



# **Arqiva Broadcast Parent Limited**

**Registered number 08085823**

## **Interim Condensed Consolidated Financial Statements**

**For the six months ended 31 December 2025**

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# Interim financial report

The Directors of Arqiva Broadcast Parent Limited ('ABPL'), registered company number 08085823, ('the Company') and its subsidiaries ('the Group') provide the following interim financial report and condensed consolidated interim financial statements ('financial statements'), in respect of the six months ended 31 December 2025.

## Cautionary statement

This interim financial report ('IFR') contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Group to differ materially from the information presented herein. When used in this IFR, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Group, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Save as otherwise required by any rules or regulations, the Group does not undertake any obligations publicly to release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Save as otherwise required by any rules or regulations, the Group does not undertake any obligations publicly to release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The risks and uncertainties referred to above include:

- actions or decisions by governmental and regulatory bodies, or changes in the regulatory framework in which the Group operates, which may impact the ability of the Group to carry on its businesses;
- changes or advances in technology, and availability of resources such as spectrum, necessary to use new or existing technology, or customer and consumer preferences regarding technology;
- the performance of the markets in the UK, the EU and the wider region in which the Group operates;
- the ability of the Group to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the ability of the Group to develop, expand and maintain its broadcast and utilities infrastructure;
- the ability of the Group to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects;
- the Group's dependency on only a limited number of key customers for a large percentage of its revenue; and
- expectations as to revenues not under contract.

## Operational & Strategic Review

The first half of the 2025/26 financial year (“HY26”) has been a period of measured progress against the Group’s strategic priorities. While the external environment remains complex, management has continued to focus on the fundamentals; delivering for our customers, maintaining operational resilience, and positioning the business for long-term sustainability.

Group revenue grew by 13.7% year-on-year to £347.3 million, driven largely by continued growth in our Smart Utilities Networks (SUN) business. Media & Broadcast (M&B) remained stable, despite ongoing pressures in the advertising market and broader shifts in media consumption. EBITDA for the period was £153.1 million, down 0.9% on the prior year, reflecting a higher proportion of low margin device installations in Smart Utilities Networks and the non-recurrence of one-off prior period items, mitigated by cost discipline. The Group continues to benefit from a strong contracted position, with an order book of approximately £2.8 billion. This provides good visibility of future revenues and underpins our ability to plan and invest with confidence.

Media & Broadcast secured several important contract renewals and extensions, most notably a multi-year extension with one of our largest DTT customers. This renewal, which runs through to 2030, reinforces the enduring value of Arqiva’s broadcast infrastructure, which delivers around 50% of all TV viewing in the UK and over £1 billion in advertising revenue for the commercial Public Service Broadcasters (PSBs). These outcomes reflect the strength of the Group’s customer relationships and the relevance of its service offering, even as the market continues to evolve.

Operationally, our broadcast network delivered high levels of availability, with 99.95% uptime across TV and radio services. This is a testament to the work of our teams and our continued focus on reliability - a core expectation of our customers and a key differentiator for Arqiva.

The Smart Utilities business has continued to scale. Arqiva is the only provider proven at such scale and is delivering the largest combined rollout in the UK, including the two largest water companies measured by geographic area and customer base as customers, Anglian and Thames. The Group has been successful in winning around 50% of the smart metering contracts in the UK and its networks currently account for 90% of the more than 3 million smart water meters installed in the UK. In the first six months, good progress was made mobilising several new contracts in the water sector, including agreements with Affinity Water, Anglian Water, Portsmouth Water, and United Utilities. These contracts, worth around £510 million in total, mark the start of the AMP8 investment cycle and represent a significant opportunity for Arqiva.

SUN has now installed over 2 million energy communications hubs and coverage has reached 99.5% of the DCC CSP North region premises. The Group is in active discussions with the Data Communications Company (DCC) regarding a potential 15-year contract extension to support long-term service continuity and deliver value for money.

Arqiva has continued to invest in innovation and capability across the business in the period. Five new products were launched in the first half, spanning both M&B and SUN. These include enhancements to our managed media services and new data-driven offerings in utilities. These developments are aligned with our strategic focus for FY26 and are designed to support our customers as their needs evolve. For example, Arqiva’s leading position in the UK satellite ground infrastructure sector continues to evolve, the business was ranked the number 1 independent teleport provider by the WTA, and it has WTA Tier 4-accredited sites at Chalfont and Crawley Court. The business delivers resilient GEO and emerging LEO services - a market currently valued at \$1 billion and expected to grow to \$2.75 billion by 2033 - acting as an orbit agnostic partner for broadcasters, enterprises and government users.

Further good progress has also been made in the Group’s ESG agenda this period. In addition to maintaining its MSCI ESG rating of AA and powering 100% of our operations with renewable electricity, we were pleased to be awarded a 5-star rating in the GRESB infrastructure benchmark.

The Group’s long-term vision remains unchanged and is committed to being the UK’s leading provider of broadcast and smart utility infrastructure, and to do so in a way that is sustainable, reliable, and responsive to the needs of our customers and stakeholders. Management remains laser-focused on execution and will continue to deliver against customer commitments, progress key strategic initiatives, and maintain its emphasis on operational performance. Despite good cost discipline in the first half, challenges in the external environment - from inflationary pressures to regulatory uncertainty - will require a step up in focus on costs and operational efficiency in the second half and beyond. This will be essential to protect margins, maintain competitiveness, and ensure Arqiva can continue to invest in the areas that matter most to our customers and stakeholders.

## Financial Review

Underlying financial performance in the first six months of the 2025/26 financial year was resilient, with strong growth in revenue and disciplined cost management underpinning solid underlying EBITDA and operating cash flow, as well as targeted investment in long-term growth markets.

In addition, the Group's financial position remains robust. During the period, the Group successfully refinanced its prior junior loan with the issue of £500 million of junior secured notes due 2030, extended its £100 million senior revolving credit facility by five years, renewed its £150 million senior liquidity facility and agreed a new four and a half year £450 million junior liquidity facility. The Group remains fully compliant with its covenants, with a year-on-year reduction in senior gearing. Liquidity remains strong with cash and cash equivalents and undrawn secured facilities of £286 million as at 31 December 2025.

The Group enters the second half of the financial year with high platform utilisation, strong contract visibility and continued growth momentum in SUN. Capital expenditure is expected to remain broadly in line with the prior financial year and fully funded from operational cash flow. Against a backdrop of regulatory change in both M&B and SUN markets, Arqiva remains well positioned to invest selectively in growth, underpinned by long-dated, inflation-linked contracts.

## Income Statement

Period ended	31 December 2025			31 December 2024		
	Underlying	Exceptional	Total	Underlying	Exceptional	Total
£m (unaudited)						
Revenue	347.3	-	347.3	305.4	-	305.4
EBITDA	153.1	-	153.1	154.5	-	154.5
Net impairment losses	-	(630.8)	(630.8)	-	-	-
Operating Profit	76.9	(645.3)	(568.4)	98.0	(1.9)	96.1
Net finance expense	(187.6)	-	(187.6)	(170.1)	-	(170.1)
Other gains / (losses)	11.2	-	11.2	5.8	-	5.8
Loss before tax	(99.5)	(645.3)	(744.8)	(66.3)	(1.9)	(68.2)
Taxation	(10.6)	15.6	5.0	(9.0)	-	(9.0)
Loss after tax	(110.1)	(629.7)	(739.8)	(75.3)	(1.9)	(77.2)

### Revenue

Total Group revenue for the six months ended 31 December 2025 increased by 13.7% to £347.3 million driven primarily by strong growth in Smart Utilities Networks.

- Media and Broadcast ("M&B") revenue decreased by 1.2% year-on-year to £235.0 million (HY25: £237.9 million), largely reflecting lower pass-through energy revenues driven by lower power consumption and energy prices. Revenue from Core TV and radio products remained stable, supported by long-dated, inflation-linked contracts and high utilisation across DTT and DTH platforms. Renewal pricing pressures in DTT and DTH continue.
- Smart Utilities Networks ("SUN") revenue increased by 66.4% year-on-year to £112.3 million (HY25: £67.5 million), principally driven by the mobilisation of five new AMP8 water-metering contracts secured in the second half of the last financial year, with c.629 thousand meters delivered in the period, as well as an increase in maintenance revenue. Network service revenues remained stable, supported by indexation-linked uplifts across both water and utility contracts. Site-sharing income from the utilisation of our broadcast sites for telecommunications equipment was also broadly unchanged year-on-year.

The Group's infrastructure-based model continues to support predictable, inflation linked revenue. As at 31 December 2025, the contracted order book stood at c.£2.8 billion on a real basis (HY25: £2.8 billion). A significant proportion of Group revenue is now secured into the next decade, with approximately 43% of revenue contracted to at least 2030 and 20% contracted to at least 2035, reflecting multi-year renewals and extensions secured with key TV and radio customers, as well as long duration smart metering and water contracts.

### EBITDA

EBITDA decreased by 0.9% to £153.1 million reflecting a decline in margin driven by a change in product mix and the non-recurrence of one-off prior period credits and provision releases.

- Media & Broadcast EBITDA was broadly unchanged at £166.3 million (HY25: £166.2 million), benefitting from a higher margin due to cost efficiencies, reduced satellite capacity expenditure and lower power costs.
- Smart Utilities Networks EBITDA increased by 16.5% to £34.6 million (HY25: £29.7 million), with higher revenue partly offset by a material shift in mix toward lower margin device installations.

- Corporate costs increased to £15.6 million (HY25: £9.3 million) reflecting the non-recurrence of £6.0 million in one-off prior period credits and provision releases. Excluding these, underlying costs were in line with the prior period, with effective cost management offsetting the impact of wage and third-party inflationary increases.
- Operations costs decreased by 3.4% to £11.5 million (HY25: £11.9 million), benefitting from higher utilisation of engineering teams and continued efficiency measures including improved workflow automation.
- Technology costs increased by 2.5% to £20.7 million (HY25: £20.2 million) due to lower capitalisation and higher software-related expenditures as we modernise core IT platforms and increased the use of SAAS cloud-based platforms.

#### *Exceptional items*

In aggregate, the Group recognised pre-tax operating exceptional items of £645.3 million in the six months ended 31 December 2025, comprising:

- Non-cash net impairment losses of £630.8 million reflecting updated assumptions regarding future cash flows for our M&B and SUN cash generating units, consistent with current market conditions and recognised in accordance with IAS36.
- A provision £14.3 million for the potential dispute in relation to historic tax treatment of a deferred income balance in a previously disposed subsidiary. The outcome and timing remain uncertain.
- £0.1 million of restoration costs in relation to the final stages of the Bilsdale restoration programme.
- £0.1 million of Reorganisation and severance costs in relation to the restructure of the technology business unit. This project is expected to be completed during 2026.

#### *Operating profit*

The modest decline in EBITDA, combined with a £15.7 million increase in depreciation and amortisation, generated a 21.1% year-on-year decrease in underlying operating profit to £76.9 million.

Group depreciation and amortisation increased by 26.0% to £76.1 million (HY25: £60.4 million) for the six months ended 31 December 2025 reflecting continued investment in growth initiatives and updated assessments of the useful economic lives of certain SUN and Corporate assets.

The Group reported a total operating loss, after exceptional items, of £568.4 million (FY25: operating profit of £96.1 million).

#### *Loss before tax*

The underlying loss before tax increased to £99.5 million (HY25: £66.3 million), reflecting the decline in operating profit and an increase in net finance expense.

Finance expenses increased by 10.1% to £188.2m during the first half driven by higher inflation and SONIA linked swap cost, the accelerated recognition of pre-paid issue costs to match the profile of the junior loan refinanced in the period, as well as compounding of intercompany interest. Of this amount, £108.0 million related to inter-company interest that has been deferred at the option of the group and will not be paid if this was to threaten the financial stability of the business. Bank interest costs declined by £2.2m due to lower floating-rate charges and reduced utilisation of working-capital facilities. Finance income declined by £0.3 million to £0.6 million reflecting lower interest rates on cash and employee benefit assets.

Other gains increased by £5.4 million to £11.2 million reflecting fair value movements on the Group's interest rate, index-linked and cross-currency swaps. These movements were driven by changes in forward market interest rates and credit dynamics during the period. The Group exited its junior debt swaps as part of the junior debt refinancing in the period.

The reported total loss before tax for the year was £744.8 million, an increase of £676.6 million compared to the prior period. This largely reflected the impact of higher exceptional items in the period.

#### *Taxation*

The Group recognised an underlying tax charge of £10.6 million in the period, comprising a current tax charge of £8.3 million and a deferred tax charge of £2.3 million. The current year tax charge reflects the Group generating taxable profits in the period. The deferred tax charge is driven the utilisation of tax assets to offset taxable income.

Total tax of £5.0 million includes a £15.6 million deferred tax credit in relation to the asset impairment recognised in the period.

#### *Loss after tax*

The underlying loss after tax was £110.1 million in the period, a £34.8 million year-on-year increase. The reported total loss after tax for the six months ended 31 December 2025 was £739.8 million, an increase of £662.6 million compared to the prior period reflecting the impact of post-tax exceptional items recognised in the period totalling £629.7 million (HY25: £1.9 million). Excluding exceptional and non-recurring items, the underlying trading performance of the core business remains robust as Arqiva continues to invest in our infrastructure to support long-term contracts delivery, product development and growth.

## Financial position

Net liabilities for the Group were £1,936.0 million as at 31 December 2025, an increase of 59.2% from £1,215.7 million as at 30 June 2025, largely reflecting net impairment losses recognised in the period.

