

INVESTOR REPORT FOR ARQIVA GROUP PARENT LIMITED

SCHEDULE 7

Period ending 30 September 2025

Date: 27 November 2025

QUARTERLY INVESTOR REPORT

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

GENERAL OVERVIEW

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

Recent developments

Media Distribution

DTT Multiplexes

DTT platform capacity utilisation remained at 97% during the period. Two new channels launched onto the platform in August and September 2025 respectively. We also reached agreement in principle for a multi-year extension with one of our larger customers for 3 channels to 2030.

Radio

Both national DAB multiplexes remain fully occupied with 80% of Digital 1 ("D1") multiplex capacity being contracted until 2035. The second national multiplex is full, with recent signatures meaning 100% of the capacity is now contracted until at least 2028. Demand for national and local DAB multiplexes remains strong. Across our 25 local muxes capacity for all major broadcasters has been secured out to 2030 following contract signatures in June providing stability across both the national and local platforms. We have won the transmission contract for the Wrexham and Chester local DAB multiplex, one of the few areas Arqiva does not currently contract for, signed in the quarter to September 2025.

FM renewals have continued, securing several contracts out to 2030. We continue to develop our audio streaming offering and have partnered with Nation radio onboarding their brand Nation Love to help develop our monetisation strategy.

Direct to Home (DTH)

The DTH platform remains close to full capacity, supported by continued renewal success and Arqiva winning a high proportion of channels new to market. In the quarter we renewed several customer contracts covering 9 channels and 3 new HD channels launched at the start of July 2025 as set out in the prior report.

Media Management Services

Arqiva provides IP and cloud-based broadcast solutions, supporting the media industry's transition from traditional satellite and fibre models to software-defined platforms. The company's portfolio includes cloud-native products and managed services that enable broadcasters, content owners and platform operators to distribute, monetise and personalise content globally with broadcast-grade reliability and operational flexibility. Key products such as Arqade, Arqplex and Arqads are designed to meet the evolving needs of media organisations, offering scalable, secure and sustainable solutions for content exchange, multiplexing and targeted advertising. Arqiva's IP distribution leverages partnerships with leading technology providers and cloud platforms, notably AWS, to deliver robust future-ready services. These solutions are tailored to each client's requirements, supporting digital transformation and enabling adaptation to changing market demands.

The Group's Arqplex solution, supporting both on-premise and cloud multiplexing, is used by multiple public service broadcasters and global customers, distributing content to millions in the UK and internationally. Arqade, Arqiva's cloud-native video content exchange, empowers media companies to efficiently share and distribute content across diverse platforms worldwide. The platform currently delivers all feeds for a major global media company outside the Americas and supports deployments for numerous other international media groups. With over 700 channels accessible, Arqade also facilitates live event delivery for a range of sports clients.

Arqads, Arqiva's addressable advertising platform, enables precise ad insertion into TV channels, enhancing targeting and revenue opportunities. The solution underpins new services for Sky AdSmart, hosting a portfolio

of channels for major media organisations to optimise monetisation on the Sky platform. Product enhancements are underway to enable targeted advertising on Freeview TV with launch planned later in FY26.

Arqiva continues to evolve its new Cloud based Video on Demand (VoD) platform enabling delivery of Hearst Networks VOD assets to over 40 Pay TV and OTT platforms across EMEA.

In recent months, Arqiva has announced and will provide 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 is actively bidding for multiple UK and international opportunities to expand its client portfolio.

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

In November 2024, Arqiva announced a strategic partnership with Hellen Systems to develop a commercial eLoran service in the UK. eLoran is a sovereign, independent, and resilient terrestrial radio navigation system, designed to complement and provide an alternative to existing global PNT services such as GPS and GNSS.

Since that announcement, Arqiva has continued to monitor developments in the sector, including the outcome of the UK Government's Spending Review, which may determine whether a free-to-access, government-funded eLoran service will be commissioned.

Arqiva remains committed to supporting the development of secure, sovereign, and resilient navigation services in the UK, and continues to engage with stakeholders across industry and government to help shape the future of PNT.

