

INVESTOR REPORT FOR ARQIVA GROUP PARENT LIMITED

SCHEDULE 7

Period ending 30 June 2025

Date: 30 September 2025

QUARTERLY INVESTOR REPORT

To: The Issuer Security Trustee, the Rating Agencies and the Paying Agents.

GENERAL OVERVIEW

Arqiva is the UK's leading enabler of digital connected solutions across the Media Distribution and Utilities markets. It generates predictable earnings, supported by strong market positions, diverse revenue streams, long-life assets and long-term inflation linked contracts. The Group had a contracted orderbook of £2.8bn as at 30 June 2025 on a real basis.

Recent developments

Media Distribution

DTT Multiplexes

DTT platform capacity utilisation remained at 97% during the period. Building on the last quarter we extended a six channel agreement with our largest customer to the early 2030s, in addition to other channel renewals. Two new channels launch on the platform in the first quarter of the year ended 30 June 2026.

Radio

Both national DAB multiplexes remain fully occupied with 80% of Digital 1 ("D1") multiplex capacity being contracted until 2035. The second national multiplex is full, with recent signatures meaning 100% of the capacity is now contracted until at least 2028. Demand for national and local DAB multiplexes remains strong. Across our 25 local muxes capacity for all major broadcasters has been secured out to 2030 following contract signatures in June providing stability across both the national and local platforms.

FM renewals have continued, securing several contracts out to 2030. In addition, in June we launched our first customer on our audio streaming solution, whilst we have only launched the minimum viable product, and development is ongoing it provides a path in the future to new revenue streams.

Direct to Home (DTH)

The DTH platform remains close to full capacity, supported by renewals secured to 2029 with a number of key customers. We continue to win a high proportion of channels new to market, with 3 new HD channels launched at the start of July 2025.

Media Management Products

Arqiva has secured a contract to migrate Hearst Networks to cloud-based Video on Demand (VOD) platform. Delivering VOD assets across 40+ Pay TV and OTT platforms across EMEA from mid-2025.

Arqplex, the Group's on premise and cloud multiplexing deployment, is in service, supporting multiple PSB and global customers to deliver their content to millions of people in the UK and internationally.

Arqade, Arqiva's cloud-based video content exchange product enables media companies to interchange their content with multiple platforms efficiently across the world. We currently deliver all feeds for a large global media company outside the Americas via Arqade as well as deployments for many other global media groups. We now have over 700 channels accessible within the Arqade platform and deliver live events for a variety of sports related customers.

Arqads, Arqiva's addressable advertising solution, facilitates targeted ad insertion into television channels, enhancing the precision and relevance of television advertising to boost revenue generation. The product enables new customer services for Sky AdSmart with the Arqads platform hosting a portfolio of channels supporting two major media organisations to monetise their channels more effectively on the Sky Platform. Product features are in development to support targeted advertising on the Freeview TV platform, targeted to launch late 2025.

We have received much customer interest in our newly launched Streaming Optimisation product which allows the customer to optimise their use of Content Delivery Networks (CDN), delivering deeper insight via analytics with improved audience experience and cost savings through CDN switching and peer-to-peer networking. Response from the market has been very positive with several proof of concepts (PoCs) due to launch imminently and multiple live opportunities being pursued.

There remains an exciting and growing pipeline of potential customers across this comprehensive portfolio of new products, with bids active on several opportunities with UK and international customers.

Position, Navigation and Timing (PNT) services (eLoran)

In November 2024 Hellen Systems and Arqiva announced a partnership to develop a commercial eLoran service in the UK. eLoran is a sovereign, independent, resilient terrestrial radio navigation system, providing an alternative to the existing global PNT services.

Arqiva and Hellen Systems continue to monitor developments in this sector, including the outcome of the Government spending review determining whether a free to access but government funded service is to be provided and explore Arqiva's involvement in any Government funded initiative.

Government / Regulatory updates

The DCMS Future of TV Distribution forum continues to make progress, with a final decision on the long-term future of the DTT platform expected in early-2026. Arqiva remains actively involved in the forum along with other stakeholders including broadcasters, infrastructure players and audience groups.

