

INVESTOR REPORT FOR ARQIVA GROUP PARENT LIMITED

SCHEDULE 7

3 Month Period ending 31 March 2026

Date: 28 May 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 more 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.

REGULATORY AND BUSINESS UPDATE

Media and Broadcast

DTT Multiplexes

DTT platform capacity utilisation remained at 91% during the three-month period ended 31 March 2026. Discussions on sales of new channels continue to increase occupancy.

Radio

Arqiva has secured long-term commitments for FM services, extending well into the next decade, 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 resulting in 100% of capacity being contracted until at least 2028. Arqiva have agreed a deal with the JV partners of the second national commercial multiplex to expand by a further 32 sites, with new transmitters helping to cover extra roads and "not spots" where we currently have contiguous coverage. A renewal of the network out to 2035 has been agreed in principal securing both national muxes for the next decade.

Demand for 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 using improved compression techniques. Arqiva has launched its audio streaming product with launch partner Nation Radio, who is migrating five million monthly listening hours to the platform across 34 services.

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. Several customer contracts were renewed in the quarter covering four channels and Arqiva agreed a new multi-year contract to support the delivery of AdSmart on a new channel.

Managed Media Services

Arqiva believes it is well positioned to benefit from the global transition from traditional satellite and fibre distribution to IP and cloud-based media delivery. Our Managed Media Services portfolio (Arqade, Arqplex, Arqads and Cloud Playout) is designed to support broadcasters and content owners as they modernise distribution, reduce operating costs and unlock new revenue streams.

The portfolio is increasingly differentiated by its cloud-native architecture, operational scalability and ability to support hybrid distribution models, enabling customers to migrate at pace while maintaining service resilience and quality.

- **Arqplex** provides cloud and on-premise multiplexing for UK public service broadcasters and international customers, delivering content to millions of viewers with scalable and resilient solutions.
- **Arqade** supports global IP content exchange, with access to more than 700 channels on platform and growing adoption across international broadcast and live events markets.
- **Arqads** underpins addressable advertising services, including Sky AdSmart, with further expansion expected through broader platform reach into DTT.
- **Video-on-Demand** capabilities continue to scale, with the platform distributing VOD assets to more than 40 Pay TV and OTT platforms across EMEA.

Position, Navigation and Timing (PNT) Services

Arqiva continues to advance its role in the UK's PNT landscape, with a particular focus on eLoran, an independent and resilient terrestrial system that complements and provides an assured alternative to satellite-based PNT such as GPS and GNSS. Demand for assured and interference-resilient PNT is increasing across defence, national security, critical infrastructure and transport.

The UK Government has confirmed that the tender for a UK eLoran service has been delayed and will be published later in 2026, providing greater visibility on the pathway to procurement and potential future investment decisions.

Arqiva continues to work closely with government, defence and industry partners, leveraging its national infrastructure and specialist engineering capability to support the delivery of a resilient PNT solution for the UK.

Defence and National Resilience – growing opportunities

Arqiva's engagement across defence and national resilience markets is growing, with active discussions and opportunities progressing across national defence stakeholders, including SatComs and Skynet 6 programmes. These opportunities align with increased government focus on secure communications, assured navigation and critical national infrastructure resilience.

Government and regulatory update

The DCMS Future of TV Distribution Forum concluded in January 2026, and we anticipate that a DCMS Green Paper and subsequent public consultation will be published shortly. Arqiva has continued to engage directly DCMS officials, ministers, and wider industry stakeholders as the Government works towards a decision on the platform's future.

In March 2026, Arqiva responded to the DCMS-led BBC Royal Charter Review, advocating for the long-term support of a universal, resilient, and economically sustainable model of public service broadcasting. In parallel, Arqiva has contributed to a number of Parliamentary consultations on UK sovereignty and resilience, positioning the future of TV distribution as a strategic resilience and national infrastructure issue, rather than solely a question of consumer technology preference.

In February 2026, DCMS launched the radio review which will consider whether there should be a managed transition away from FM in the 2030s and, if so, over what timescale; the potential impact of a decision on the future of DTT on radio distribution; and the role of emerging technologies, including AI, and the benefits and challenges they pose to the industry. Arqiva is actively involved in this review.

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. The Adjudicator has concluded the consultation on its work plan for the year ended March 2027, which proposed a review of the regulatory weighted average cost of capital (WACC) and the approach to indexation in the budget for the office agreed with Ofcom.

Smart Utilities Networks

Water sector

The Group continues to focus on expanding and deepening its role in the UK water sector, including participating in AMP8 smart metering programmes. The Water sector is looking at funding opportunities to accelerate the roll out of its smart water metering programmes. Arqiva plans to launch a new managed sensors product shortly in recognition of increased requirements for these products and the opportunity for water companies to leverage smart networks deployed by Arqiva across clean (water quality) and waste (sewer level monitors) water, 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 0.4 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 0.2 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 have now installed 0.1 million smart water meters which is 25% of their AMP8 commitment with an acceleration plan agreed for year two. The AMP8 contract with Arqiva includes provision of the communications network, managed service and meters for an initial 0.4 million meters. 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 comprising 1.2 million meters. We have deployed 0.16 million meters in year one of AMP8 in areas we already serve as well and have identified ways to support delivery of Thames’ wider AMP8 programme.

Portsmouth Water: Arqiva signed a 20-year contract with Portsmouth Water in February 2025 to install 326,568 meters (157,900 in AMP8 and 168,668 in AMP9) in support of their smart meter programme. Arqiva will provide the communications network, managed service and meters. To date we have delivered over 10,000 meters. We are currently engaged in conversations with Portsmouth Water about deploying 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 89 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 Smart DCC to identify and deliver opportunities for improved service as well as exploring a new, extended contract for our long-range radio solution.