## Cash Flow Statement

Period ended	31 December 2025			31 December 2024		
	Underlying	Exceptional	Total	Underlying	Exceptional	Total
£m (unaudited)						
EBITDA	153.1	-	153.1	154.5	-	154.5
Working capital	(63.9)	14.3	(49.6)	(58.0)	-	(58.0)
Other	(1.2)	(14.5)	(15.7)	(0.6)	(1.9)	(2.5)
Net cash inflow from operating activities	88.0	(0.2)	87.8	95.9	(1.9)	94.0
Cash capex	(34.3)	-	(34.3)	(32.9)	-	(32.9)
Net interest paid	(55.0)	-	(55.0)	(67.1)	-	(67.1)
Cash flow from financing activities excluding interest	(15.2)	-	(15.2)	2.0	-	2.0
Net cash outflow	(16.5)	(0.2)	(16.7)	(2.1)	(1.9)	(4.0)

Net cash flow from operating activities declined by 7% to £87.8 million, after recognition of a non-cash exceptional dispute provision, largely reflecting an increase in trade receivables that more than offset accrual releases in the period. This cash inflow fully funded capital expenditure of £34.3 million (HY25: £32.9 million) to support delivery of the major water programmes, maintenance and strategic growth platform investments.

Net cash used in financing activities increased by 8% to £70.8 million, with lower net interest paid mainly due to lower interest rates, more than offset by the cash settlement of interest-linked swaps and debt issue and facility arrangement costs. This resulted in a total net cash outflow of £16.7 million. Total cash and cash equivalents held at 31 December 2025 was £5.7 million.

During the period, the Group successfully refinanced its prior junior loan with the issue of £500 million of junior secured notes due 2030, extended its £100 million senior revolving credit facility by five years, renewed its £150 million senior liquidity facility and agreed a new four and a half year £45 million junior liquidity facility. Liquidity remains strong with cash and cash equivalents and undrawn secured facilities of £286 million as at 31 December 2025.

### Gearing and interest cover

Net senior debt on a covenant basis was £945.1 million as at 31 December 2025, resulting in annualised senior net debt to EBITDA of 3.07x (FY25: 2.97x). Senior debt service cover ratio increased to 2.58x (FY25: 2.42x) and senior interest cover ratio increased to 4.32x (FY25: 4.13x). The Group remained in full compliance with all senior debt covenants during the period.

There were no changes to the Group's senior credit ratings in the period (S&P: BBB+; Fitch: BBB).

In November 2025, Macquarie European Infrastructure Fund II announced an agreement to sell its 26.54% stake in the Arqiva Group, consistent with the fund's closure strategy. The transaction is currently under review by regulatory and competition authorities. The transaction does not affect day to day operations, governance or financing of the Group.

## Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Directors do not consider that any principal risks and uncertainties have materially changed since the publication of the annual report for the year ended 30 June 2025, which is available from the Group's website at [www.arqiva.com](http://www.arqiva.com).

## ISO certification and Cyber security

Arqiva holds certification to ISO/IEC 27001:2022. ISO27001 is an internationally recognised specification for an information security management system (ISMS), a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation's information risk management processes. This enables Arqiva to compete for new business which requires it to demonstrate the robustness of its security controls. Through independent review and accreditation, supported by internal audits, Arqiva can confidently demonstrate its commitment to security and its adoption of secure working practices. Arqiva has held this certification since 2013 and re-certifies every three years with re-certification last secured in April 2025.

## **Going concern**

The Group meets its day-to-day working capital and financing requirements through the net cash generated from its operations. The Group performs a review of going concern through a review of forecasting including cash flow forecasts and considering the requirements of capital expenditure and debt repayments and including severe but plausible downside scenarios. The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments both in terms of capital programmes and financing as they fall due.

Following the end of the financial period and ahead of signing the half year report, the Audit and Risk Committee performed a separate review of the going concern basis for the financial statements. The Directors are confident that the Group has adequate resources to continue in operational existence for the 12-month period from the date of signing of the accounts. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

## **Outlook**

The Group enters the second half of the financial year with high platform utilisation, strong contract visibility and continued growth momentum in SUN. Capital expenditure is expected to remain broadly in line with the prior financial year and fully funded from operational cash flow. Against a backdrop of regulatory change in both M&B and SUN markets, Arqiva remains well positioned to invest selectively in growth, underpinned by long-dated, inflation-linked contracts.

## **Directors' responsibilities**

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

*Mike Osborne*

**Michael Osborne**  
**Director**

23 February 2026

# Interim consolidated income statement

For the six months ended 31 December 2025

		2025	2024
	Note	£m	£m
Revenue	3	347.3	305.4
Cost of sales		(139.9)	(102.7)
<b>Gross profit</b>		<b>207.4</b>	<b>202.7</b>
Depreciation	7	(62.9)	(54.2)
Amortisation	8	(13.2)	(6.2)
Administrative expenses		(54.3)	(48.2)
Other (expense) / income		(0.1)	3.9
Exceptional operating expenses	4	(645.3)	(1.9)
Exceptional other income	4	-	-
<b>Operating (loss) / profit</b>		<b>(568.4)</b>	<b>96.1</b>
Finance income	5	0.6	0.9
Finance expenses	5	(188.2)	(171.0)
Other gains / (losses)		11.2	5.8
<b>Loss before tax</b>		<b>(744.8)</b>	<b>(68.2)</b>
Tax (expense) / credit	6	5.0	(9.0)
<b>Loss for the period</b>		<b>(739.8)</b>	<b>(77.2)</b>
Loss for the period attributable to:			
Owners of the parent		(739.9)	(77.4)
Non-controlling interests		0.1	0.2
<b>Loss for the period</b>		<b>(739.8)</b>	<b>(77.2)</b>

Further comments on interim consolidated income statement line items are presented in the notes to the financial statements on pages 14 to 27.

# Interim consolidated statement of comprehensive income

For the six months ended 31 December 2025

		2025	2024
	Note	£m	£m
<b>Loss for the period</b>		<b>(739.8)</b>	<b>(77.2)</b>
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain / (loss) on defined benefit pension schemes		0.1	0.6
Movement on deferred tax relating to pension schemes		-	(0.2)
		<b>0.1</b>	<b>0.4</b>
<b>Total comprehensive expense</b>		<b>(739.7)</b>	<b>(76.8)</b>
Total comprehensive expense for the period attributable to:			
Owners of the parent		(739.8)	(77.0)
Non-controlling interests		0.1	0.2
<b>Total comprehensive expense</b>		<b>(739.7)</b>	<b>(76.8)</b>

All items of other comprehensive income relate to continuing operations.

# Interim consolidated statement of financial position

		31 December 2025	30 June 2025
	Note	£m	£m
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	1,067.0	1,145.8
Other intangible assets	8	46.5	68.2
Goodwill	9	772.0	1,340.2
Interest in associates and joint ventures		0.1	0.1
Financial assets at fair value through profit or loss		0.2	0.2
Derivative financial assets	13	10.3	13.4
Employee benefit assets		7.0	6.9
Deferred tax assets		230.2	216.8
		<b>2,133.3</b>	<b>2,791.6</b>
<b>Current assets</b>			
Contract assets		22.2	8.9
Trade and other receivables	10	127.8	123.6
Cash and cash equivalents		5.7	22.4
		<b>155.7</b>	<b>154.9</b>
<b>Total assets</b>		<b>2,289.0</b>	<b>2,946.5</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Contract liabilities		246.6	266.4
Borrowings	12	1,362.7	1,342.6
Derivative financial liabilities	13	109.5	122.8
Provisions	14	115.9	101.3
		<b>1,834.7</b>	<b>1,833.1</b>
<b>Current liabilities</b>			
Trade and other liabilities	11	2,154.2	2,099.7
Contract liabilities		111.7	100.1
Borrowings	12	120.6	125.5
Provisions	14	3.8	3.8
		<b>2,390.3</b>	<b>2,329.1</b>
<b>Total liabilities</b>		<b>4,225.0</b>	<b>4,162.2</b>
<b>Net liabilities</b>		<b>(1,936.0)</b>	<b>(1,215.7)</b>

## Interim consolidated statement of financial position (continued)

	Note	31 December 2025 £m	30 June 2025 £m
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital		0.1	0.1
Capital redemption reserve		342.7	323.4
Merger reserve		(188.5)	(188.5)
Translation reserve		(0.6)	(0.6)
Accumulated losses		(2,091.9)	(1,352.2)
<b>Equity attributable to owners of the parent</b>		<b>(1,938.2)</b>	<b>(1,217.8)</b>
Non-controlling interests		2.2	2.1
<b>Total equity</b>		<b>(1,936.0)</b>	<b>(1,215.7)</b>

These interim condensed consolidated financial statements were approved by the Board of Directors on 23 February 2026 and were signed on its behalf by:

*Mike Osborne*

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**Michael Osborne**  
Director

# Interim consolidated statement of changes in equity

For the six months ended 31 December 2025

	Share capital £m	Capital redemption reserve £m	Merger reserve £m	Translation reserve £m	Accumulated losses £m	Total attributable to equity holders of the parent £m	Non-controlling interest £m	Total equity £m
<b>At 1 July 2025</b>	<b>0.1</b>	<b>323.4</b>	<b>(188.5)</b>	<b>(0.6)</b>	<b>(1,352.2)</b>	<b>(1,217.8)</b>	<b>2.1</b>	<b>(1,215.7)</b>
(Loss) / profit for the period	-	-	-	-	(739.8)	(739.8)	0.1	(739.7)
Other comprehensive expense	-	-	-	-	0.1	0.1	-	0.1
<b>Total comprehensive (expense) / income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(739.7)</b>	<b>(739.7)</b>	<b>0.1</b>	<b>(739.6)</b>
Dividends	-	-	-	-	-	-	-	-
Capital contribution	-	19.3	-	-	-	19.3	-	19.3
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>19.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.3</b>	<b>-</b>	<b>19.3</b>
<b>At 31 December 2025</b>	<b>0.1</b>	<b>342.7</b>	<b>(188.5)</b>	<b>(0.6)</b>	<b>(2,091.9)</b>	<b>(1,938.2)</b>	<b>2.2</b>	<b>(1,936.0)</b>

	Share capital £m	Capital redemption reserve £m	Merger reserve £m	Translation reserve £m	Accumulated losses £m	Total attributable to equity holders of the parent £m	Non-controlling interest £m	Total equity £m
<b>At 1 July 2024</b>	<b>0.1</b>	<b>291.5</b>	<b>(188.5)</b>	<b>(0.6)</b>	<b>(1,188.7)</b>	<b>(1,086.2)</b>	<b>1.9</b>	<b>(1,084.3)</b>
(Loss) / profit for the period	-	-	-	-	(77.4)	(77.4)	0.2	(77.2)
Other comprehensive expense	-	-	-	-	0.4	0.4	-	0.4
<b>Total comprehensive (expense) / income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(77.0)</b>	<b>(77.0)</b>	<b>0.2</b>	<b>(76.8)</b>
Dividends	-	-	-	-	-	-	-	-
Capital contribution	-	13.8	-	-	-	13.8	-	13.8
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>13.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.8</b>	<b>-</b>	<b>13.8</b>
<b>At 31 December 2024</b>	<b>0.1</b>	<b>305.3</b>	<b>(188.5)</b>	<b>(0.6)</b>	<b>(1,265.7)</b>	<b>(1,149.4)</b>	<b>2.1</b>	<b>(1,147.3)</b>

# Interim consolidated statement of cash flows

For the six months ended 31 December 2025

	Note	2025 £m	2024 £m
<b>Cash flows from operating activities</b>			
Loss for the period		(739.8)	(77.2)
<b>Adjustments for</b>			
Depreciation of property, plant and equipment	7	62.9	54.2
Amortisation of intangible fixed assets	8	13.2	6.2
Impairment charges	4	630.8	-
Finance income	5	(0.6)	(0.9)
Finance expense	5	188.2	171.0
Net (gain) / loss arising on financial liabilities designated as at fair value through profit or loss		(11.2)	(5.8)
Loss / (gain) on sale of property, plant and equipment		4.0	(0.5)
Gain on lease modifications		(1.3)	-
Other income		(3.8)	(3.9)
Contribution into the DB pension scheme		-	(0.1)
Income tax (credit) / expense	6	(5.0)	9.0
		<b>137.4</b>	<b>152.0</b>
<b>Movements in working capital</b>			
Increase in trade and other receivables		(26.5)	(3.8)
Decrease in trade and other liabilities		(37.5)	(54.4)
Increase in provisions and employee benefit liabilities		14.4	0.2
<b>Cash used in operations</b>		<b>(49.6)</b>	<b>(58.0)</b>
<b>Net cash flows from operating activities</b>		<b>87.8</b>	<b>94.0</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(34.3)	(32.9)
Payments to acquire financial assets		-	(0.2)
Interest received		0.6	0.7
<b>Net cash used in investing activities</b>		<b>(33.7)</b>	<b>(32.4)</b>

# Interim consolidated statement of cash flows (continued)

For the six months ended 31 December 2025

	Note	2025 £m	2024 £m
<b>Cash flows from financing activities</b>			
Proceeds from external borrowings	12	525.0	26.0
Repayment of external borrowings	12	(513.4)	(16.5)
Interest paid		(53.6)	(65.5)
Repayment of capital element of lease rentals		(10.7)	(7.5)
Interest element of lease rentals		(1.9)	(2.1)
Cash settlement of interest-linked swaps		(6.0)	-
Cash settlement of principal accretion on inflation-linked swaps		-	-
Debt issue costs and facility arrangement fees		(10.2)	-
Dividends paid to non-controlling interests		-	-
<b>Net cash used in financing activities</b>		<b>(70.8)</b>	<b>(65.6)</b>
<b>Net decrease in cash and cash equivalents</b>			
		<b>(16.7)</b>	<b>(4.0)</b>
Cash and cash equivalents at the beginning of the financial year		22.4	20.8
<b>Cash and cash equivalents at end of the financial year</b>	15	<b>5.7</b>	<b>16.8</b>

# Notes to the interim consolidated financial statements

For the six months ended 31 December 2025

## 1 Basis of preparation

These interim condensed consolidated financial statements for the six months ended 31 December 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom. They do not include all the disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2025 annual financial statements.

