SCHEDULE 7

FORM OF INVESTOR REPORT/QUARTERLY INVESTOR REPORT

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

GENERAL OVERVIEW

Arqiva continues to be one of the UK’s leading communications infrastructure and media services providers, with significant investments in essential communications infrastructure, the Group is the leading independent telecom towers operator and the sole terrestrial broadcast network provider in the UK. The Group’s core infrastructure business (comprising terrestrial broadcast, digital platforms, wireless site-share, smart metering and satellite infrastructure) generates predictable earnings, supported by strong market positions, diverse revenue streams, long-life assets and long-term inflation linked contracts. The Group also continues to make progress with its company-wide transformation programme, ‘FutureFit’.

Historic business developments

Terrestrial Broadcast

700 MHz Clearance and DTT spectrum

The Group continues to progress the 700 MHz Clearance project which will clear the 700MHz band (694 MHz to 790 MHz) of DTT use so that it can be auctioned by Ofcom for use by the mobile network providers. The programme delivery remains on track with the Group earning revenues and cashflows as the programme milestones are completed. All Clearance events scheduled to the end of September 2018 have been completed successfully in line with the programme requirements with recent antenna replacements completed at Kidderminster, Brechin and Chatton. The programme rollout is planned to continue to May 2020.

Digital Platforms channel utilisation

The Group has seen high utilisation of its DTT multiplexes over recent years and this continues to be the case. As at 30 September 2018, the Group had capacity of 31 videostreams on its main (DVB-T) multiplexes, all of which were utilised. These ongoing high levels of Multiplex utilisation demonstrates the attractiveness to broadcasters of the Freeview DTT platform.

DVB-T2 multiplexes

Ofcom has issued a revocation notice effective June 2020 for Arqiva’s DVB-T2 interim multiplexes. This is linked with Ofcom’s timetable to auction 700 MHz spectrum following the clearance of DTT from this spectrum. Arqiva is hoping to secure a replacement licence that would enable continued DTT transmission in the 700 MHz band until it is used by mobile network operators (MNOs) for their services. Ofcom will be issuing a consultation covering Arqiva’s proposed use of the spectrum.

Digital radio (DAB)

Arqiva’s long term strategy of supporting DAB digital radio take-up continues to show positive results. More than six in ten consumers now have a DAB digital radio and digital listening (across DAB, DTT and IP) now exceeds 50% of all listening (source: RAJR). The UK Government is therefore evaluating its approach towards a review of the future of radio and a potential process for a switchover from FM to DAB.

Arqiva’s DAB multiplexes continue to show high utilisation levels driven by strong market demand and continuing investment of commercial radio broadcasters in this market.

Sound Digital, the national commercial DAB multiplex operated by Arqiva, Bauer and Wireless, has announced that its expansion programme of 19 new transmitters is nearing completion, with the first of the extended coverage areas due to go live in the coming weeks. The project will add coverage in areas including South West England, South Wales, East Anglia, Kent and North East Scotland, increasing aggregate UK coverage from 77% to 83%.
Telecoms & M2M

Sale of In-Building Solutions
In October 2018, Arqiva reached an agreement to sell its In-Building Solutions (IBS) portfolio to Wireless Infrastructure Group (WIG). The transaction involves the sale of the portfolio of In-Building systems, but for the avoidance of doubt does not include Arqiva’s outdoor Small Cells line of business or associated concession contracts with local authorities. The disposal is part of Arqiva’s drive to focus on developing its core business of providing shared outdoor infrastructure and connectivity solutions to the Mobile Network Operators. WIG is an ideal fit for the IBS portfolio, given their focus in this area, and will be a good new owner for the colleagues and customers that will transfer.

Small cells
The Group continues to develop its outdoor small cells proposition with Arqiva hosting MNO owned small cells on fully connected street infrastructure to provide street level network capacity in dense urban locations. The Group has commercial contracts from two MNOs for localised small cells rollout in some London boroughs. In addition, trials are expected in the near term with the other two MNOs.

Smart energy metering rollout
The Group’s smart metering communication network in the North of England and Scotland has been live since November 2016. Arqiva provides ongoing support to DCC users with their meter installation pilots and their initial roll-outs. The Group continues to support the preparations of the DCC and their users ahead of mass roll-out which is expected to commence by the end of 2018. The further rollout of the Arqiva network remains on track and currently covers 96% of premises in line with requirements. DCC are also continuing to request support for Change Requests that include new industry requirements submitted via the industry agreed modification process.