In the Office of the Adjudicator consultation report (2/2025) on the Adjudicator's Position on the Scope of the Adjudicator's Powers in Relation to Amendments to Existing Contracts <https://ota-bts.org.uk/wp-content/uploads/2025/04/Consultation-2-2025.pdf> the Adjudicator published his view (having taken legal advice) that, subject to limited exceptions, any guidance, directions or adjudications made under the Undertakings would not affect the terms of an existing contract between Arqiva and a customer. The Adjudicator's view as published indicates that if the Adjudicator updated the Weighted Average Cost of Capital (WACC) or inflationary mechanism, this would only apply prospectively (i.e. not to existing contracts). The Adjudicator held a consultation on this position and the consultation closed on 20th June 2025.

Smart Utilities Networks

Regulatory Environment - Water

Following Ofwat's publication of its final determinations for Price Review 2024 (PR24), the water sector is now actively progressing plans to deliver on the ambitious objectives set for the 2025–2030 regulatory period. This includes £100 billion in investment on transforming infrastructure and systems to meet evolving environmental and operational demands - £2.5 billion of which will go into smart metering, with the rollout of an additional ten million meters. These efforts will support Ofwat's target of a 17% reduction in leakage, leveraging smart technologies and improved data insights to drive efficiency and sustainability.

Five water companies have disputed Ofwat's final determinations – namely Anglian Water, Northumbrian Water, South East Water, Southern Water and Wessex Water – and their cases have been referred to the Competition and Markets Authority (CMA) for redetermination. The CMA process remains ongoing, with provisional determinations expected in September 2025 and final determinations due by March 2026.

Regulatory Environment – Energy

Ofgem has released its draft determinations for RII0-3 – the next price control period for electricity and gas networks running from 2026 to 2031. RII0-3 sets out a regulatory framework to support the UK's transition to a clean, secure, and affordable energy system, with over £100 billion in total investment expected across the period.

A significant portion of this investment will go towards upgrading the electricity transmission network to enable the government's Clean Power 2030 ambition. This includes funding for new infrastructure to connect renewable generation and reduce reliance on gas-fired power, with over £80 billion earmarked for electricity transmission alone.

RII0-3 also places strong emphasis on digitalisation and system resilience. Network companies are expected to deploy smart technologies, including sensors and advanced monitoring systems, to improve asset health,

reduce outages, and support real-time grid management. Ofgem has reinforced the need for secure, interoperable communication systems and high-quality data to enable smarter, more flexible networks.

We can expect final determinations on RIIO-3 to be announced in early-December 2025, following successful completion of the consultation process. The price control period is expected to run from 1 April 2026 to 31 March 2031.

Anglian Water

Since the award of the Anglian Water contract in June 2020, the Group has deployed 1.1m meters during the 2020-2025 regulatory period. Our performance to date has resulted in Anglian Water awarding Arqiva a 20-year contract for the next regulatory period (AMP8 2025-2030) to rollout an additional 1.1m meters with associated network with 83,000 delivered to date in AMP8 (inclusive of the accelerated programme). Anglian Water have increased their focus on adding sewer level monitoring sensors to the network with both sewer level and chlorine sensors being developed for trial this year; in response Arqiva are developing sensor products for sewer level and water quality monitoring.

United Utilities

United Utilities has awarded Arqiva a contract, in December 2024, of at least 15 years to provide 1.1m meters in support of their AMP8 smart meter rollout programme with 15,000 meters delivered to date in AMP8. Arqiva is the prime contractor in a new to market configuration providing the communication network, meters and consumer side installation services. The network deployed will cover the majority of the United Utilities region in the Northwest of England and will offer the potential of a further growth opportunity of 2m meters during AMP9 (and AMP10).

Affinity Water

Arqiva has signed a 15 year contract with Affinity Water, in December 2024, to provide 0.4m meters in support of their AMP8 smart meter rollout programme. Arqiva will provide the communications network, managed service and meters with 20,000 delivered to date in AMP8. Affinity Water's overall programme for smart meters is 1.2m which will offer the potential for new growth opportunities during AMP9 (2030-2035) and AMP10 (2035-2040).

Thames Water

Since April 2015, Arqiva has delivered a smart metering network for Thames Water and in January 2025 achieved delivery of over 1.2m meters. This is the largest smart water metering network in the UK and has high coverage across the Thames Water London region. We continue to develop joint plans for additional meters in areas we already serve as well as ways to support delivery of their full commitments in AMP8.