## 2 Accounting policies

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2025 annual financial statements, except for the following amendments which apply for the first time in the six month period to 31 December 2025. However, not all are expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The following new standards and amendments are effective for the period beginning 1 January 2025:

- Amendment to IAS 21 - Lack of exchangeability

This amendment is effective for the Group annual reporting year beginning 1 July 2025.

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Group does not expect these amendments to have a material impact on its operations or financial statements.

## 3 Revenue and functional information

The Group derives its revenue from the rendering of services, engineering projects and the sale of communications equipment. The following tables disaggregate revenue from contracts with customers by our major service lines and by reportable function:

For the six months ended 31 December 2025	Media and Broadcast £m	Smart Utilities Networks £m	Total £m
Rendering of services	235.0	68.2	303.2
Sale of goods	-	44.1	44.1
<b>Total revenue</b>	<b>235.0</b>	<b>112.3</b>	<b>347.3</b>

For the six months ended December 2024	Media and Broadcast £m	Smart Utilities Networks £m	Total £m
Rendering of services	237.9	54.6	292.5
Sale of goods	-	12.9	12.9
<b>Total revenue</b>	<b>237.9</b>	<b>67.5</b>	<b>305.4</b>

Revenue is not recognised for the portion of services that are subject to service credits, see note 4 for further details.

### Reporting by markets

The Group's reporting structure considers the customer facing functions of Media and Broadcast and Smart Utilities Networks, supported by Operations, Technology and Corporate functions. Revenue and EBITDA are presented across these functions.

The following is an analysis of the Group's revenue and results by function:

	Function revenue		Function EBITDA	
	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m
<b>Commercial</b>				
Media & Broadcast	235.0	237.9	166.3	166.2
Smart Utilities Networks	112.3	67.5	34.6	29.7
<b>Other</b>				
Operations	-	-	(11.5)	(11.9)
Technology	-	-	(20.7)	(20.2)
Corporate	-	-	(15.6)	(9.3)
	<b>347.3</b>	<b>305.4</b>	<b>153.1</b>	<b>154.5</b>
Finance income			0.6	0.9
Finance expenses			(188.2)	(171.0)
Other gains / (losses)			11.2	5.8
Depreciation and amortisation			(76.1)	(60.4)
Impairment charges			(630.8)	-
Exceptional operating expenses			(14.5)	(1.9)
Other (expense) / income			(0.1)	3.9
Exceptional other income			-	-
Exceptional service credits			-	-
<b>Loss before tax</b>			<b>(744.8)</b>	<b>(68.2)</b>

Function profit represents the EBITDA earned by each function without allocation of central administration costs and directors' salaries, share of profit of associates, share of profit of a joint venture, gain recognised on disposal of interest in former associate, investment income, other gains and losses, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of function performance.

A reconciliation of the reported EBITDA to the financial statements is provided below:

	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m
<b>Operating profit</b>	<b>(568.4)</b>	<b>96.1</b>
Depreciation	62.9	54.2
Amortisation	13.2	6.2
Impairment charges	630.8	-
Exceptional operating expenses	14.5	1.9
Other income / (expense)	0.1	(3.9)
<b>EBITDA</b>	<b>153.1</b>	<b>154.5</b>

## Geographical information

The geographic analysis of revenue is on the basis of the country of origin in which the customer is invoiced. The following revenue was generated from external customers.

	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m
United Kingdom	345.3	302.7
Rest of European Economic Area (EEA)	1.9	2.4
Rest of the world	0.1	0.3
<b>Total revenue</b>	<b>347.3</b>	<b>305.4</b>

## 4 Exceptional items

Profit / (loss) on ordinary activities before taxation is stated after (charging) / crediting:

	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m
<b>Operating expenses</b>		
Reorganisation and severance	(0.1)	(1.3)
Restoration costs	(0.1)	(0.6)
Pension surplus sharing agreement	-	-
Dispute provision	(14.3)	-
Impairment charges	(630.8)	-
	<b>(645.3)</b>	<b>(1.9)</b>
<b>Total exceptional items</b>	<b>(645.3)</b>	<b>(1.9)</b>

### *Reorganisation and severance*

Reorganisation and severance expenses relate to a one-off restructure and reorganisation of the technology business unit. It is reorganizing the unit to adopt a more product focused delivery and adopt agile working methodologies. Thus requiring significant changes to structure and ways of working, requiring new processes, systems and governance. This restructuring project is expected to be completed during 2026.

### *Restoration costs (Bilsdale – Project Restore)*

The restoration costs relate to costs incurred to reinstate services at the Bilsdale transmitter site following a fire which broke out on 10 August 2021. Following the construction of a permanent 300 metre mast at Bilsdale, television and radio services went live in May 2023 and January 2024 respectively. As a result, all broadcast services are now restored to the main Bilsdale mast.

The site rebuild programme is approaching completion. Non-significant expenses are budgeted to complete the final activities.

### *Dispute provision*

During the period, the Group recognised a provision following an enquiry commenced in the current period by the UK tax authorities into the historic tax treatment of the release of a deferred income balance within a subsidiary previously owned by the Group. The purchaser of that entity has indicated that it may seek reimbursement from the Group of any tax related liability that arises under the terms of the sale agreement.

The Group disputes that it has any liability under the sale agreement. Nevertheless, the purchaser maintains that the Group is liable under the sale agreement. That dispute, together with the dispute relating to the amount of any relevant tax authority assessment and the period(s) to which any such assessment may relate, remains to be resolved. This judgement will directly affect the amount of any potential liability (if any).

The timing and final amount of any potential outflow remain uncertain and depend on the outcome of discussions between both the Group and the purchaser, and the purchaser and the tax authorities. The Group is taking a conservative approach in the provision and the estimate of the provision includes tax obligations relating to historic periods based on the maximum lookback period the tax authorities may apply (notwithstanding that the Group considers that the actual lookback period should be shorter), as well as the future tax consequences associated with the remaining deferred income balance, which is expected to unwind fully by 2030.

The P&L impact of the provision has been presented as an exceptional expense in accordance with the Group's accounting policy for exceptional items. The obligation arises from the historic disposal of a former subsidiary, which was itself treated as an exceptional item. Had this tax exposure been known at the time of the disposal, it would have been reflected within the consideration and therefore would have reduced the exceptional gain recognised on disposal.

As the provision relates to a past, non-recurring transaction and does not form part of the Group's underlying operating activities, management considers its classification as an exceptional item to be appropriate.

#### *Impairment charges*

During the period the Group recognized impairment charges to Goodwill, PPE and Intangible assets. The impact on goodwill and further details of the impairment assessment are presented in Note 9. The effects on other non-current assets are disclosed in Notes 7 and 8.

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## 5 Finance income and expense

	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m
<b>Finance income</b>		
Interest on bank deposits	0.6	0.7
Other finance income	-	0.2
<b>Total finance income</b>	<b>0.6</b>	<b>0.9</b>
<b>Finance expense</b>		
Bank and other loan interest	54.6	56.8
Interest on lease liabilities	1.9	2.1
Unwinding of discount on provisions	3.4	2.9
Interest payable to other group entities	108.0	98.1
Other interest payable	8.9	8.9
Amortisation of debt issue costs	11.4	2.2
<b>Total finance expense</b>	<b>188.2</b>	<b>171.0</b>

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## 6 Tax expense / (credit)

Income tax expense for the interim period is determined by applying management's best estimate of the weighted-average income tax rate for the annual period, adjusted for certain items fully applicable to the interim period if needed, to profit or loss before tax.

An assessment undertaken shows that the new global minimum tax framework, the OECD "Pillar 2" rules, will not have a material impact upon the tax charge for the Group and the jurisdictions in which the Group operates will meet one of the transitional safe harbours. During the period the Group continues to apply its temporary exemption in relation to the accounting for deferred taxes arising from the implementation of the OECD Pillar Two rules.

## 7 Property, plant and equipment

	Freehold property £m	Leasehold buildings £m	Plant and machinery £m	Assets under construction £m	Total £m
<b>Cost</b>					
At 1 July 2025	273.2	172.9	1,999.7	91.4	2,537.2
Additions	-	4.1	12.8	31.6	48.5
Transfers to other intangibles	-	-	-	(8.7)	(8.7)
Disposals	(0.1)	(10.7)	(47.8)	-	(58.6)
Transfers between classes	1.7	0.4	15.2	(17.3)	-
Adjustment through PPE for provisions	-	-	(3.2)	-	(3.2)
<b>At 31 December 2025</b>	<b>274.8</b>	<b>166.7</b>	<b>1,976.7</b>	<b>97.0</b>	<b>2,515.2</b>
<b>Accumulated depreciation and impairment</b>					
At 1 July 2025	25.6	117.2	1,248.6	-	1,391.4
Charge (owned) for the period	2.8	1.3	48.9	-	53.0
Charge (financed) for the period	-	4.6	5.3	-	9.9
Impairment losses	0.5	-	44.9	-	45.4
Disposals	-	(8.9)	(42.6)	-	(51.5)
<b>At 31 December 2025</b>	<b>28.9</b>	<b>114.2</b>	<b>1,305.1</b>	<b>-</b>	<b>1,448.2</b>
<b>Net book value</b>					
<b>At 31 December 2025</b>	<b>245.9</b>	<b>52.5</b>	<b>671.6</b>	<b>97.0</b>	<b>1,067.0</b>
At 30 June 2025	247.6	55.7	751.1	91.4	1,145.8

Additions during the year includes £16.5m in relation to right-of-use assets. The net book value of right-of-use assets included within property, plant and equipment at the end of the period is £46.1m, this is split £35.7m included within leasehold buildings and £10.4m included within plant and machinery.

## 8 Other intangible assets

	Development expenditure £m	Access rights £m	Licenses £m	Assets under construction £m	Software £m	Total £m
<b>Cost</b>						
At 1 July 2025	22.3	4.3	6.8	-	126.7	160.1
Additions	-	-	-	6.1	-	6.1
Transfers from Property, plant and equipment	0.9	-	-	-	7.8	8.7
Disposals	-	-	-	(6.1)	-	(6.1)
Reclassifications	-	-	-	-	-	-
<b>At 31 December 2025</b>	<b>23.2</b>	<b>4.3</b>	<b>6.8</b>	<b>-</b>	<b>134.5</b>	<b>168.8</b>
<b>Accumulated amortisation and impairment</b>						
At 1 July 2025	14.0	4.3	6.3	-	67.3	91.9
Charge for the period	0.8	-	0.1	-	12.3	13.2
Impairment losses	0.6	-	0.4	-	16.2	17.2
Disposals	-	-	-	-	-	-
<b>At 31 December 2025</b>	<b>15.4</b>	<b>4.3</b>	<b>6.8</b>	<b>-</b>	<b>95.8</b>	<b>122.3</b>
<b>Net book value</b>						
<b>At 31 December 2025</b>	<b>7.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.7</b>	<b>46.5</b>
At 30 June 2025	8.3	-	0.5	-	59.4	68.2

## 9 Goodwill

	£m
<b>Cost</b>	
At 1 July 2025	1,458.4
At 31 December 2025	<b>1,458.4</b>
<b>Accumulated impairment</b>	
At 1 July 2025	118.2
Charge for the period	568.2
<b>At 31 December 2025</b>	<b>686.4</b>
<b>Net book value</b>	
<b>At 31 December 2025</b>	<b>772.0</b>
At 30 June 2025	1,340.2

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ('CGUs') that are expected to benefit from that business combination. The CGUs that have associated goodwill are Media & Broadcast and Smart Utilities Networks.

These are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other groups of assets, and to which goodwill is allocated.

Goodwill is allocated to the Group's cash generating unit as follows:

	31 December 2025 £m	30 June 2025 £m
Media & Broadcast	772.0	1,340.2
Smart Utilities Networks	-	-
<b>Total</b>	<b>772.0</b>	<b>1,340.2</b>

The Group has undertaken a detailed impairment review in preparation for half-year reporting. The impairment review was completed as at 31 December 2025. The recoverable amounts of the CGUs are determined from value-in-use calculations ('VIU'). The key assumptions for the VIU calculations are those regarding the discount rates, growth rates and expected changes to cash flows during the year for which management has detailed plans. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Growth rates are based on internal and external growth forecasts. Changes to cash flows are based on past practices and expectations of future changes in the market.

### *Recognition of impairment*

Management identified impairment indicators during the period due to revised expectations of future performance for certain markets and business units. As a result, impairment testing was undertaken.

An impairment charge of £568.2m (30 June 2025: £nil) was recognised for the Media & Broadcast CGU, partially reducing the carrying amount of its goodwill. A further £62.6m (30 June 2025: £nil) impairment was recorded for the Smart Utilities Networks CGU, comprising £17.2m to other intangible assets and £45.4m to property, plant and equipment.

The total impairment charge for the period was £630.8m (30 June 2025: £nil). The charge is recognized as an exceptional item and disclosed in in Note 4. See notes 7 and 8 for how this is further disaggregated into the Group's asset categories. The recoverable amount used to calculate impairments of CGUs is its value in use. The discount rate used in the value in use calculation is detailed below.

