

INVESTOR REPORT FOR ARQIVA GROUP PARENT LIMITED

SCHEDULE 7

Period ending 31 December 2025

Date: 23 February 2026

QUARTERLY INVESTOR REPORT

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

GENERAL OVERVIEW

Arqiva is the UK's leading enabler of digital connected solutions across the Media Distribution and Utilities markets. It generates predictable earnings, supported by strong market positions, diverse revenue streams, long-life assets and long-term inflation linked contracts. The Group had a contracted orderbook of £2.8 billion as at 31 December 2025 on a real basis.

Recent developments

Media Distribution

DTT Multiplexes

DTT platform capacity utilisation remained at 94% during the period. One channel launched on the platform in the quarter as a seasonal Pop Up. A multi-year extension with a larger customer was also signed, covering three channels to 2030.

Radio

Arqiva has secured long-term commitments for FM services, extending well into the next decade and reinforcing the stability and resilience of our broadcast revenue base.

Both national DAB multiplexes remain fully occupied with 80% of Digital 1 ("D1") multiplex capacity being contracted until 2035. The second national multiplex is full, with recent signatures meaning 100% of the capacity is now contracted until at least 2028. Demand for national and local DAB multiplexes remains strong. Across the 25 local muxes, all major broadcasters have contracted capacity out to 2030, providing stability across both the national and local platforms. Investment in the DAB platform provides further opportunities to launch new services, from improved compression techniques. One of the first to launch on the local layer is STV who recently launched on the Ayr mux. Connectivity deals were also signed to help launch STV across the rest of the Scottish muxes.

Direct to Home (DTH)

The DTH satellite platform remains at close to full capacity, supported by continued renewal success and Arqiva winning a high proportion of channels new to market. In the quarter several customer contracts were renewed covering four channels.

Managed Media Services

Arqiva continues to support the media industry's shift from traditional satellite and fibre distribution to IP and cloud-based delivery. Our portfolio of cloud-native products (including Arqade, Arqplex and Arqads) enables broadcasters and content owners to distribute, manage and monetise content with high reliability and flexibility.

Arqplex (Cloud and On-Premise Multiplexing): Arqplex is now used by multiple UK public service broadcasters and international customers to deliver content to millions of viewers. The platform supports both on-premise and cloud-based multiplexing, providing clients with scalable and resilient distribution options.

Arqade (Cloud Video Content Exchange): Arqade continues to expand, currently delivering all feeds for a major global media company outside the Americas, alongside deployments for other international media groups. With access to more than 700 channels, the platform also supports live event delivery for several sports clients.

Arqads (Addressable Advertising): Arqads enables targeted TV advertising and underpins services for Sky AdSmart, hosting channels for major media organisations. Enhancements are in progress to extend addressable advertising to Freeview, with launch expected in Q2 2026.

Video-on-Demand Platform: Arqiva is further developing its cloud-based Video on Demand platform, which now delivers Hearst Networks' VOD assets to over 40 Pay TV and OTT platforms across EMEA.

Technology Partnerships: Across all managed media services, Arqiva continues to leverage strategic partnerships with leading cloud providers, including AWS, to deliver robust, future-ready IP distribution solutions tailored to customer needs.

In Q2, Arqiva successfully launched a cloud-based playout product, drawing significant interest at IBC and receiving procurement invitations from major media organisations. This cloud-native solution provides broadcasters with a flexible, scalable, and cost-effective alternative to traditional on-premises infrastructure. The key differentiator of the platform is its unique approach to operational management and scalability.

Arqiva has secured a new contract with a mid-sized international satellite communications provider based in the Middle East, marking the establishment of a brand-new commercial relationship. The customer operates across broadcast, enterprise, and government sectors and is recognised regionally for providing satellite connectivity, media transport, and managed communications services. The agreement covers uplink and connectivity services as the initial phase of a broader engagement, expanding Arqiva's presence in the MENA region and strengthening the company's international media services portfolio, supporting growth in strategically important markets.