Regulatory Environment - Water

Following publication of the Government's Water White Paper, policy development has now moved into an implementation phase, with Defra progressing detailed proposals for the forthcoming Water Reform Bill. The Government has confirmed its intention to establish a more integrated regulatory framework - including closer alignment between Ofwat, the Environment Agency and the Drinking Water Inspectorate - with further clarity expected on institutional design ahead of legislation later in 2026.

In parallel, regulators have begun operationalising elements of the proposed strengthened enforcement regime. This includes early development of the Performance Improvement Regime, expanded use of enforcement and penalty powers, and consultation on cost-recovery mechanisms intended to shift more of the regulatory burden onto underperforming companies. There has also been increased emphasis on transparency and reporting, with expectations of more granular performance data and public accountability measures being embedded ahead of the next price review cycle.

The Government has also advanced its long-term planning framework, with regulators and industry now working towards more integrated 5, 10 and 25-year investment planning processes. This is being aligned with preparations for the 2029 price review, with a stronger focus on resilience, climate adaptation, and system-wide coordination. Alongside this, policy focus on leakage and demand management has intensified, with further progress on smart metering rollout and data integration. The Smart Meter Delivery Group - bringing together Ofwat, the Environment Agency, Defra, CCW and MOSL - has now moved into a delivery phase, with early workstreams focused on interoperability, data standards and accelerating deployment.

Regulatory Environment - Energy

Ofgem has now formally concluded the RIIO-3 price control process, with Final Determinations published and the associated licence modifications largely settled ahead of implementation in April 2026. The framework establishes £28.1 billion of upfront investment for electricity transmission and gas networks within a broader £90 billion investment pipeline through to 2031, alongside strengthened mechanisms to manage consumer bill impacts and ensure deliverability.

Since January, the focus has shifted from determination to implementation. Network companies are now finalising delivery plans under RIIO-3, with Ofgem placing increased emphasis on accountability, deliverability and real-time oversight of major capital programmes. This includes enhanced monitoring

of supply chain readiness, project phasing and cost control, reflecting ongoing concerns about inflationary pressures and delivery risk across large-scale infrastructure programmes.

Digitalisation and whole-system coordination remain central to the RIIO-3 framework. Ofgem has continued to develop its expectations around data sharing, system visibility and cross-sector integration, particularly in relation to enabling flexibility, supporting electrification and improving resilience. At the same time, the window for appeals to the Competition and Markets Authority has now opened, with any challenges expected to focus on cost allowances and return parameters rather than fundamental aspects of the framework.

Corporate Update

Shareholder transactions

On 13 March Arqiva announced the completion of the sale of Macquarie Asset Management's 26.54% stake in the Company to funds managed and advised by Polus Capital Management ("Polus") (the "transaction").

The Company also received formal notice that, following completion of the Transaction, a fund advised by IFM Investors, a minority shareholder in Arqiva, has agreed to sell its 14.84% holding to Polus (the "IFM Sale"). The IFM Sale has subsequently completed, Polus's combined equity interest in Arqiva is 41.38%.

This further consolidates the Company's investor base and demonstrates Polus's confidence in the Company's long-term fundamentals.

These transactions do not affect day to day operations or financing of the Group.

Energy Hedging

Arqiva had historically been protected from extreme volatility in energy prices through long-term forward energy purchases. In line with its long-term forward energy purchase policy. Accordingly, Arqiva has hedged 100% of the anticipated energy usage for the year to 30 June 2026, with 90% secured for the following year to 30 June 2027. The remaining 10% balance continues to provide some flexibility versus demand to avoid any requirement for sell-back.

Analysis shows Arqiva's hedging strategy continues to outperform the DESNZ benchmark.

Property Disposals

As a part of the ongoing property divestment policy of the Group for unrequired sites two small sales were completed in the quarter for a total receipt of under £160,000.

Capital Expenditure

During the three-month period ended 31 March 2026 the Group incurred the following capital expenditure:

| £m | 3 months ended 31 March | | |
|-------------------------------|-------------------------|-------------|-------------|
| | 2026 | 2025 | Change |
| Growth Capex – contracted | 8.0 | 7.1 | +0.9 |
| Growth Capex – non contracted | 1.4 | 2.2 | (0.8) |
| Maintenance | 5.5 | 5.1 | +0.4 |
| Bilsdale – Project Restore | 0.0 | 0.4 | (0.4) |
| Total Capex | 14.9 | 14.8 | +0.1 |

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. Growth capex increased compared to the equivalent prior year period, primarily driven by a reduction in CSP-N change requests as we discuss renewal of the Smart 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 decreased compared to 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.

Maintenance capex principally relates to expenditure associated with structural projects such as mast strengthening, network transformation and IT. Spend has increased compared to the equivalent prior period primarily due to increased spending on site maintenance and despite the completion of an internal hardware refresh related to the CSP-N (Smart DCC) contract delivery in the prior quarter.

Bilsdale capital expenditure has reduced by £0.4 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 has been downgraded by Moodys from B1 to B2 with a negative outlook effective 28 April 2026. S&P's rating of our junior debt remained at B throughout the quarter.

RATIOS

We confirm that in respect of the investor report dated 31 March 2026, 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 within the Senior debt group

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,

A handwritten signature in black ink, appearing to be 'Alastair Cochran', written in a cursive style.

Alastair Cochran

Chief Financial Officer

Signing without personal liability, for and on behalf of

Arqiva Financing No 1 Limited as Borrower