### *Projected cash flows and the 'recoverable amount'*

The value in use for each CGU is determined using risk-adjusted cash flow projections derived from financial plans approved by the Board covering a ten-year period. They reflect management's risk-adjusted expectations of revenue, EBITDA growth, capital expenditure, working capital and operating cash flows, based on past experience and future expectations of contracted business performance.

Managements risk-adjusted expectations do not include the benefits associated with projected growth that is currently non-contracted. Cash flows beyond the fifth year have been extrapolated from year five cash flows, using in perpetuity growth rates.

#### *Discount rate*

The pre-tax discount rate applied to the Group's cash flow forecasts are derived using the Capital Asset Pricing Model for comparable businesses. The assumptions used are benchmarked to externally available data. The pre-tax discount rate used for the Media & Broadcast CGU is 9.8% (30 June 2025: 10.6%). For Smart Utilities networks CGU, the discount rate is 9.6% (30 June 2025: 10.2%).

This discount rate does not represent the weighted average cost of capital (WACC) for the Group, but instead is an industry and comparative company based Capital Asset Pricing Model (CAPM) derived discount rate, utilising current spot rates at the time of calculation.

#### *Terminal growth rates*

The terminal growth rate has historically been determined based on the long-term growth rates of the markets in which the CGU operates. This continues to be the most appropriate measure for the M&B CGU. The growth rate of 2.0% (30 June 2025: 2.0%) has been benchmarked against externally available data. This rate does not exceed the average long-term growth rate for the relevant markets.

For the SUN CGU, new and existing contracts include index linkage protection of at least CPI. To reflect this, SUN CGU growth rate has been assessed at 2.0% (30 June 2025: 2.0%) for the December 2025 impairment review.

#### *Sensitivities*

For Smart Utilities Networks, the goodwill asset is fully impaired, so there are no changes in assumptions that would cause impairment to the goodwill asset.

For Media & Broadcast, management does not consider any reasonably possible changes in key assumptions, including the discount rate or terminal growth rate, to result in full impairment of the remaining goodwill. However, changes to these assumptions could give rise to additional impairment. The sensitivities below show the impact of changes in individual assumptions, applied in isolation:

- An increase in the discount rate 1.0% would result in additional impairment of £118.9m (30 June 2025: A 1.0% would not have resulted in an impairment. The CGU had sufficient headroom at that time).
  - A reduction of 1.0% in the terminal growth assumption would result in additional impairment of £55.6m (30 June 2025: A 1.0% reduction would not result in an impairment. The CGU had sufficient headroom at that time).
-

## 10 Trade and other receivables

	31 December 2025 £m	30 June 2025 £m
<b>Current</b>		
Trade receivables	75.3	52.2
Receivables from related parties	22.3	35.0
Prepayments	25.5	31.0
Other receivables	4.7	5.4
	<b>127.8</b>	<b>123.6</b>

## 11 Trade and other liabilities

	31 December 2025 £m	30 June 2025 £m
<b>Current</b>		
Trade payables	37.6	54.6
Payables to related parties	2,068.7	1,988.5
Other payables	3.5	10.8
Accruals	44.4	45.8
	<b>2,154.2</b>	<b>2,099.7</b>

## 12 Borrowings

	Bank facilities £m	Senior bonds, notes and US private placements* £m	Junior loan £m	Lease liabilities £m	Amounts payable to other group entities £m	Total* £m
<b>Balance at 1 July 2025</b>						
Non-current	-	824.7	450.0	37.6	45.2	1,357.5
Current	20.0	75.0	-	17.3	-	112.3
<b>Total</b>	<b>20.0</b>	<b>899.7</b>	<b>450.0</b>	<b>54.9</b>	<b>45.2</b>	<b>1,469.8</b>
At 1 July 2025	20.0	899.7	450.0	54.9	45.2	1,469.8
Amounts drawn	25.0	-	500.0	-	-	525.0
Amounts repaid	(20.0)	(43.4)	(450.0)	-	-	(513.4)
Foreign currency adjustments	-	1.7	-	-	-	1.7
Lease movements	-	-	-	1.3	-	1.3
<b>At 31 December 2025</b>	<b>25.0</b>	<b>858.0</b>	<b>500.0</b>	<b>56.2</b>	<b>45.2</b>	<b>1,484.4</b>
<b>Balance at 31 December 2025</b>						
Non-current	-	793.9	500.0	37.6	45.2	1,376.7
Current	25.0	64.1	-	18.6	-	107.7
<b>Total</b>	<b>25.0</b>	<b>858.0</b>	<b>500.0</b>	<b>56.2</b>	<b>45.2</b>	<b>1,484.4</b>

\* Excluding accrued interest & borrowings issue costs

During the period the Group completed its issue of £500m Junior Secured Notes. These notes have a maturity in 2030 and coupon rate of 8.625%. Arqiva Broadcast Finance plc (a subsidiary of the Group) is the borrower in this arrangement. The proceeds of this facility have been utilised to prepay the Group's outstanding £450m Junior loan, Arqiva Financing No2 Ltd (a subsidiary of the Group) was the borrower in this arrangement.

### Debenture covenants

As at 31 December 2025, the Group had senior debt borrowings classified as non-current liabilities. These facilities include the following covenants which the Group must comply with:

- A minimum cash flow to interest ratio of 1.55x, and
- A maximum net debt to EBITDA ratio of 6.0x.

The Group has complied with these requirements throughout the period.

As at 31 December 2025, the Group had junior debt borrowings classified as non-current liabilities. These facilities do not include any covenants with which the Group must comply.

### Financing arrangements

The Group's undrawn financing facilities were as follows:

	31 December 2025 £m	30 June 2025 £m
<b>Secured loan facility:</b>		
Amount used	25.0	20.0
Amount unused	270.0	335.0
<b>Total financing facilities</b>	<b>295.0</b>	<b>355.0</b>

Secured loan facilities comprise of a number of senior debt facilities of £250.0m of which £25.0m was drawn at the period end, and a junior debt facility of £45.0m of which £nil was drawn at the period end.

### 13 Financial instruments – fair values

This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments since the last annual financial report.

The Group considers that the carrying amounts of all its financial assets and financial liabilities to be reasonable approximations of their fair value except for derivative financial instruments.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels. The fair value hierarchy has the following levels. The fair value hierarchy has the following levels:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31 December 2025	Fair value – hedging instruments £m	Carrying amount - amortised cost £m	Fair value hierarchy		
			Total £m	Level 2 £m	Total £m
<b>Financial assets measured at fair value</b>					
Interest rate swaps used for hedging	10.3	-	10.3	10.3	10.3
	<b>10.3</b>	<b>-</b>	<b>10.3</b>		
<b>Financial assets not measured at fair value</b>					
Trade and other receivables	-	97.6	97.6	-	-
Cash and cash equivalents	-	5.7	5.7	-	-
	<b>-</b>	<b>103.3</b>	<b>103.3</b>		
<b>Financial liabilities measured at fair value</b>					
Interest rate swaps used for hedging	99.8	-	99.8	99.8	99.8
Forward exchange contracts used for hedging	9.7	-	9.7	9.7	9.7
	<b>109.5</b>	<b>-</b>	<b>109.5</b>		
<b>Financial liabilities not measured at fair value</b>					
Borrowings	-	1,414.2	1,414.2	-	-
Interest on borrowings	-	12.9	12.9	-	-
Financial lease liabilities	-	56.2	56.2	-	-
Trade and other liabilities	-	2,154.2	2,154.2	-	-
	<b>-</b>	<b>3,637.5</b>	<b>3,637.5</b>		

30 June 2025	Fair value – hedging instruments £m	Carrying amount - amortised cost £m	Total £m	Fair value hierarchy	
				Level 2 £m	Total £m
<b>Financial assets measured at fair value</b>					
Interest rate swaps used for hedging	13.4	-	13.4	13.4	13.4
	<b>13.4</b>	-	<b>13.4</b>		
<b>Financial assets not measured at fair value</b>					
Trade and other receivables	-	87.2	87.2	-	-
Cash and cash equivalents	-	22.4	22.4	-	-
	-	<b>109.6</b>	<b>109.6</b>		
<b>Financial liabilities measured at fair value</b>					
Interest rate swaps used for hedging	123.6	-	123.6	123.6	123.6
Forward exchange contracts used for hedging	(0.8)	-	(0.8)	(0.8)	(0.8)
	<b>122.8</b>	-	<b>122.8</b>		
<b>Financial liabilities not measured at fair value</b>					
Borrowings	-	1,354.8	1,354.8	-	-
Interest on borrowings	-	13.2	13.2	-	-
Financial lease liabilities	-	54.9	54.9	-	-
Trade and other liabilities	-	2,099.7	2,099.7	-	-
	-	<b>3,522.6</b>	<b>3,522.6</b>		

During the six-month period to 31 December 2025 there were no transfers between Level 1 and Level 2 fair value measurements, there were also no transfers into or out of Level 3 fair value measurements.

For Level 2 fair value assets the Group calculates their fair value based upon discounted cash flows. Future cash flows are estimated based on forward (interest / inflation / exchange) rates observable from rates and yield curves at the end of the reporting period, and contract rates, discounted at a risk-adjusted rate. This valuation technique is unchanged from the year end.

## 14 Provisions

	Decommissioning £m	Restructuring £m	Remediation £m	Dispute £m	Other £m	Total £m
<b>Balance at 1 July 2025</b>						
Non-current	90.8	0.4	3.5	-	6.6	101.3
Current	3.4	-	0.3	-	0.1	3.8
<b>Total</b>	<b>94.2</b>	<b>0.4</b>	<b>3.8</b>	<b>-</b>	<b>6.7</b>	<b>105.1</b>
At 1 July 2025	94.2	0.4	3.8	-	6.7	105.1
Charged to profit or loss	(0.2)	(0.1)	-	14.3	0.3	14.3
Revaluation through Property, plant and equipment	(3.2)	-	-	-	-	(3.2)
Released during the period	-	-	-	-	-	-
Unwinding of discount	3.4	-	0.1	-	-	3.5
<b>At 31 December 2025</b>	<b>94.2</b>	<b>0.3</b>	<b>3.9</b>	<b>14.3</b>	<b>7.0</b>	<b>119.7</b>
<b>Balance at 31 December 2025</b>						
Non-current	90.8	0.3	3.6	14.3	6.9	115.9
Current	3.4	-	0.3	-	0.1	3.8
<b>Total</b>	<b>94.2</b>	<b>0.3</b>	<b>3.9</b>	<b>14.3</b>	<b>7.0</b>	<b>119.7</b>

The dispute provision arising during the period is disclosed in further detail within Note 4 exceptional items.

## 15 Notes supporting statement of cash flows

Non-cash transactions from financing activities are shown in the table below:

	Current loans and borrowings £m	Non-current loans and borrowings £m	Accrued interest on other borrowings £m	Derivative financial instrument liabilities £m	Total £m
At 1 July 2025	112.3	1,357.5	13.2	109.4	1,592.4
Cash flows	(38.3)	50.0	(53.7)	-	(42.0)
Non-cash flows:					
Effects of foreign exchange	-	1.7	-	-	1.7
Changes in fair value	-	-	-	(10.2)	(10.2)
Other changes including accrued interest	33.7	(32.5)	53.4	-	54.6
<b>At 31 December 2025</b>	<b>107.7</b>	<b>1,376.7</b>	<b>12.9</b>	<b>99.2</b>	<b>1,596.5</b>

## 16 Related party transactions

Balances and transactions between Group entities, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

During the period, the Group entered into the following trading transactions with related parties that are not members of the Group:

	Sales of goods and services		Purchases of goods and services	
	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m
Other group entities	36.0	32.3	-	-
Entities under common influence	17.9	7.1	-	-
Associates	-	-	-	-
Joint ventures	3.2	2.7	2.2	2.6
	<b>57.1</b>	<b>42.1</b>	<b>2.2</b>	<b>2.6</b>

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
	31 December 2025 £m	30 June 2025 £m	31 December 2025 £m	30 June 2025 £m
Other group entities	22.3	35.0	2,047.4	1,988.5
Entities under common influence	7.8	5.5	-	-
Associates	-	-	-	-
Joint ventures	-	-	-	0.2
	<b>30.1</b>	<b>40.5</b>	<b>2,047.4</b>	<b>1,988.7</b>

All transactions are on third-party terms and all outstanding balances, are interest free, unsecured and are not subject to any financial guarantee by either party.



# **Arqiva Group Parent Limited**

**Registered number 08085794**

## **Interim Condensed Consolidated Financial Statements**

**For the six months ended 31 December 2025**

## Arqiva Group Parent Limited

Interim Condensed Consolidated Financial Statements for the six months ended 31 December 2025

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# Interim financial report

The Directors of Arqiva Group Parent Limited ('AGPL'), registered company number 08085794, ('the Company') and its subsidiaries ('the Group') provide the following interim financial report and condensed consolidated interim financial statements ('financial statements'), in respect of the six months ended 31 December 2025.

## Cautionary statement

This interim financial report ('IFR') contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Group to differ materially from the information presented herein. When used in this IFR, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Group, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Save as otherwise required by any rules or regulations, the Group does not undertake any obligations publicly to release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The risks and uncertainties referred to above include:

- actions or decisions by governmental and regulatory bodies, or changes in the regulatory framework in which the Group operates, which may impact the ability of the Group to carry on its businesses;
- changes or advances in technology, and availability of resources such as spectrum, necessary to use new or existing technology, or customer and consumer preferences regarding technology;
- the performance of the markets in the UK, the EU and the wider region in which the Group operates;
- the ability of the Group to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the ability of the Group to develop, expand and maintain its broadcast and utilities infrastructure;
- the ability of the Group to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects;
- the Group's dependency on only a limited number of key customers for a large percentage of its revenue; and
- expectations as to revenues not under contract.