Arqiva is actively bidding for multiple UK and international opportunities to expand its client portfolio.

Position, Navigation and Timing ("PNT") Services (eLoran)

Arqiva continues to advance its role in the UK's PNT landscape, particularly through eLoran: an independent and resilient terrestrial system that complements and provides an assured alternative to satellite-based PNT such as GPS and GNSS.

We have monitored key policy and market developments over the past year, including outcomes of the UK Government's Spending Review, which will influence decisions on a potential national eLoran service. Demand for assured, interference-resilient PNT continues to grow across defence, national security, critical infrastructure, and transport.

Arqiva remains committed to supporting the UK's ambition for secure and sovereign navigation and timing capabilities. We are working closely with government, defence and industry partners, leveraging our infrastructure and specialist engineering expertise to help shape the UK's future approach to assured PNT.

Defence and National Resilience – Growing Opportunities

Arqiva is actively progressing several opportunities and engagements within the Ministry of Defence (MOD) and across the National Armaments Director Group (NADG) and the SatComs / Skynet 6 teams.

Government / Regulatory updates

The DCMS Future of TV Distribution Forum has now concluded. Arqiva contributed extensively throughout, including to a position paper on the long-term future of DTT in December 2025 and through an evidence gathering exercise in January 2026. Arqiva continues to engage closely with DCMS officials, ministers, and wider industry stakeholders as the Government works towards a final decision on the platform's future, expected in 2026 following a public consultation exercise. Alongside this, the BBC Charter Review has now launched with public consultation open until March 2026; Arqiva will be submitting a response. The DCMS is also due to launch a further review of the radio sector which will run through 2026.

Arqiva continues to work with the Office of the Adjudicator - Broadcast Transmission Services ("OTA") in supporting its current work areas, including a review of the Regulatory Accounts disclosures. Further work is in planning for the year from April 2026, following a consultation on the OTA work plan for 2026-27 that it ran in September 2025, with a statement published in November 2025. The Adjudicator is currently consulting on the budget for the OTA work plan, in discussion with Ofcom until 20 February 2026.

Smart Utilities Networks

Water sector

The Group continues to focus on expanding and deepening its role in the UK water sector, including participating in the final smart metering procurements for AMP8 programmes. The sector is looking at funding opportunities to drive acceleration of its smart water metering programmes through Ofwat funding programmes. Arqiva plans to launch a new managed sensors product within the current financial year in recognition of increased requirements for these products and the opportunity for water companies to leverage smart networks deployed by Arqiva, connecting data from meters and sensors to build deeper insight into a water company's overall water system.

Anglian Water: the Group deployed 1.1 million meters during the 2020-2025 (AMP7) regulatory period since the award of the Anglian Water contract in June 2020. Our performance to date contributed to Anglian Water awarding Arqiva a 20-year contract for the current regulatory period (AMP8, 2025-2030) to rollout an additional 1.1 million meters with associated network, of which 0.3 million devices have been delivered to date in AMP8 (inclusive of the accelerated programme). Anglian Water have increased their focus on adding sensors to the network, with sewer level monitoring developed for trial this year and water quality sensors in trial as part of Arqiva's managed sensor product development.

United Utilities: United Utilities awarded Arqiva a contract in December 2024, of at least 15 years, to provide 1.1 million meters in support of their AMP8 smart meter rollout programme, of which 0.1 million meters have been delivered to date in AMP8. Arqiva is the primary contractor in a new-to-market configuration providing the communication network, meters and consumer side installation services. The network deployed will cover the majority of the United Utilities region in the Northwest of England and will offer the potential of a further growth opportunity of 2.0m meters during AMP9 and AMP10.