Portsmouth Water

Arqiva has signed a 20 year (8 years delivery, 12 additional years providing support service) contract with Portsmouth Water, in February 2025, to install 326,568 total meters (157,900 in AMP8 and 168,668 in AMP9) in support of their AMP8 smart meter programme, Arqiva will provide the communications network, managed service and meters. To date we have delivered 500 meters as part of their trial. We are engaged on conversations with them about sensors to measure pressure on the network and NB IoT to support infill of the communication network.

SGN Hybrid Connectivity

Since the original 5-year contract was awarded by SGN earlier this year to provide connectivity solutions for 230 of their sites, Arqiva has expanded this contract to serve an additional 174 sites over the 5 year period.

Smart energy metering rollout

The Group's smart metering communication network in the North of England and Scotland continues to deliver for 4m customers, supporting 10m devices, day in, day out and performance against our contractual KPIs is consistently strong. Alongside this we work closely with the DCC to identify and deliver against opportunities for improved experience and have been actively engaged in a jointly sponsored programme to improve the installation experience of new smart meters over the past months which has delivered good results.

Arqiva is in the middle of technology development which will deliver enhancements to the platform to support the growth forecast in the next couple of years, with key deliverables already achieved in the periods to June 2025; all milestones have been achieved to date and new code has been deployed in production. Arqiva

remains on track to deliver the next set of milestones through Q1 and Q2 of the year ending 30 June 2026. This has been a major technology delivery programme which will deliver benefit now and into the future.

Corporate Update

Chairman

On 24 April 2025 Patrick Tillieux was appointed as non-executive Director and Chair of the Board of Directors. Patrick is an independent non-executive director and has held board positions in several companies related to media broadcasting and distribution, as well as broadcast technology and telecoms. He also serves as corporate adviser and operating partner to private equity firms.

Patrick has more than 25 years of C-level management experience in the UK and across Europe. As an executive, Patrick is the former CEO of satellite and streaming content provider OSN, former CEO of technology provider Red Bee, former COO of German broadcaster ProSiebenSat1 and former CEO of SBS Broadcasting Group. Previous positions include CEO of Canal+ Netherlands, CFO of RTL Netherlands and co-founder of Eurosport.

CFO

Arqiva announced the appointment of Alastair Cochran from 1 September 2025. Alastair replaces Nathan Hodge who was acting as interim CFO whilst the recruitment process for the permanent position was completed, subsequent to Sean West having resigned from the Group effective from the end of March 2025.

Alastair brings a wealth of experience to Arqiva, with a distinguished career spanning more than 30 years. Following a number of senior financial roles in BG Group, Morgan Stanley and Petrofac, most recently Alastair was Chief Financial Officer at Thames Water.

Energy Hedging

Arqiva had historically been protected from extreme volatility in energy prices through long-term forward energy purchases made under an energy supply contract that expired in March 2023. During the year to 30 June 2024, the Group entered into new forward purchase contracts. Maintaining this long-term forward energy purchase policy, during the year to 30 June 2025, Arqiva has hedged 93% of the anticipated energy usage for the year to 30 June 2026 and 40% of the anticipated energy usage in the year to 30 June 2027.

Information Security

Arqiva has maintained an information security management system certified against ISO27001. This certification enables the organisation to demonstrate the robustness of our security controls using an internationally recognised framework.

Through independent review and certification, supported by regular internal audits, Arqiva continues to confidently demonstrate our commitment to security and secure working practices. The organisation has held ISO27001 certification since 2013, recertifying every three years. The most recent recertification, awarded in April 2024, was Arqiva's most successful to date - reflecting the maturity and the strength of the organisation's security culture.

Sustainability

Arqiva received an upgrade on its MSCI (Moran Stanley Capital International) Rating in June 2025 from A to AA. This is an independent, globally recognised, assessment of our ESG rating. Additionally, Arqiva once again was awarded a silver medal in the EcoVadis assessment, putting us in the top 15% of participants. Under the GRESB rating we received a 4 star rating (score of 94).

Wellbeing

Arqiva won the award for Best Wellbeing Strategy, at the 2024 HR Excellence Awards; our wellbeing strategy is built around five pillars: Physical, Professional, Social, Financial, and Mental. Each pillar is underpinned by a “statement of truth” defining what good should feel like. Based on this strategy we have surpassed our FY25 wellbeing KPIs: keeping absence significantly below the UK average, achieving 73% unique wellbeing touchpoints (65% target), and earning this external recognition. Perceptions of leadership support for employee health have also improved, rising from 62% in 2019 to 78% in our latest survey. And in response to 2024 work-stress themes, we achieved 4 points above UK benchmark for ‘manageable workload’ in our June 2025 engagement survey. Our 2024/25 sleep programme significantly reduced sleep-related absence.