## Operational & Strategic Review

The first half of the 2025/26 financial year (“HY26”) has been a period of measured progress against the Group’s strategic priorities. While the external environment remains complex, management has continued to focus on the fundamentals; delivering for our customers, maintaining operational resilience, and positioning the business for long-term sustainability.

Group revenue grew by 13.7% year-on-year to £347.3 million, driven largely by continued growth in our Smart Utilities Networks (SUN) business. Media & Broadcast (M&B) remained stable, despite ongoing pressures in the advertising market and broader shifts in media consumption. EBITDA for the period was £153.1 million, down 0.9% on the prior year, reflecting a higher proportion of low margin device installations in Smart Utilities Networks and the non-recurrence of one-off prior period items mitigated by cost discipline. The Group continues to benefit from a strong contracted position, with an order book of approximately £2.8 billion. This provides good visibility of future revenues and underpins our ability to plan and invest with confidence.

Media & Broadcast secured several important contract renewals and extensions, most notably a multi-year extension with one of our largest DTT customers. This renewal, which runs through to 2030, reinforces the enduring value of Arqiva’s broadcast infrastructure, which delivers around 50% of all TV viewing in the UK and over £1 billion in advertising revenue for the commercial Public Service Broadcasters (PSBs). These outcomes reflect the strength of the Group’s customer relationships and the relevance of its service offering, even as the market continues to evolve.

Operationally, our broadcast network delivered high levels of availability, with 99.95% uptime across TV and radio services. This is a testament to the work of our teams and our continued focus on reliability - a core expectation of our customers and a key differentiator for Arqiva.

The Smart Utilities business has continued to scale. Arqiva is the only provider proven at such scale and is delivering the largest combined rollout in the UK, including the two largest water companies measured by geographic area and customer base as customers, Anglian and Thames. The Group has been successful in winning around 50% of the smart metering contracts in the UK and its networks currently account for 90% of the more than 3 million smart water meters installed in the UK. In the first six months, good progress was made mobilising several new contracts in the water sector, including agreements with Affinity Water, Anglian Water, Portsmouth Water, and United Utilities. These contracts, worth around £510 million in total, mark the start of the AMP8 investment cycle and represent a significant opportunity for Arqiva.

SUN has now installed over 2 million energy communications hubs and coverage has reached 99.5% of the DCC CSP North region premises. The Group is in active discussions with the Data Communications Company (DCC) regarding a potential 15-year contract extension to support long-term service continuity and deliver value for money.

Arqiva has continued to invest in innovation and capability across the business in the period. Five new products were launched in the first half, spanning both M&B and SUN. These include enhancements to our managed media services and new data-driven offerings in utilities. These developments are aligned with our strategic focus for FY26 and are designed to support our customers as their needs evolve. For example, Arqiva’s leading position in the UK satellite ground infrastructure sector continues to evolve, the business was ranked the number 1 independent teleport provider by the WTA, and it has WTA Tier 4-accredited sites at Chalfont and Crawley Court. The business delivers resilient GEO and emerging LEO services - a market currently valued at \$1 billion and expected to grow to \$2.75 billion by 2033 - acting as an orbit agnostic partner for broadcasters, enterprises and government users.

Further good progress has also been made in the Group’s ESG agenda this period. In addition to maintaining its MSCI ESG rating of AA and powering 100% of our operations with renewable electricity, we were pleased to be awarded a 5-star rating in the GRESB infrastructure benchmark.

The Group’s long-term vision remains unchanged and is committed to being the UK’s leading provider of broadcast and smart utility infrastructure, and to do so in a way that is sustainable, reliable, and responsive to the needs of our customers and stakeholders. Management remains laser-focused on execution and will continue to deliver against customer commitments, progress key strategic initiatives, and maintain its emphasis on operational performance. Despite good cost discipline in the first half, challenges in the external environment - from inflationary pressures to regulatory uncertainty - will require a step up in focus on costs and operational efficiency in the second half and beyond. This will be essential to protect margins, maintain competitiveness, and ensure Arqiva can continue to invest in the areas that matter most to our customers and stakeholders.

## Financial Review

Underlying financial performance in the first six months of the 2025/26 financial year was resilient, with strong growth in revenue and disciplined cost management underpinning solid underlying EBITDA and operating cash flow, as well as targeted investment in long-term growth markets.

In addition, the Group's financial position remains robust. During the period, the Group extended its £100 million senior revolving credit facility by five years and renewed its £150 million senior liquidity facility. The Group remains fully compliant with its covenants, with a year-on-year reduction in senior gearing. Liquidity remains strong with cash and cash equivalents and undrawn secured facilities of £229.8 million as at 31 December 2025.

The Group enters the second half of the financial year with high platform utilisation, strong contract visibility and continued growth momentum in SUN. Capital expenditure is expected to remain broadly in line with the prior financial year and fully funded from operational cash flow. Against a backdrop of regulatory change in both M&B and SUN markets, Arqiva remains well positioned to invest selectively in growth, underpinned by long-dated, inflation-linked contracts.

## Income Statement

Period ended	31 December 2025			31 December 2024		
	Underlying	Exceptional	Total	Underlying	Exceptional	Total
£m (unaudited)						
Revenue	347.3	-	347.3	305.4	-	305.4
EBITDA	153.1	-	153.1	154.5	-	154.5
Net impairment losses	-	(630.8)	(630.8)	-	-	-
Operating Profit	76.9	(645.3)	(568.4)	99.4	(1.9)	97.5
Net finance expense	(163.4)	-	(163.4)	(154.4)	-	(154.4)
Other gains / (losses)	8.6	-	8.6	5.0	-	5.0
Loss before tax	(77.9)	(645.3)	(723.2)	(50.0)	(1.9)	(51.9)
Taxation	(8.6)	15.6	7.0	(3.6)	-	(3.6)
Loss after tax	(86.5)	(629.7)	(716.2)	(53.6)	(1.9)	(55.5)

### Revenue

Total Group revenue for the six months ended 31 December 2025 increased by 13.7% to £347.3 million driven primarily by strong growth in Smart Utilities Networks.

- Media and Broadcast ("M&B") revenue decreased by 1.2% year-on-year to £235.0 million (HY25: £237.9 million), largely reflecting lower pass-through energy revenues driven by lower power consumption and energy prices. Revenue from Core TV and radio products remained stable, supported by long-dated, inflation-linked contracts and high utilisation across DTT and DTH platforms. Renewal pricing pressures in DTT and DTH continue.
- Smart Utilities Networks ("SUN") revenue increased by 66.4% year-on-year to £112.3 million (HY25: £67.5 million), principally driven by the mobilisation of five new AMP8 water-metering contracts secured in the second half of the last financial year, with c.629 thousand meters delivered in the period, as well as an increase in maintenance revenue. Network service revenues remained stable, supported by indexation-linked uplifts across both water and utility contracts. Site-sharing income from the utilisation of our broadcast sites for telecommunications equipment was also broadly unchanged year-on-year.

The Group's infrastructure-based model continues to support predictable, inflation linked revenue. As at 31 December 2025, the contracted order book stood at c.£2.8 billion on a real basis (HY25: £2.8 billion). A significant proportion of Group revenue is now secured into the next decade, with approximately 43% of revenue contracted to at least 2030 and 20% contracted to at least 2035, reflecting multi-year renewals and extensions secured with key TV and radio customers, as well as long duration smart metering and water contracts.

### EBITDA

EBITDA decreased by 0.9% to £153.1 million reflecting a decline in margin driven by a change in product mix and the non-recurrence of one-off prior period credits and provision releases.

- Media & Broadcast EBITDA was broadly unchanged at £166.3 million (HY25: £166.2 million), benefiting from a higher margin due to cost efficiencies, reduced satellite capacity expenditure and lower power costs
- Smart Utilities Networks EBITDA increased by 16.5% to £34.6 million (HY25: £29.7 million), with higher revenue partly offset by a material shift in mix toward lower margin device installations
- Corporate costs increased to £15.6 million (HY25: £9.3 million), reflecting the non-recurrence of £6.0 million in one-off prior period credits and provision releases. Excluding these, underlying costs were in line with the prior period, with effective cost management offsetting the impact of wage and third-party inflationary increases

- Operations costs decreased by 3.4% to £11.5 million (HY25: £11.9 million), benefitting from higher utilisation of engineering teams and continued efficiency measures including improved workflow automation
- Technology costs increased by 2.5% to £20.7 million (HY25: £20.2 million) due to lower capitalisation and higher software-related expenditures as we modernise core IT platforms and increased the use of SAAS cloud-based platforms

#### *Exceptional items*

In aggregate, the Group recognised pre-tax operating exceptional items of £645.3 million in the six months ended 31 December 2025, comprising:

- Non-cash net impairment losses of £630.8 million reflecting updated assumptions regarding future cash flows for our M&B and SUN cash generating units, consistent with current market conditions and recognised in accordance with IAS36.
- A provision £14.3 million for the potential dispute in relation to historic tax treatment of a deferred income balance in a previously disposed subsidiary. The outcome and timing remain uncertain.
- £0.1 million of restoration costs in relation to the final stages of the Bilsdale restoration programme.
- £0.1 million of Reorganisation and severance costs in relation to the restructure of the technology business unit. This project is expected to be completed during 2026.

#### *Operating profit*

The modest decline in EBITDA, combined with a £17.1 million increase in depreciation and amortisation, generated a 22.6% year-on-year decrease in underlying operating profit to £76.9 million.

Group depreciation and amortisation increased by 26.0% to £76.1 million (HY25: £60.4 million) for the six months ended 31 December 2025 largely reflecting continued investment in growth initiatives and updated assessments of the useful economic lives of certain SUN and Corporate assets

The Group reported a total operating loss, after exceptional items, of £568.4 million (FY25: operating profit of £97.5 million).

#### *Loss before tax*

The underlying loss before tax increased to £77.9 million (HY25: £50.0 million), reflecting the decline in operating profit and an increase in net finance expense.

Finance expenses increased by 5.5% to £163.9 million during the first half driven by higher inflation and SONIA linked swap cost, as well as compounding of intercompany interest. Of this amount, £117.3 million related to inter-company interest that has been deferred at the option of the group and will not be paid if this was to threaten the financial stability of the business. Bank interest costs declined by £0.7 million due to lower floating-rate charges and reduced utilisation of working-capital facilities. Finance income declined by £0.4 million to £0.5 million reflecting lower interest rates on cash and employee benefit assets.

Other gains increased by £3.6 million to £8.6 million reflecting fair value movements on the Group's interest rate, index-linked and cross-currency swaps. These movements were driven by changes in forward market interest rates and credit dynamics during the period.

The reported total loss before tax for the year was £723.2 million, an increase of £671.3 million compared to the prior period. This largely reflected the impact of higher exceptional items in the period.

#### *Taxation*

The Group recognised an underlying tax charge of £8.6 million in the period, comprising a current tax charge of £6.9 million and a deferred tax charge of £1.7 million. The current year tax charge reflects the Group generating taxable profits in the period. The deferred tax charge is driven the utilisation of tax assets to offset taxable income

Total tax includes a £15.6 million deferred tax credit in relation to the asset impairment recognised in the period.

#### *Loss after tax*

The underlying loss after tax was £86.5 million in the period, a £32.9 million year-on-year increase. The reported total loss after tax for the six months ended 31 December 2025 was £716.2 million, an increase of £660.7 million compared to the prior period reflecting the impact of post-tax exceptional items recognized in the period that totalling £629.7m. Excluding exceptional and non-recurring items, the underlying trading performance of the core business remains robust as Arqiva continues to invest in our infrastructure to support long-term contracts delivery, product development and growth.

## Financial position

Net liabilities for the Group were £1,656.8 million as at 31 December 2025, an increase of 72.6% from £960.0 million as at 30 June 2025, largely reflecting net impairment losses recognised in the period.

## Cash Flow Statement

Period ended	31 December 2025			31 December 2024		
	Underlying	Exceptional	Total	Underlying	Exceptional	Total
£m (unaudited)						
EBITDA	153.1	-	153.1	154.5	-	154.5
Working capital	(63.9)	14.3	(49.6)	(58.0)	-	(58.0)
Other	(1.2)	(14.5)	(15.7)	(0.6)	(1.9)	(2.5)
Net cash inflow from operating activities	88.0	(0.2)	87.8	95.9	(1.9)	94.0
Cash capex	(34.3)	-	(34.3)	(32.9)	-	(32.9)
Net interest paid	(34.1)	-	(34.1)	(42.8)	-	(42.8)
Cash flow from financing activities excluding interest	(36.9)	-	(36.9)	(21.7)	-	(21.7)
Net cash outflow	(17.3)	(0.2)	(17.5)	(1.5)	(1.9)	(3.4)

Net cash flow from operating activities declined by 7% to £87.8 million, after recognition of a non-cash exceptional dispute provision, largely reflecting an increase in trade receivables that more than offset accrual releases in the period. This cash inflow fully funded capital expenditure of £34.3 million (HY25: £32.9 million) to support delivery of the major water programmes, maintenance and strategic growth platform investments.

Net cash used in financing activities increased by 10% to £71.6 million, with lower net interest paid mainly due to lower interest rates, more than offset by the repayment of borrowings in the period. This resulted in a total net cash outflow of £17.5 million. Total cash and cash equivalents held at 31 December 2025 was £4.8 million.

