts		
Cash at bank	153,933	166,731
Restricted cash	26,525	237
Bank overdrafts	(50,594)	(40,032)
	129,864	126,936

*The Group cash flow from operating activities in the year to 31 December 2022 was an outflow of £3.5m (2021: £54.3m inflow). £65.0m cash inflows from profits before interest and tax in 2022 have been offset by £51.9m cash outflows from working capital, £12.6m from income tax paid and £4.0m net finance cost paid. The net cash outflow from working capital is mainly a result of an increase in trade and other receivables and decrease in trade and other payables, due to the change in the mix and phasing of client projects and contracts, and a trend towards more conservative cash management by clients.



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