Capital Expenditure

During the twelve-month period ended 30 June 2025 the Group incurred the following capital expenditure:

£m	12 months ended 30 June		Change
	2025	2024	
Growth Capex – contracted	26.9	24.0	2.9
Growth Capex – non contracted	10.3	10.7	(0.4)
Maintenance	28.2	29.4	(1.2)
Bilsdale – Project Restore	1.6	5.9	(4.3)
Total Capex	67.0	70.0	(3.0)

Contracted growth capex primarily relates to the Group’s major projects including the continued rollout and enhancement of the smart energy and water metering networks and delivery of broadcast services. This has increased compared to prior year, primarily driven by continued water site build roll out and delivery of smart energy networks technology improvements.

Non-contracted growth capex has remained broadly flat vs the prior year period. This is as the Group continues to scale-up product development to compete for and deliver on new water smart metering contracts alongside system improvement work to simplify operations between Cellnex and Arqiva for site management. This capex development is now being utilised by the four new AMP8 water contracts that have been awarded to Arqiva.

Maintenance capex principally includes expenditure associated with structural projects such as mast strengthening, network transformation and IT. Overall spend is broadly in line with prior year.

Bilsdale (Project Restore) capital expenditure has reduced by £4.3m compared to prior year, as the project continues to wind down towards completion. Final site restoration activities include access and site improvements.

Financing

The Group’s senior debt continues to be rated BBB+/BBB by S&P/Fitch respectively. The Group’s junior debt a subordinated public bond was issued with a rating of B1/B by Moody’s/S&P respectively; whilst the Group’s junior bonds had not previously been rated by S&P the previous rating by Moody’s (last issued in 2018) was B2.

In early July, a subordinated public bond was successfully issued for £500m at an interest rate of 8.625%. £450m of the proceeds were used to repay the existing junior debt. Net proceeds of c.£23m (after repayment of existing debt, interest, and fees) are available to be used for general corporate purposes.

At the same time as issuing the bond, the £100m Senior Revolving Credit Facility (“RCF”) has been extended for 5 years, the £150m Senior Loan Facility has been renewed for a further year and a new £45m Junior Loan Facility has been agreed to cover 12 months of interest on the subordinated bond. An existing £35m senior RCF and £70m Junior Loan Facility have been cancelled as part of the process. This leaves the Group with liquidity facilities totalling £295m.

Ratios

We confirm that in respect of the investor report dated 30 September 2025, by reference to the most recent financial statements that we are obliged to deliver to you on a semi-annual basis in accordance with Paragraph 1 (Financial Statements) of Part 1 (Information Covenants) of Schedule 2 (Covenants) of the Common Terms Agreement:

- Historic Net Debt to EBITDA for the relevant Test Period ending on (and including) 30 June 2025 was 2.97;
- Historic Cashflow ICR for the relevant Test Period ending on (and including) 30 June 2025 was 4.13;
- Historic Cashflow DSCR for the relevant Test Period ending on (and including) 30 June 2025 was 2.42 (together with (a) and (b) above, the **Historic Ratios**);
- Projected Net Debt to EBITDA for the relevant Projected Test Period commencing on (but excluding) 30 June 2025 is 2.74;
- Projected Cashflow ICR for the relevant Projected Test Period commencing on (but excluding) 30 June 2025 is 4.31; and
- Projected Cashflow DSCR for the relevant Projected Test Period commencing on (but excluding) 30 June 2025 is 1.99 together with (d) and (e) above, the **Projected Ratios**).

We confirm that:

- each of the above Ratios has been calculated in respect of the relevant Test Period(s) or Projected Test Period(s) or as at the relevant dates for which it is required to be calculated under the Common Terms Agreement;
- no Ratings Downgrade Event has occurred;
- no Modified Net Debt to EBITDA Ratio Breach has occurred;
- no Default or Trigger Event has occurred and is continuing; and
- the statements set out in this Investor Report are accurate in all material respects.

Current Hedging Position

We remain in compliance with hedging covenants.

Yours faithfully,



Alistair Cochran
CFO

Signing without personal liability, for and on behalf of
Arqiva Financing No 1 Limited as Borrower