During the period, the Group extended its £100 million senior revolving credit facility and renewed its £150 million senior liquidity facility. Liquidity remains strong with cash and cash equivalents and undrawn secured facilities of £229.8 million as at 31 December 2025.

### Gearing and interest cover

Net senior debt on a covenant basis was £945.1 million as at 31 December 2025, resulting in annualised senior net debt to EBITDA of 3.07x (FY25: 2.97x). Senior debt service cover ratio increased to 2.58x (FY25: 2.42x) and senior interest cover ratio increased to 4.32x (FY25: 4.13x). The Group remained in full compliance with all senior debt covenants during the period.

There were no changes to the Group's senior credit ratings in the period (S&P: BBB+; Fitch: BBB).

In November 2025, Macquarie European Infrastructure Fund II announced an agreement to sell its 26.54% stake in the Arqiva Group, consistent with the fund's closure strategy. The transaction is currently under review by regulatory and competition authorities. The transaction does not affect day to day operations, governance or financing of the Group.

## Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Directors do not consider that any principal risks and uncertainties have materially changed since the publication of the annual report for the year ended 30 June 2025, which is available from the Group's website at [www.arqiva.com](http://www.arqiva.com).

## ISO certification and Cyber security

Arqiva holds certification to ISO/IEC 27001:2022. ISO27001 is an internationally recognised specification for an information security management system (ISMS), a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation's information risk management processes. This enables Arqiva to compete for new business which requires it to demonstrate the robustness of its security controls. Through independent review and accreditation, supported by internal audits, Arqiva can confidently demonstrate its commitment to security and its adoption of secure working practices. Arqiva has held this certification since 2013 and re-certifies every three years with re-certification last secured in April 2025.

## Going concern

The Group meets its day-to-day working capital and financing requirements through the net cash generated from its operations. The Group performs a review of going concern through a review of forecasting including cash flow forecasts and considering the requirements of capital expenditure and debt repayments and including severe but plausible downside scenarios. The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments both in terms of capital programmes and financing as they fall due.

Following the end of the financial period and ahead of signing the half year report, the Audit and Risk Committee performed a separate review of the going concern basis for the financial statements. The Directors are confident that the Group has adequate resources to continue in operational existence for the 12-month period from the date of signing of the accounts. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

## Outlook

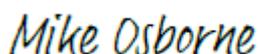
The Group enters the second half of the financial year with high platform utilisation, strong contract visibility and continued growth momentum in SUN. Capital expenditure is expected to remain broadly in line with the prior financial year and fully funded from operational cash flow. Against a backdrop of regulatory change in both M&B and SUN markets, Arqiva remains well positioned to invest selectively in growth, underpinned by long-dated, inflation-linked contracts.

## Directors' responsibilities

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



**Michael Osborne**  
Director

23 February 2026

# Interim consolidated income statement

For the six months ended 31 December 2025

		2025	2024 (Restated*)
	Note	£m	£m
Revenue	3	347.3	305.4
Cost of sales		(139.9)	(102.7)
<b>Gross profit</b>		<b>207.4</b>	<b>202.7</b>
Depreciation	7	(62.9)	(53.1)
Amortisation	8	(13.2)	(5.9)
Administrative expenses		(54.3)	(48.2)
Other (expense) / income		(0.1)	3.9
Exceptional operating expenses	4	(645.3)	(1.9)
Exceptional other income	4	-	-
<b>Operating (loss) / profit</b>		<b>(568.4)</b>	<b>97.5</b>
Finance income	5	0.5	0.9
Finance expenses	5	(163.9)	(155.3)
Other gains / (losses)		8.6	5.0
<b>Loss before tax</b>		<b>(723.2)</b>	<b>(51.9)</b>
Tax (expense) / credit	6	7.0	(3.6)
<b>Loss for the period</b>		<b>(716.2)</b>	<b>(55.5)</b>
Loss for the period attributable to:			
Owners of the parent		(716.3)	(55.7)
Non-controlling interests		0.1	0.2
<b>Loss for the period</b>		<b>(716.2)</b>	<b>(55.5)</b>

Further comments on interim consolidated income statement line items are presented in the notes to the financial statements on pages 14 to 28.

# Interim consolidated statement of comprehensive income

For the six months ended 31 December 2025

	2025	2024 (Restated*)
Note	£m	£m
<b>Loss for the period</b>	<b>(716.2)</b>	<b>(55.5)</b>
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial gain / (loss) on defined benefit pension schemes	0.1	0.6
Movement on deferred tax relating to pension schemes	-	(0.2)
	<b>0.1</b>	<b>0.4</b>
<b>Total comprehensive expense</b>	<b>(716.1)</b>	<b>(55.1)</b>
Total comprehensive expense for the period attributable to:		
Owners of the parent	(716.2)	(55.3)
Non-controlling interests	0.1	0.2
<b>Total comprehensive expense</b>	<b>(716.1)</b>	<b>(55.1)</b>

All items of other comprehensive income relate to continuing operations.

# Interim consolidated statement of financial position

		31 December 2025	30 June 2025
	Note	£m	£m
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	1,067.0	1,145.8
Other intangible assets	8	46.5	68.2
Goodwill	9	772.0	1,340.2
Interest in associates and joint ventures		0.1	0.1
Financial assets at fair value through profit or loss		0.2	0.2
Derivative financial assets	13	10.3	13.4
Employee benefit assets		7.0	6.9
Deferred tax assets		231.0	216.8
		<b>2,134.1</b>	<b>2,791.6</b>
<b>Current assets</b>			
Contract assets		22.2	8.9
Trade and other receivables	10	383.3	402.3
Cash and cash equivalents		4.8	22.3
		<b>410.3</b>	<b>433.5</b>
<b>Total assets</b>		<b>2,544.4</b>	<b>3,225.1</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Contract liabilities		246.6	266.4
Borrowings	12	1,324.5	1,354.1
Derivative financial liabilities	13	109.5	122.8
Provisions	14	115.9	101.1
		<b>1,796.5</b>	<b>1,844.4</b>
<b>Current liabilities</b>			
Trade and other liabilities	11	2,181.3	2,123.8
Contract liabilities		111.8	100.1
Borrowings	12	107.8	112.7
Provisions	14	3.8	4.1
		<b>2,404.7</b>	<b>2,340.7</b>
<b>Total liabilities</b>		<b>4,201.2</b>	<b>4,185.1</b>
<b>Net liabilities</b>		<b>(1,656.8)</b>	<b>(960.0)</b>

## Interim consolidated statement of financial position (continued)

	Note	31 December 2025 £m	30 June 2025 £m
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital		0.1	0.1
Capital redemption reserve		534.3	515.0
Merger reserve		(188.5)	(188.5)
Translation reserve		(0.6)	(0.6)
Accumulated losses		(2,004.3)	(1,288.1)
<b>Equity attributable to owners of the parent</b>		<b>(1,659.0)</b>	<b>(962.1)</b>
Non-controlling interests		2.2	2.1
<b>Total equity</b>		<b>(1,656.8)</b>	<b>(960.0)</b>

These interim condensed consolidated financial statements were approved by the Board of Directors on 23 February 2026 and were signed on its behalf by:

*Mike Osborne*

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**Michael Osborne**  
Director

# Interim consolidated statement of changes in equity

For the six months ended 31 December 2025

	Share capital £m	Capital redemption reserve £m	Merger reserve £m	Translation reserve £m	Accumulated losses £m	Total attributable to equity holders of the parent £m	Non-controlling interest £m	Total equity £m
<b>At 1 July 2025</b>	<b>0.1</b>	<b>515.0</b>	<b>(188.5)</b>	<b>(0.6)</b>	<b>(1,288.1)</b>	<b>(962.1)</b>	<b>2.1</b>	<b>(960.0)</b>
(Loss) / profit for the period	-	-	-	-	(716.3)	(716.3)	0.1	(716.2)
Other comprehensive expense	-	-	-	-	0.1	0.1	-	0.1
<b>Total comprehensive (expense) / income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(716.2)</b>	<b>(716.2)</b>	<b>0.1</b>	<b>(716.1)</b>
Capital contribution	-	19.3	-	-	-	19.3	-	19.3
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2025</b>	<b>0.1</b>	<b>534.3</b>	<b>(188.5)</b>	<b>(0.6)</b>	<b>(2,004.3)</b>	<b>(1,659.0)</b>	<b>2.2</b>	<b>(1,656.8)</b>

	Share capital £m	Capital redemption reserve £m	Merger reserve £m	Translation reserve £m	Accumulated losses £m	Total attributable to equity holders of the parent £m	Non-controlling interest £m	Total equity £m
<b>At 1 July 2024</b>	<b>0.1</b>	<b>483.1</b>	<b>(188.5)</b>	<b>(0.6)</b>	<b>(1,025.2)</b>	<b>(731.1)</b>	<b>1.9</b>	<b>(729.2)</b>
Correction of error (Impairment)	-	-	-	-	(127.6)	(127.6)	-	(127.6)
<b>Balance at 1 July 2024 (Restated*)</b>	<b>0.1</b>	<b>483.1</b>	<b>(188.5)</b>	<b>(0.6)</b>	<b>(1,152.8)</b>	<b>(858.7)</b>	<b>1.9</b>	<b>(856.8)</b>
Loss for the period (Restated*)	-	-	-	-	(55.7)	(55.7)	0.2	(55.5)
Other comprehensive expense	-	-	-	-	0.4	0.4	-	0.4
<b>Total comprehensive (expense) / income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(55.3)</b>	<b>(55.3)</b>	<b>0.2</b>	<b>(55.1)</b>
Capital contribution	-	13.8	-	-	-	13.8	-	13.8
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>13.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.8</b>	<b>-</b>	<b>13.8</b>
<b>At 31 December 2024 (Restated*)</b>	<b>0.1</b>	<b>496.9</b>	<b>(188.5)</b>	<b>(0.6)</b>	<b>(1,208.1)</b>	<b>(900.2)</b>	<b>2.1</b>	<b>(898.1)</b>

# Interim consolidated statement of cash flows

For the six months ended 31 December 2025

	Note	2025 £m	2024 (Restated*) £m
<b>Cash flows from operating activities</b>			
Loss for the period		(716.2)	(55.5)
<b>Adjustments for</b>			
Depreciation of property, plant and equipment	7	62.9	53.1
Amortisation of intangible fixed assets	8	13.2	5.9
Impairment charges	4	630.8	-
Finance income	5	(0.5)	(0.9)
Finance expense	5	163.9	155.3
Net (gain) / loss arising on financial liabilities designated as at fair value through profit or loss		(8.6)	(5.0)
Loss / (gain) on sale of property, plant and equipment		4.0	(0.5)
Gain on lease modifications		(1.3)	-
Other income		(3.8)	(3.9)
Contribution into the DB pension scheme		-	(0.1)
Income tax (credit) / expense	6	(7.0)	3.6
		<b>137.4</b>	<b>152.0</b>
<b>Movements in working capital</b>			
(Increase) / (decrease) in trade and other receivables		(26.5)	(3.8)
Decrease in trade and other liabilities		(37.5)	(54.4)
Increase in provisions and employee benefit liabilities		14.4	0.2
<b>Cash used in operations</b>		<b>(49.6)</b>	<b>(58.0)</b>
<b>Net cash flows from operating activities</b>		<b>87.8</b>	<b>94.0</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(34.3)	(32.9)
Payments to acquire financial assets		-	(0.2)
Interest received		0.6	0.7
<b>Net cash used in investing activities</b>		<b>(33.7)</b>	<b>(32.4)</b>

# Interim consolidated statement of cash flows (continued)

For the six months ended 31 December 2025

		2025	2024 (Restated*)
	Note	£m	£m
<b>Cash flows from financing activities</b>			
Proceeds from external borrowings	12	25.0	26.0
Repayment of external borrowings	12	(63.4)	(16.5)
Proceeds / (repayment) of parent undertakings		12.2	(23.5)
Interest paid		(32.8)	(41.4)
Repayment of capital element of lease rentals		(10.7)	(7.5)
Interest element of lease rentals		(1.9)	(2.1)
Cash settlement of principal accretion on inflation-linked swaps		-	-
<b>Net cash used in financing activities</b>		<b>(71.6)</b>	<b>(65.0)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(17.5)</b>	<b>(3.4)</b>
Cash and cash equivalents at the beginning of the financial year		22.3	20.0
<b>Cash and cash equivalents at end of the financial year</b>	15	<b>4.8</b>	<b>16.6</b>

# Notes to the interim consolidated financial statements

For the six months ended 31 December 2025

## 1 Basis of preparation

These interim condensed consolidated financial statements for the six months ended 31 December 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom. They do not include all the disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2025 annual financial statements.

## 2 Accounting policies

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2025 annual financial statements, except for the following amendments which apply for the first time in the six month period to 31 December 2025. However, not all are expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The following new standards and amendments are effective for the period beginning 1 January 2025:

- Amendment to IAS 21 - Lack of exchangeability

This amendment is effective for the Group annual reporting year beginning 1 July 2025.

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Group does not expect these amendments to have a material impact on its operations or financial statements.

## 3 Revenue and functional information

The Group derives its revenue from the rendering of services, engineering projects and the sale of communications equipment. The following tables disaggregate revenue from contracts with customers by our major service lines and by reportable function:

For the six months ended 31 December 2025	Media and Broadcast £m	Smart Utilities Networks £m	Total £m
Rendering of services	235.0	68.2	303.2
Sale of goods	-	44.1	44.1
<b>Total revenue</b>	<b>235.0</b>	<b>112.3</b>	<b>347.3</b>

For the six months ended December 2024	Media and Broadcast £m (*Restated)	Smart Utilities Networks £m (*Restated)	Total £m
Rendering of services	237.9	54.6	292.5
Sale of goods	-	12.9	12.9
<b>Total revenue</b>	<b>237.9</b>	<b>67.5</b>	<b>305.4</b>

Revenue is not recognised for the portion of services that are subject to service credits, see note 4 for further details.