Government / Regulatory updates

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

In the Office of the Adjudicator consultation report (2/2025) on the Adjudicator's Position on the Scope of the Adjudicator's Powers in Relation to Amendments to Existing Contracts <https://ota-bts.org.uk/wp-content/uploads/2025/04/Consultation-2-2025.pdf> the Adjudicator published his view (having taken legal advice) that, subject to limited exceptions, any guidance, directions or adjudications made under the Undertakings would not affect the terms of an existing contract between Arqiva and a customer. The Adjudicator's view as published indicates that if the Adjudicator updated the Weighted Average Cost of Capital (WACC) or inflationary mechanism, this would only apply prospectively (i.e. not to existing contracts). The Adjudicator held a consultation on this position closing in June and published a statement on the OTA website confirming the position after the consultation on 11th September 2025.

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. 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 and connect data from meters and sensors to build deeper insight into a water company's overall water system.

Anglian Water

Since the award of the Anglian Water contract in June 2020, the Group has deployed 1.1m meters during the 2020-2025 regulatory period. Our performance to date has contributed to Anglian Water awarding Arqiva a 20-year contract for the current regulatory period (AMP8 2025-2030) to rollout an additional 1.1m meters with associated network with 0.2m 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 has awarded Arqiva a contract, in December 2024, of at least 15 years to provide 1.1m meters in support of their AMP8 smart meter rollout programme with 86,000 meters delivered to date in AMP8. Arqiva is the prime contractor in a new-to-market configuration providing the communication network, meters and consumer side installation services. The network deployed will cover the majority of the United Utilities region in the Northwest of England and will offer the potential of a further growth opportunity of 2m meters during AMP9 and AMP10.

Affinity Water

Arqiva has signed a 15-year contract with Affinity Water, in December 2024, to provide 0.4m meters in support of their AMP8 smart meter rollout programme. Arqiva will provide the communications network, managed service and meters with 66,000 delivered to date. Affinity Water's overall programme for smart meters is 1.2m which will offer the potential for new growth opportunities during AMP9 (2030-2035) and AMP10 (2035-2040).

Thames Water

Since April 2015, Arqiva has delivered a smart metering network for Thames Water and in January 2025 achieved delivery of over 1.2m meters. 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 has signed a 20-year (8 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 1,500 meters as part of their trials. We are engaged in conversations with them about sensors to measure pressure on the network and deploying NBloT to support infill of the communication network.

Northumbrian Water (NWL)

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 NWL to agree a 15-year enduring service contract for 50,000 meters, inclusive of meters already deployed, to ensure NWL 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 and has secured an expansion to the project.

Smart energy metering rollout

The Group's smart metering communication network in the North of England and Scotland continues to deliver for over 4m customers day in, day out. 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

The Independent Water Commission (IWC) published its final report calling for a fundamental reset of the water sector, including the abolition of Ofwat and the creation of a unified "super-regulator" to oversee economic, environmental, and drinking water standards. The report outlined 88 recommendations aimed at improving strategic planning, regulatory governance, infrastructure investment, and public accountability. In response, the UK Government committed to implementing key reforms, including establishing a statutory water ombudsman, ending operator self-monitoring, introducing regional planning bodies, and launching a Water Reform Bill in autumn 2025 to deliver the proposed changes.

Earlier this year, it was reported that five water companies disputed Ofwat's PR24 final determinations, namely Anglian Water, Northumbrian Water, South East Water, Southern Water and Wessex Water. Their cases have since been considered by the Competition and Markets Authority (CMA) which has allowed an additional £556m of the roughly £2.7bn those companies asked for, equivalent to a 21% uplift in their claims. Thames Water also appealed to the CMA; however, an outcome to their appeal has been deferred indefinitely to allow progress in potential recapitalisation and refinancing discussions.

Regulatory Environment – Energy

The Department for Energy Security and Net Zero (DESNZ) advanced its programme of electricity market reform. In July, government and Ofgem published updates on the Review of Electricity Market Arrangements (REMA), outlining next steps to deliver a more resilient, low-carbon power market and ensure sufficient investment in flexible generation and storage. This forms part of the UK's wider ambition to secure a decarbonised electricity system by 2035.