Affinity Water: Deployment of the 15-year contract with Affinity Water is gathering pace. Affinity announced in January 2026 that they had installed the first 0.1 million smart water meters, three months ahead of schedule. The AMP8 contract with Arqiva includes provision of the communications network, managed service and meters for an initial 0.4 million meter rollout programme. Affinity Water's overall programme for smart meters is 1.2 million which will offer the potential for new growth opportunities during AMP9 (2030-2035) and AMP10 (2035-2040).

Thames Water: Since April 2015, Arqiva has delivered a smart metering network for Thames Water and in January 2025 providing over 1.2 million meters. Arqiva's programmes with Thames Water and Anglian Water have delivered the two largest smart water metering networks in the UK. We continue to deploy additional meters in areas we already serve as well as identifying ways to support delivery of Thames' wider AMP8 programme.

Portsmouth Water: Arqiva signed a 20-year (eight years delivery, 12 additional years providing support service) contract with Portsmouth Water in February 2025 to install a total of 326,568 meters (157,900 in AMP8 and 168,668 in AMP9) in support of their AMP8 smart meter programme. Arqiva will provide the communications network, managed service and meters. To date we have delivered 2,700 meters as part of their trials. We are engaged in conversations with them about sensors to measure pressure on the network and have signed a contract to deploy NBloT to support infill of the communication network.

Northumbrian Water: Arqiva currently provides service to 60,000 meters as part of an historic trial agreement in the Dagenham & Redbridge area (part of Northumbrian Water's Essex & Suffolk region). Arqiva is working with Northumbrian Water to agree a 15-year enduring service contract for an additional 50,000 meters, inclusive of meters already deployed, to ensure Northumbrian Water can drive down consumption and consumer side leakage in the region.

Energy sector

SGN Hybrid Connectivity

Since the original 5-year contract was awarded by SGN in 2024 to provide connectivity solutions for 230 of their sites, Arqiva has expanded this contract to serve an additional 174 sites over the 5-year period. We have installed the service at 50 sites to date in line with the customer programme timelines.

Smart energy metering rollout

The Group's smart metering communication network in the North of England and Scotland continues to deliver for over 4.3 million customers every day. All enhancement programmes remain on track with respective milestones being achieved. We are working closely with the DCC to identify and deliver against opportunities for improved service and are also working with the DCC to explore a new, extended committed term for our long-range radio solution.

Regulatory Environment - Water

Following the publication of the Independent Water Commission's report, the Government has published its Water White Paper setting out its strategic priorities for reform. The White Paper confirms the intention to move towards a single integrated water regulator and introduces a range of new enforcement tools, including a Performance Improvement Regime, enhanced intervention powers, and cost-recovery mechanisms. These measures form part of the preparatory steps ahead of the Water Reform Bill, expected in spring 2026.

The White Paper also outlines a more coordinated long-term investment framework built around 5, 10 and 25 year planning horizons, expanding the existing price review process, and consolidating environmental and supply planning into more streamlined structures. In parallel, the Government has signalled increased policy focus on leakage and demand reduction, including the wider rollout of smart meters and mandatory efficiency labelling. This includes the formation of a Smart Meter Delivery Group, comprising Ofwat, the Environment Agency, Defra, CCW and MOSL, to coordinate metering and data-driven improvements across the sector.

Regulatory Environment - Energy

Ofgem has now completed its RIIO-3 preparations with the publication of its Final Determinations in December 2025, confirming £28.1 billion of upfront investment for electricity transmission and gas networks within a wider £90 billion pipeline through to 2031, alongside measures on revenue recovery and managing bill impacts. The determinations also set out digitalisation requirements and updated funding allowances following significant efficiency challenges to network company proposals. Ofgem is now consulting on the necessary licence modifications, with decisions expected in February 2026 before the new controls take effect from April 2026, after which network operators will have the option to appeal to the CMA.

Corporate Update

Macquarie Share Sale

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.