### Reporting by markets

The Group's reporting structure considers the customer facing functions of Media and Broadcast and Smart Utilities Networks, supported by Operations, Technology and Corporate functions. Revenue and EBITDA are presented across these functions.

The following is an analysis of the Group's revenue and results by function:

	Function revenue		Function EBITDA	
	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m (*Restated)	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m (*Restated)
<b>Commercial</b>				
Media & Broadcast	235.0	237.9	166.3	166.2
Smart Utilities Networks	112.3	67.5	34.6	29.7
<b>Other</b>				
Operations	-	-	(11.5)	(11.9)
Technology	-	-	(20.7)	(20.2)
Corporate	-	-	(15.6)	(9.3)
	<b>347.3</b>	<b>305.4</b>	<b>153.1</b>	<b>154.5</b>
Finance income			0.5	0.9
Finance expenses			(163.9)	(155.3)
Other gains / (losses)			8.6	5.0
Depreciation and amortisation			(76.1)	(59.0)
Impairment charges			(630.8)	-
Exceptional operating expenses			(14.5)	(1.9)
Other income / (expense)			(0.1)	3.9
Exceptional other income			-	-
Exceptional service credits			-	-
<b>Loss before tax</b>			<b>(723.2)</b>	<b>(51.9)</b>

\* Revenue and EBITDA for the six-month period ended 31 December 2024 have been restated. While total Revenue and total EBITDA remain unchanged, an error was identified in the previously published financial statements relating to the allocation of amounts between the segments, including the Media & Broadcast and Smart Utilities Networks segments. The comparative figures have been corrected accordingly. The error affected only the presentation of amounts between operating segments and had no impact on total Revenue, total EBITDA, profit for the period, cash flows or the Statement of Financial Position.

Function profit represents the EBITDA earned by each function without allocation of central administration costs and directors' salaries, share of profit of associates, share of profit of a joint venture, gain recognised on disposal of interest in former associate, investment income, other gains and losses, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of function performance.

A reconciliation of the reported EBITDA to the financial statements is provided below:

	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m (Restated)
<b>Operating profit</b>	<b>(568.4)</b>	<b>97.5</b>
Depreciation	62.9	53.1
Amortisation	13.2	5.9
Impairment charges	630.8	-
Exceptional operating expenses	14.5	1.9
Other income / (expense)	0.1	(3.9)
<b>EBITDA</b>	<b>153.1</b>	<b>154.5</b>

## Geographical information

The geographic analysis of revenue is on the basis of the country of origin in which the customer is invoiced. The following revenue was generated from external customers.

	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m
United Kingdom	345.3	302.7
Rest of European Economic Area (EEA)	1.9	2.4
Rest of the world	0.1	0.3
<b>Total revenue</b>	<b>347.3</b>	<b>305.4</b>

## 4 Exceptional items

Profit / (loss) on ordinary activities before taxation is stated after (charging) / crediting:

	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m
<b>Operating expenses</b>		
Reorganisation and severance	(0.1)	(1.3)
Restoration costs	(0.1)	(0.6)
Pension surplus sharing agreement	-	-
Dispute provision	(14.3)	-
Impairment charges	(630.8)	-
	<b>(645.3)</b>	<b>(1.9)</b>
<b>Total exceptional items</b>	<b>(645.3)</b>	<b>(1.9)</b>

### *Reorganisation and severance*

Reorganisation and severance expenses relate to a one-off restructure and reorganisation of the technology business unit. It is reorganizing the unit to adopt a more product focused delivery and adopt agile working methodologies. Thus requiring significant changes to structure and ways of working, requiring new processes, systems and governance. This restructuring project is expected to be completed during 2026.

### *Restoration costs (Bilsdale – Project Restore)*

The restoration costs relate to costs incurred to reinstate services at the Bilsdale transmitter site following a fire which broke out on 10 August 2021. Following the construction of a permanent 300 metre mast at Bilsdale, television and radio services went live in May 2023 and January 2024 respectively. As a result, all broadcast services are now restored to the main Bilsdale mast.

The site rebuild programme is approaching completion. Non-significant expenses are budgeted to complete the final activities.

### *Dispute provision*

During the period, the Group recognised a provision following an enquiry commenced in the current period by the UK tax authorities into the historic tax treatment of the release of a deferred income balance within a subsidiary previously owned by the Group. The purchaser of that entity has indicated that it may seek reimbursement from the Group of any tax related liability that arises under the terms of the sale agreement.

The Group disputes that it has any liability under the sale agreement. Nevertheless, the purchaser maintains that the Group is liable under the sale agreement. That dispute, together with the dispute relating to the amount of any relevant tax authority assessment and the period(s) to which any such assessment may relate, remains to be resolved. This judgement will directly affect the amount of any potential liability (if any).

The timing and final amount of any potential outflow remain uncertain and depend on the outcome of discussions between both the Group and the purchaser, and the purchaser and the tax authorities. The Group is taking a conservative approach in the provision and the estimate of the provision includes tax obligations relating to historic periods based on the maximum lookback period the tax authorities may apply (notwithstanding that the Group considers that the actual lookback period should be shorter), as well as the future tax consequences associated with the remaining deferred income balance, which is expected to unwind fully by 2030.

The P&L impact of the provision has been presented as an exceptional expense in accordance with the Group's accounting policy for exceptional items. The obligation arises from the historic disposal of a former subsidiary, which was itself treated as an exceptional item. Had this tax exposure been known at the time of the disposal, it would have been reflected within the consideration and therefore would have reduced the exceptional gain recognised on disposal.

As the provision relates to a past, non-recurring transaction and does not form part of the Group's underlying operating activities, management considers its classification as an exceptional item to be appropriate.

#### *Impairment charges*

During the period the Group recognized impairment charges to Goodwill, PPE and Intangible assets. The impact on goodwill and further details of the impairment assessment are presented in Note 9. The effects on other non-current assets are disclosed in Notes 7 and 8.

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## 5 Finance income and expense

	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m
<b>Finance income</b>		
Interest on bank deposits	0.5	0.7
Other finance income	-	0.2
<b>Total finance income</b>	<b>0.5</b>	<b>0.9</b>
<b>Finance expense</b>		
Bank and other loan interest	33.0	33.7
Interest on lease liabilities	1.9	2.1
Unwinding of discount on provisions	3.4	2.9
Interest payable to other group entities	117.3	107.8
Other interest payable	7.7	8.4
Amortisation of debt issue costs	0.6	0.4
<b>Total finance expense</b>	<b>163.9</b>	<b>155.3</b>

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## 6 Tax expense / (credit)

Income tax expense for the interim period is determined by applying management's best estimate of the weighted-average income tax rate for the annual period, adjusted for certain items fully applicable to the interim period if needed, to profit or loss before tax.

An assessment undertaken shows that the new global minimum tax framework, the OECD "Pillar 2" rules, will not have a material impact upon the tax charge for the Group and the jurisdictions in which the Group operates will meet one of the transitional safe harbours. During the period the Group continues to apply its temporary exemption in relation to the accounting for deferred taxes arising from the implementation of the OECD Pillar Two rules.

## 7 Property, plant and equipment

	Freehold property £m	Leasehold buildings £m	Plant and machinery £m	Assets under construction £m	Total £m
<b>Cost</b>					
At 1 July 2025	273.2	172.9	1,999.7	91.4	2,537.2
Additions	-	4.1	12.8	31.6	48.5
Transfers to other intangibles	-	-	-	(8.7)	(8.7)
Disposals	(0.1)	(10.7)	(47.8)	-	(58.6)
Transfers between classes	1.7	0.4	15.2	(17.3)	-
Adjustment through PPE for provisions	-	-	(3.2)	-	(3.2)
<b>At 31 December 2025</b>	<b>274.8</b>	<b>166.7</b>	<b>1,976.7</b>	<b>97.0</b>	<b>2,515.2</b>
<b>Accumulated depreciation and impairment</b>					
At 1 July 2025	25.6	117.2	1,248.6	-	1,391.4
Charge (owned) for the period	2.8	1.3	48.9	-	53.0
Charge (financed) for the period	-	4.6	5.3	-	9.9
Impairment losses	0.5	-	44.9	-	45.4
Disposals	-	(8.9)	(42.6)	-	(51.5)
<b>At 31 December 2025</b>	<b>28.9</b>	<b>114.2</b>	<b>1,305.1</b>	<b>-</b>	<b>1,448.2</b>
<b>Net book value</b>					
<b>At 31 December 2025</b>	<b>245.9</b>	<b>52.5</b>	<b>671.6</b>	<b>97.0</b>	<b>1,067.0</b>
At 30 June 2025	247.6	55.7	751.1	91.4	1,145.8

Additions during the year includes £16.5m in relation to right-of-use assets. The net book value of right-of-use assets included within property, plant and equipment at the end of the period is £46.1m, this is split £35.7m included within leasehold buildings and £10.4m included within plant and machinery.

## 8 Other intangible assets

	Development expenditure £m	Access rights £m	Licenses £m	Assets under construction £m	Software £m	Total £m
<b>Cost</b>						
At 1 July 2025	22.3	4.3	6.8	-	126.7	160.1
Additions	-	-	-	6.1	-	6.1
Transfers from Property, plant and equipment	0.9	-	-	-	7.8	8.7
Disposals	-	-	-	(6.1)	-	(6.1)
Reclassifications	-	-	-	-	-	-
<b>At 31 December 2025</b>	<b>23.2</b>	<b>4.3</b>	<b>6.8</b>	<b>-</b>	<b>134.5</b>	<b>168.8</b>
<b>Accumulated amortisation and impairment</b>						
At 1 July 2025	14.0	4.3	6.3	-	67.3	91.9
Charge for the period	0.8	-	0.1	-	12.3	13.2
Impairment losses	0.6	-	0.4	-	16.2	17.2
Disposals	-	-	-	-	-	-
<b>At 31 December 2025</b>	<b>15.4</b>	<b>4.3</b>	<b>6.8</b>	<b>-</b>	<b>95.8</b>	<b>122.3</b>
<b>Net book value</b>						
<b>At 31 December 2025</b>	<b>7.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.7</b>	<b>46.5</b>
At 30 June 2025	8.3	-	0.5	-	59.4	68.2

## 9 Goodwill

	£m
<b>Cost</b>	
At 1 July 2025	1,458.4
At 31 December 2025	<b>1,458.4</b>
<b>Accumulated impairment</b>	
At 1 July 2025	118.2
Charge for the period	568.2
<b>At 31 December 2025</b>	<b>686.4</b>
<b>Net book value</b>	
<b>At 31 December 2025</b>	<b>772.0</b>
At 30 June 2025	1,340.2

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ('CGUs') that are expected to benefit from that business combination. The CGUs that have associated goodwill are Media & Broadcast and Smart Utilities Networks.

These are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other groups of assets, and to which goodwill is allocated.

Goodwill is allocated to the Group's cash generating unit as follows:

	31 December 2025 £m	30 June 2025 £m
Media & Broadcast	772.0	1,340.2
Smart Utilities Networks	-	-
<b>Total</b>	<b>772.0</b>	<b>1,340.2</b>

The Group has undertaken a detailed impairment review in preparation for half-year reporting. The impairment review was completed as at 31 December 2025. The recoverable amounts of the CGUs are determined from value-in-use calculations ('VIU'). The key assumptions for the VIU calculations are those regarding the discount rates, growth rates and expected changes to cash flows during the year for which management has detailed plans. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Growth rates are based on internal and external growth forecasts. Changes to cash flows are based on past practices and expectations of future changes in the market.

### *Recognition of impairment*

Management identified impairment indicators during the period due to revised expectations of future performance for certain markets and business units. As a result, impairment testing was undertaken.

An impairment charge of £568.2m (30 June 2025: £nil) was recognised for the Media & Broadcast CGU, partially reducing the carrying amount of its goodwill. A further £62.6m (30 June 2025: £nil) impairment was recorded for the Smart Utilities Networks CGU, comprising £17.2m to other intangible assets and £45.4m to property, plant and equipment.

The total impairment charge for the period was £630.8m (30 June 2025: £nil). The charge is recognized as an exceptional item and disclosed in in Note 4. See notes 7 and 8 for how this is further disaggregated into the Group's asset categories.

The recoverable amount used to calculate impairments of CGUs is its value in use. The discount rate used in the value in use calculation is detailed below.

### *Projected cash flows and the 'recoverable amount'*

The value in use for each CGU is determined using risk-adjusted cash flow projections derived from financial plans approved by the Board covering a ten-year period. They reflect management's risk-adjusted expectations of revenue, EBITDA growth, capital expenditure, working capital and operating cash flows, based on past experience and future expectations of contracted business performance. Managements risk-adjusted expectations do not include the benefits associated with projected growth that is currently non-contracted. Cash flows beyond the fifth year have been extrapolated from year five cash flows, using in perpetuity growth rates.

#### *Discount rate*

The pre-tax discount rate applied to the Group's cash flow forecasts are derived using the Capital Asset Pricing Model for comparable businesses. The assumptions used are benchmarked to externally available data. The pre-tax discount rate used for the Media & Broadcast CGU is 9.8% (30 June 2025: 10.6%). For Smart Utilities networks CGU, the discount rate is 9.6% (30 June 2025: 10.2%).