Ofgem also continued its preparations for the RIIO-3 price control period (2026–2031) for electricity and gas networks. Following publication of the draft determinations earlier in the year, Ofgem has been engaging with industry on consultation responses and potential adjustments to investment allowances. The framework is expected to unlock more than £100 billion of regulated network investment, supporting grid modernisation, system resilience, and delivery of the government's Clean Power 2030 objectives. Final determinations are due in December 2025, ahead of implementation from April 2026.

DESNZ launched a consultation on the post-2025 smart metering framework to sustain rollout momentum and strengthen data-driven system operation through to 2030. Ofgem also confirmed the next phase of Market-wide Half-Hourly Settlement (MHHS), marking a significant step toward real-time energy usage data and more dynamic retail markets.

Corporate Update

Energy Hedging

Arqiva had historically been protected from extreme volatility in energy prices through long-term forward energy purchases made under an energy supply contract that expired in March 2023. During the year to 30 June 2024, the Group entered into new forward purchase contracts. Maintaining this long-term forward energy purchase policy, 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 60% of the anticipated energy usage in the year to 30 June 2027.

Analysis of the energy purchase price as compared to the DESNZ benchmark (which has a half-year lag) shows Arqiva power purchasing 15% better than the benchmark in the year to 30 June 2024 and 18% better than the benchmark 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, to be 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

Under the GRESB rating we received a 5 star rating (score of 98), which was an upgrade on our previous 4 star rating (score of 94). As of July 2025, the group's Net Zero targets (near term and long term) were approved by SBTi (Science Based Targets initiative). ISO 14064 limited assurance has also been completed for our greenhouse gas emission report ahead of inclusion in our Annual Report.

Capital Expenditure

During the three-month period ended 30 September 2025 the Group incurred the following capital expenditure:

£m	3 months ended 30 September		
	2025	2024	Change
Growth Capex – contracted	6.0	6.6	(0.6)
Growth Capex – non contracted	2.5	2.6	(0.1)
Maintenance	7.7	8.2	(0.5)
Bilsdale – Project Restore	0.1	1.0	(0.9)
Total Capex	16.3	18.4	(2.1)

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 CSPN change requests from lower demand as we move toward the renewal of the DCC contract. This has been partly offset by increased AMP8 water site builds as well as 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 CSPN (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 (Project Restore) capital expenditure has reduced by £0.9m compared to prior year, as the project continues to wind down towards completion. Final site restoration activities include access and site improvements.

Financing

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

Ratios

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

Historic Net Debt to EBITDA for the relevant Test Period ending on (and including) 30 June 2025 was 2.98;

Historic Cashflow ICR for the relevant Test Period ending on (and including) 30 June 2025 was 4.13;

Historic Cashflow DSCR for the relevant Test Period ending on (and including) 30 June 2025 was 2.42 (together with (a) and (b) above, the **Historic Ratios**);

Projected Net Debt to EBITDA for the relevant Projected Test Period commencing on (but excluding) 30 June 2025 is 2.74;

Projected Cashflow ICR for the relevant Projected Test Period commencing on (but excluding) 30 June 2025 is 4.31; and

Projected Cashflow DSCR for the relevant Projected Test Period commencing on (but excluding) 30 June 2025 is 1.99 together with (d) and (e) above, the **Projected Ratios**).

We confirm that:

each of the above Ratios has been calculated in respect of the relevant Test Period(s) or Projected Test Period(s) or as at the relevant dates for which it is required to be calculated under the Common Terms Agreement;

no Ratings Downgrade Event has occurred;

no Modified Net Debt to EBITDA Ratio Breach has occurred;

no Default or Trigger Event has occurred and is continuing; and

the statements set out in this Investor Report are accurate in all material respects.

Current Hedging Position

We remain in compliance with hedging covenants.

Yours faithfully,



Alastair Cochran _____

CFO

Signing without personal liability, for and on behalf of

Arqiva Financing No 1 Limited as Borrower