Smart water metering rollout – Thames Water
Since April 2015, Arqiva has developed a smart metering network that enable the collection, management and transfer of metering data for Thames Water. As at 30 September 2018, the network comprised of 92 sites out of the 107 required. There were over 331,000 meters installed and over 6 million meter readings being delivered per day. Arqiva is close to having full network coverage deployed across the entire Thames Water London region, with completion expected during early 2019.

Smart water metering trial contracts – Anglian Water
Since June 2016, Arqiva has been rolling out a smart water metering trial for Anglian Water in two of their regions. These trials are part of Anglian Water’s plans for a long-term smart metering programme. As at 30 September 2018, over 16,600 meters were operational. The delivery of this network has enabled Anglian to realise the significant benefits of both improved leakage detection and consumer engagement.

Other

Change in Chief Financial Officer (CFO)
In July 2018, Jane Aikman joined Arqiva as its new CFO, replacing Liliana Solomon. Jane brings extensive experience having held senior executive roles in both private and publicly listed technology and telecoms infrastructure companies, most recently as the CFO of the KCOM Group. Prior to this she has held CFO and other leadership roles at the Phoenix IT Group, Infinis plc, Wilson Bowden plc and Pressac plc. Jane also currently serves as a non-executive director on the board of Morgan Advanced Materials plc.

Capital Expenditure
During the quarter, the Group incurred the following capital expenditure:

<table>
<thead>
<tr>
<th>£m</th>
<th>3 months ended 30 September</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Growth Capex - contracted</td>
<td>24.5</td>
</tr>
<tr>
<td>Growth Capex - non contracted</td>
<td>1.2</td>
</tr>
<tr>
<td>Maintenance</td>
<td>7.1</td>
</tr>
<tr>
<td>Total Capex</td>
<td>32.8</td>
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Contracted growth capex primarily relates to the Group’s major projects including 700MHz Clearance and Smart metering. The decrease in expenditure during the three month period to 30 September 2018 compared to the prior year period reflects the phasing of works associated with these projects. 700 MHz Clearance capex peaked in the prior year and is expected to reduce as the project nears completion around 2020. Smart energy metering change requests were lower, are directly linked to DCC requirements and are often of a variable scale in any given period.

Non contracted growth capex at £1.2m was consistent with same quarter last year.

Maintenance capex principally includes expenditure associated with structural projects such as mast strengthening, network transformation and IT. The slight increase compared to the prior year period was mainly due to the greater level of routine structural maintenance undertaken given the favourable weather conditions during this summer as well as reflecting the progress the Group is making on its Future Fit programme.

Financing
In October 2018, the Group completed the refinancing of its 9.5% Junior Notes due Mar-20 by establishing a new 6.75% Junior Note due Sep-23 that will result in lower financing costs for the Group. Alongside this refinancing, the Group has also established a bank liquidity facility that replaces a previous obligation to maintain a cash deposit equivalent to 6 months of interest which will also contribute to financing cost savings as cash carrying costs are minimised.

The Group’s senior debt continues to be stably rated at BBB (Fitch/S&P).

The Junior debi is rated B-/B2 (Fitch/Moody’s), which reflects an upgrade from Moody’s in September 2018 alongside the establishment of the new Junior Note.

Acquisitions and Disposals
Disposal of In-Building Solutions portfolio as outlined above.

Ratios
We confirm that in respect of this investor report dated 26 October, 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:

a) Historic Net Debt to EBITDA for the relevant Test Period ending on (and including) 30 June 2018 was 4.42;

b) Historic Cashflow ICR for the relevant Test Period ending on (and including) 30 June 2018 was 2.78;

c) Historic Cashflow DSCR for the relevant Test Period ending on (and including) 30 June 2018 was 2.58 (together with (a) and (b) above, the Historic Ratios);

d) Projected Net Debt to EBITDA for the relevant Projected Test Period commencing on (but excluding) 30 June is 4.33;

e) Projected Cashflow ICR for the relevant Projected Test Period commencing on (but excluding) 30 June is 2.84; and

f) Projected Cashflow DSCR for the relevant Projected Test Period commencing on (but excluding) 30 June is 1.95 (together with (c) and (e) above, the Projected Ratios).

We confirm that:

a) 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;

b) no Ratings Downgrade Event has occurred;
c) no Modified Net Debt to EBITDA Ratio Breach has occurred;
d) no Default or Trigger Event has occurred and is continuing; and
e) 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,

[Signature]

[Director/CEO]

Signing without personal liability, for and on behalf of

Arqiva Financing No 1 Limited as Borrower