This discount rate does not represent the weighted average cost of capital (WACC) for the Group, but instead is an industry and comparative company based Capital Asset Pricing Model (CAPM) derived discount rate, utilising current spot rates at the time of calculation.

#### *Terminal growth rates*

The terminal growth rate has historically been determined based on the long-term growth rates of the markets in which the CGU operates. This continues to be the most appropriate measure for the M&B CGU. The growth rate of 2.0% (30 June 2025: 2.0%) has been benchmarked against externally available data. This rate does not exceed the average long-term growth rate for the relevant markets.

For the SUN CGU, new and existing contracts include index linkage protection of at least CPI. To reflect this, SUN CGU growth rate has been assessed at 2.0% (30 June 2025: 2.0%) for the December 2025 impairment review.

#### *Sensitivities*

For Smart Utilities Networks, the goodwill asset is fully impaired, so there are no changes in assumptions that would cause impairment to the goodwill asset.

For Media & Broadcast, management does not consider any reasonably possible changes in key assumptions, including the discount rate or terminal growth rate, to result in full impairment of the remaining goodwill. However, changes to these assumptions could give rise to additional impairment. The sensitivities below show the impact of changes in individual assumptions, applied in isolation:

- An increase in the discount rate 1.0% would result in additional impairment of £118.9m (30 June 2025: A 1.0% would not have resulted in an impairment. The CGU had sufficient headroom at that time).
- A reduction of 1.0% in the terminal growth assumption would result in additional impairment of £55.6m (30 June 2025: A 1.0% reduction would not resulted in an impairment. The CGU had sufficient headroom at that time).

## 10 Trade and other receivables

	31 December 2025 £m	30 June 2025 £m
<b>Current</b>		
Trade receivables	75.3	52.2
Receivables from related parties	277.8	313.9
Prepayments	25.3	30.8
Other receivables	4.9	5.4
	<b>383.3</b>	<b>402.3</b>

## 11 Trade and other liabilities

	31 December 2025 £m	30 June 2025 £m
<b>Current</b>		
Trade payables	37.6	54.6
Payables to related parties	2,098.1	2,018.8
Other payables	3.4	4.4
Accruals	44.2	46.0
	<b>2,181.3</b>	<b>2,123.8</b>

## 12 Borrowings

	Bank facilities £m	Senior bonds, notes and US private placements* £m	Lease liabilities £m	Amounts payable to other group entities £m	Total* £m
<b>Balance at 1 July 2025</b>					
Non-current	-	824.7	37.6	496.8	1,359.1
Current	20.0	75.0	17.3	-	112.3
<b>Total</b>	<b>20.0</b>	<b>899.7</b>	<b>54.9</b>	<b>496.8</b>	<b>1,471.4</b>
At 1 July 2025	20.0	899.7	54.9	496.8	1,471.4
Amounts drawn	25.0	-	-	-	25.0
Amounts repaid	(20.0)	(43.4)	-	-	(63.4)
Foreign currency adjustments	-	1.7	-	-	1.7
Lease movements	-	-	1.3	-	1.3
<b>At 31 December 2025</b>	<b>25.0</b>	<b>858.0</b>	<b>56.2</b>	<b>496.8</b>	<b>1,436.0</b>
<b>Balance at 31 December 2025</b>					
Non-current	-	793.9	37.6	496.8	1,328.3
Current	25.0	64.1	18.6	-	107.7
<b>Total</b>	<b>25.0</b>	<b>858.0</b>	<b>56.2</b>	<b>496.8</b>	<b>1,436.0</b>

\* Excluding accrued interest & borrowings issue costs

### Debenture covenants

As at 31 December 2025, the Group had senior debt borrowings classified as non-current liabilities. These facilities include the following covenants which the Group must comply with:

:

- A minimum cash flow to interest ratio of 1.55x, and
- A maximum net debt to EBITDA ratio of 6.0x.

The Group has complied with these requirements throughout the period.

### Financing arrangements

The Group's undrawn financing facilities were as follows:

	31 December 2025 £m	30 June 2025 £m
<b>Secured loan facility:</b>		
Amount used	25.0	20.0
Amount unused	225.0	335.0
<b>Total financing facilities</b>	<b>250.0</b>	<b>355.0</b>

### 13 Financial instruments – fair values

This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments since the last annual financial report.

The Group considers that the carrying amounts of all its financial assets and financial liabilities to be reasonable approximations of their fair value except for derivative financial instruments.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels. The fair value hierarchy has the following levels. The fair value hierarchy has the following levels:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31 December 2025	Fair value – hedging instruments £m	Carrying amount - amortised cost £m	Total £m	Fair value hierarchy	
				Level 2 £m	Total £m
<b>Financial assets measured at fair value</b>					
Interest rate swaps used for hedging	10.3	-	10.3	10.3	10.3
	<b>10.3</b>	-	<b>10.3</b>		
<b>Financial assets not measured at fair value</b>					
Trade and other receivables	-	353.1	353.1	-	-
Cash and cash equivalents	-	4.8	4.8	-	-
	-	<b>357.9</b>	<b>357.9</b>		
<b>Financial liabilities measured at fair value</b>					
Interest rate swaps used for hedging	99.8	-	99.8	99.8	99.8
Forward exchange contracts used for hedging	9.7	-	9.7	9.7	9.7
	<b>109.5</b>	-	<b>109.5</b>		
<b>Financial liabilities not measured at fair value</b>					
Borrowings	-	1,375.0	1,375.0	-	-
Interest on borrowings	-	1.1	1.1	-	-
Financial lease liabilities	-	56.2	56.2	-	-
Trade and other liabilities	-	2,181.3	2,181.3	-	-
	-	<b>3,613.6</b>	<b>3,613.6</b>		

30 June 2025	Fair value – hedging instruments £m	Carrying amount - amortised cost £m	Fair value hierarchy		
			Total £m	Level 2 £m	Total £m
<b>Financial assets measured at fair value</b>					
Interest rate swaps used for hedging	13.4	-	13.4	13.4	13.4
	<b>13.4</b>	<b>-</b>	<b>13.4</b>		
<b>Financial assets not measured at fair value</b>					
Trade and other receivables	-	366.1	366.1	-	-
Cash and cash equivalents	-	22.3	22.3	-	-
	<b>-</b>	<b>388.4</b>	<b>388.4</b>		
<b>Financial liabilities measured at fair value</b>					
Interest rate swaps used for hedging	110.7	-	110.7	110.7	110.7
Forward exchange contracts used for hedging	12.1	-	12.1	12.1	12.1
	<b>122.8</b>	<b>-</b>	<b>122.8</b>		
<b>Financial liabilities not measured at fair value</b>					
Borrowings	-	1,411.5	1,411.5	-	-
Interest on borrowings	-	0.4	0.4	-	-
Financial lease liabilities	-	54.9	54.9	-	-
Trade and other liabilities	-	2,123.8	2,123.8	-	-
	<b>-</b>	<b>3,590.6</b>	<b>3,590.6</b>		

During the six month period to 31 December 2025 there were no transfers between Level 1 and Level 2 fair value measurements, there were also no transfers into or out of Level 3 fair value measurements.

For Level 2 fair value assets the Group calculates their fair value based upon discounted cash flows. Future cash flows are estimated based on forward (interest/ inflation/ exchange) rates observable from rates and yield curves at the end of the reporting period, and contract rates, discounted at a risk-adjusted rate. This valuation technique is unchanged from the year end.

## 14 Provisions

	Decommissioning £m	Restructuring £m	Remediation £m	Dispute £m	Other £m	Total £m
<b>Balance at 1 July 2025</b>						
Non-current	90.8	0.4	3.5	-	6.4	101.1
Current	3.5	-	0.5	-	0.1	4.1
<b>Total</b>	<b>94.3</b>	<b>0.4</b>	<b>4.0</b>	<b>-</b>	<b>6.5</b>	<b>105.2</b>
At 1 July 2025	94.3	0.4	4.0	-	6.5	105.2
Charged to profit or loss	(0.3)	(0.1)	-	14.3	0.3	14.2
Revaluation through Property, plant and equipment	(3.2)	-	-	-	-	(3.2)
Released during the period	-	-	-	-	-	-
Unwinding of discount	3.4	-	0.1	-	-	3.5
<b>At 31 December 2025</b>	<b>94.2</b>	<b>0.3</b>	<b>4.1</b>	<b>14.3</b>	<b>6.8</b>	<b>119.7</b>
<b>Balance at 31 December 2025</b>						
Non-current	90.8	0.3	3.8	14.3	6.7	115.9
Current	3.4	-	0.3	-	0.1	3.8
<b>Total</b>	<b>94.2</b>	<b>0.3</b>	<b>4.1</b>	<b>14.3</b>	<b>6.8</b>	<b>119.7</b>

The dispute provision arising during the period is disclosed in further detail within Note 4 exceptional items.

## 15 Notes supporting statement of cash flows

Non-cash transactions from financing activities are shown in the table below:

	Current loans and borrowings £m	Non-current loans and borrowings £m	Accrued interest on other borrowings £m	Derivative financial instrument liabilities £m	Total £m
At 1 July 2025	112.3	1,354.1	0.4	109.4	1,576.2
Cash flows	(38.3)	-	(32.8)	-	(71.1)
Non-cash flows:	-	-	-	-	-
Effects of foreign exchange	-	2.6	-	-	2.6
Changes in fair value	-	-	-	(10.2)	(10.2)
Other changes including accrued interest	32.7	(32.2)	33.5	-	34.0
<b>At 31 December 2025</b>	<b>106.7</b>	<b>1,324.5</b>	<b>1.1</b>	<b>99.2</b>	<b>1,531.5</b>

## 16 Related party transactions

Balances and transactions between Group entities, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

During the period, the Group entered into the following trading transactions with related parties that are not members of the Group:

	Sales of goods and services		Purchases of goods and services	
	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m	For the six months ended 31 December 2025 £m	For the six months ended 31 December 2024 £m
Other group entities	36.0	32.3	-	-
Entities under common influence	17.9	7.1	-	-
Associates	-	-	-	-
Joint ventures	3.2	2.7	2.2	2.6
	<b>57.1</b>	<b>42.1</b>	<b>2.2</b>	<b>2.6</b>

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
	31 December 2025 £m	30 June 2025 £m	31 December 2025 £m	30 June 2025 £m
Other group entities	277.8	313.9	2,078.9	2,018.8
Entities under common influence	7.8	5.5	-	-
Associates	-	-	-	-
Joint ventures	-	-	-	0.2
	<b>285.6</b>	<b>319.4</b>	<b>2,078.9</b>	<b>2,019.0</b>

All transactions are on third-party terms and all outstanding balances, are interest free, unsecured and are not subject to any financial guarantee by either party.

## 17 Correction of Prior Period Error

In support of the junior/high yield bond refinancing internal diligence process in the current year the Group identified a restatement to previously issued financial statements and previously published interim financial statements. Information on this misstatement is detailed below along with the effect on the restated financial statements above.

### (a) Impairment of assets

A previously omitted impairment trigger arising for the Smart Utilities Networks (SUN) Cash Generating Unit ("CGU") assets was identified. The relevant impairment trigger was an agreement in 2023 between the Group and the Data Communications Company (DCC) to end the Enduring Support change model. The Enduring Support service delivery model aligned with a projected constant revenue change pipeline for the Group, however it was agreed with the DCC to revise the model to an as-needed change request process going forwards. This led to management revising the Group's forecast cashflows in the new Long-Term Plan (LTP) from a consistent reliable stream to ad-hoc receipts with a reduced scope of work. The result of this was a projected fall in cashflows from financial year 2029.

The error resulted in the absence of recognised impairment expense in June 2023 and a corresponding overstatement of goodwill, other tangible assets, and property, plant and equipment (PPE) carrying value on the statement of financial position which had a continuing misstated effect on goodwill, other tangible assets and property, plant and equipment (PPE) carrying values and accumulated losses in subsequent periods of account.

Management has considered the effect the adjustment to other intangible assets has to the amortisation charge, as well as the effect the adjustment to property, plant and equipment has to the depreciation charge for the periods and adjusted the prior period charges.

Effect of restatements on period end 31 December 2024, as disclosed in the financial statements above:

Income Statement (extract)	Six months ended 31 December 2024 (reported)	a) Reduced depreciation and amortization due to asset impairment	c) Reversal of impairment of assets	Six months ended 31 December 2024 (restated)
	£m	£m	£m	£m
Depreciation	(54.2)	1.1	-	(53.1)
Amortisation	(6.2)	0.3	-	(5.9)
Other operating expenses	(48.2)	-	-	(48.2)
Exceptional operating expenses and impairment	(70.8)	-	68.9	(1.9)
<b>Total operating expenses</b>	<b>(179.4)</b>	<b>1.4</b>	<b>68.9</b>	<b>(109.1)</b>
Other income	3.9	-	-	3.9
Exceptional other income	-	-	-	-
<b>Operating profit</b>	<b>27.2</b>	<b>1.4</b>	<b>68.9</b>	<b>97.5</b>
Finance income	0.9	-	-	0.9
Finance costs	(155.3)	-	-	(155.3)
Other gains / (losses)	5.0	-	-	5.0
<b>Loss before tax</b>	<b>(122.2)</b>	<b>1.4</b>	<b>68.9</b>	<b>(51.9)</b>
Tax	(3.6)	-	-	(3.6)
<b>Loss for the period</b>	<b>(125.8)</b>	<b>1.4</b>	<b>68.9</b>	<b>(55.5)</b>
<i>Attributable to:</i>				
Owners of the company	(126.0)	1.4	68.9	(55.7)
Non-controlling interests	0.2	-	-	0.2