Energy Hedging

Arqiva had historically been protected from extreme volatility in energy prices through long-term forward energy purchases made under an energy supply contract that expired in March 2023. During the year to 30 June 2024, the Group entered into new forward purchase contracts in line with its long-term forward energy purchase policy. Accordingly, Arqiva has hedged 98% of the anticipated energy usage for the year to 30 June 2026, the 2% balance providing some flexibility versus demand to avoid any requirement for sell-back, and purchased 71% of the anticipated energy usage in the year to 30 June 2027.

Analysis of the energy purchase price shows Arqiva's hedging strategy has outperformed the DESNZ benchmark by 15% in the year to 30 June 2024 and 18% in the six months to 31 December 2024.

Property Disposals

During the period Arqiva successfully completed the transition of operations away from a site in Feltham, which was returned to the landlord in November 2025. Transition activities included the migration of the Muxco multiplex platform onto our cloud-based Arqplex platform, managed from our Crawley Court HQ.

Sustainability

The Group received the Carbon Disclosure Project scores in December and scored A- for climate (up from B in the previous year) and B- for Water (up from C the previous year).

Capital Expenditure

During the three-month period ended 31 December 2025 the Group incurred the following capital expenditure:

£m	3 months ended 31 December		
	2025	2024	Change
Growth Capex – contracted	6.8	6.0	0.8
Growth Capex – non contracted	2.0	2.9	(0.9)
Maintenance	6.8	6.7	0.1
Bilsdale – Project Restore	0.0	0.2	(0.2)
Total Capex	15.6	15.8	(0.2)

Contracted growth capex primarily relates to the Group's major projects including the continued rollout and enhancement of the smart energy, water metering networks and delivery of broadcast services. This has decreased compared to the equivalent prior year period, primarily driven by a reduction in CSP-N change requests as we discuss renewal of the DCC contract. This has been partly offset by increased AMP8 water site builds as well as the roll-out and delivery of smart energy networks technology improvements.

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

Maintenance capex principally relates to expenditure associated with structural projects such as mast strengthening, network transformation and IT. Spend has decreased compared to the equivalent prior period primarily due to the completion of an internal hardware refresh related to the CSP-N (DCC) contract delivery, which was taking place in the prior period, and completed before the current quarter. This has been partially offset by increased spending on site maintenance due to the timing of deliverables.

Bilsdale capital expenditure has reduced by £0.9 million compared to the prior year, as the project continues to wind down towards completion. Final site restoration activities include access and site improvements.

Financing

The Group's senior debt continues to be rated BBB+/BBB by S&P/Fitch respectively. The Group's junior debt continues to be rated B/B1 by S&P/Moodys respectively.

Ratios

We confirm that in respect of the investor report dated 31 December 2025, by reference to the most recent financial statements that we are obliged to deliver to you on a semi-annual basis in accordance with Paragraph 1 (Financial Statements) of Part 1 (Information Covenants) of Schedule 2 (Covenants) of the Common Terms Agreement:

- Historic Net Debt to EBITDA for the relevant Test Period ending on (and including) 31 December 2025 was 3.07;
- Historic Cashflow ICR for the relevant Test Period ending on (and including) 31 December 2025 was 4.32;
- Historic Cashflow DSCR for the relevant Test Period ending on (and including) 31 December 2025 was 2.58 (together with (a) and (b) above, the **Historic Ratios**);

- Projected Net Debt to EBITDA for the relevant Projected Test Period commencing on (but excluding) 31 December 2025 is 2.79;
- Projected Cashflow ICR for the relevant Projected Test Period commencing on (but excluding) 31 December 2025 is 4.20; and
- Projected Cashflow DSCR for the relevant Projected Test Period commencing on (but excluding) 31 December 2025 is 2.12 together with (d) and (e) above, the **Projected Ratios**).

We confirm that:

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

Current Hedging Position

We remain in compliance with hedging covenants.

Yours faithfully,



Alastair Cochran _____

CFO

Signing without personal liability, for and on behalf of

Arqiva Financing No 1 Limited as Borrower