Arqiva Group Limited

Registered number 05254001

Annual Report and Financial Statements

For the year ended 30 June 2025

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Corporate Information

As at the date of this report (30 September 2025):

Group Board of Directors
Patrick Tillieux (appointed 24th April 2025; Chair)
Susana Leith-Smith
Matthew Postgate
Scott Longhurst
Mike Osborne (appointed 26th November 2024)
James O'Halloran (appointed 30th December 2024)
David Stirton (appointed 28th February 2025)
Jonathan Carter (appointed 27th February 2025; alternate to Mike Osbourne & James O'Halloran)
Drummond Clark (appointed 28th February 2025; alternate to David Stirton)
Philip Hogan (appointed 2nd September 2025)

Company Secretary
Nicola Phillips

Group website
www.arqiva.com

Registered Office
Crawley Court
Winchester
Hampshire
SO21 2QA

Independent Auditors
PricewaterhouseCoopers LLP
The Maurice Wilkes Building
St. John's Innovation Park
Cowley Road
Cambridge
CB4 0DS

Company Registration Number
05254001

Cautionary Statement

This Annual Report and Financial Statements contain 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 report, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Group, have been used 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; and
- 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; and
- the performance of the markets in the UK, the EU, and the wider region in which the Group operates; and
- 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; and
- the ability of the Group to develop, expand and maintain its Media & Broadcast (M&B) and Smart Utilities Network (SUN) Infrastructure; and
- the ability of the Group to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects; and
- the Group's dependency on only a limited number of key customers for a large percentage of its revenue expectations, as to revenues in the forward looking orderbook.

Guidance note to the Annual Report and Financial Statements:

In this document, references to 'Arqiva' and 'the Group' refer to Arqiva Group Limited ('AGL') and its subsidiaries and markets as the context may require. References to the 'Company' refer to the results and performance of Arqiva Group Limited as a standalone entity.

A reference to a year expressed as 2025 is to the financial year ended 30 June 2025. This convention applies similarly to any reference to a previous or subsequent financial year. Additionally, references to 'current year', 'this year' and 'the year' are in respect of the financial year ended 30 June 2025. References to the 'prior year' and 'last year' are to the financial year ended 30 June 2024.

Arqiva at a glance – 2025

ENABLING A SWITCHED-ON WORLD TO FLOW

Who we are

In today's switched-on world, companies – entire industries – are grappling with how to share data and content across a myriad of connected devices. That's where Arqiva comes in. Fundamentally, we're enablers. Behind the scenes, we apply our knowledge and expertise to stitch together technologies that connect broadcasters, media organisations and utility companies to their customers; and the content, data, information, and entertainment they want.

What we do

In today's ever-evolving world, the demand for information, content and entertainment is greater than ever. Satisfying the demand for 24/7 connection is the challenge that our media, broadcast and utilities customers are facing, delivering more content on more devices than ever before.

At Arqiva, we are enablers; we apply our knowledge and expertise to technologies to unlock new opportunities for our customers. We work in partnership, building and operating the infrastructure through which data and content can flow effectively, securely, and sustainably.

Arqiva is the UK's pre-eminent provider of national television and radio broadcast infrastructure and provides end-to-end connectivity solutions to the media and utility industries. Arqiva is the sole provider of digital terrestrial television (DTT) network access (TV services delivered via an aerial often known as "Freeview") and the owner of two of the three national commercial DTT multiplexes. Arqiva is a shareholder in and operator for both commercial national Digital Audio Broadcasting (DAB) radio multiplexes and is the service provider for the BBC national DAB radio multiplex and analogue (FM and AM) radio services. The Group is also a leading provider of satellite uplink infrastructure and satellite distribution services in the UK in terms of the number of channels available for UK Direct to Home (DTH) satellite broadcast.

The Group has been an early and leading participant in the development of the smart utility infrastructure in the UK through its smart water and energy metering services. We provide satellite connectivity services for electricity networks, and we are one of only two communication service providers for smart energy meter connectivity in the UK. The Group operates through two main commercial functions, Media and Broadcast (M&B) and Smart Utility Networks (SUN) supported by non-revenue generating Operations, Technology and Corporate functions.

Our history

Since 1922, Arqiva has been at the forefront of media transmission. We delivered the world's first TV broadcast for the BBC at London's Alexandra Palace in 1936. In the 1970's, we developed satellite TV, Teletext and in the 2000's launched the UK's national DAB radio and digital television networks.

More recently, we have moved into new sectors providing digital connectivity for the utilities sector. We won our first contract to deliver gas and electricity metering in the north of England and Scotland in 2013 and followed that in 2015 with a partnership with Thames Water to set up and run the world's largest smart water metering network. In 2025, we have over 6.5 million smart energy hubs and smart water meters connected to Arqiva's networks.

We continue to innovate and work in partnership with others to offer a range of additional services to media and utilities companies. Having announced our partnership with Hellen System UK in 2025, we are continuing to explore the development of an eLoran service in the UK to provide an alternative to existing global position, navigation and timing (PNT) services. Our range of cloud-based media products is developing, offering a wide

range of services to distribute and enhance the value of content. This includes Arqiva's addressable advertising solution, Arqads, which facilitates targeted ad insertion into television channels, enhancing the precision and relevance of television advertising to boost revenue generation plus our newly launched Streaming Optimisation product which allows the customer to optimise their use of Content Delivery Networks (CDN), delivering deeper insight via analytics with improved audience experience and cost savings. In addition, earlier in 2025, we launched our Audio Streaming product. This digital technology platform enables radio broadcasters to stream audio content (radio and podcasts) to a website, smart speaker, desktop app or mobile app. This service is available alongside DAB radio capacity, making Arqiva the first multiplex operator in the UK to offer a unified audio solution for broadcasters, enabling them to broadcast across all audio platforms as a fully managed service.

Further information can be found at www.arqiva.com/about/.

Arqiva in Numbers

c. 1,450 broadcast transmission sites in the UK	**c. 1,150 TV transmission sites**
98.5% of the UK population reached through Freeview TV services	**Market leader for commercial DTT spectrum, owning two of the three national commercial multiplexes**
c.80 satellite dishes accessing 25+ satellites delivering TV channels internationally to 5 continents	**99.5% network coverage across the North of England and Scotland on our smart energy networks**
Over 6.5m smart devices installed 50 million data points delivered on our smart metering networks every day	**Over 3,000 broadcast services provided to over 100 countries**

Year in Review

Group Revenue[2] £675.3m 1.1% decrease year on year	**Group EBITDA[4] £312.4m 0.6% increase year on year**
Operating Profit £177.3m (18.6% decrease)	**Operating cash flow[7] (after capital investment activity) £222.2m (9.2% decrease)**
Maintain senior debt credit rating of BBB+/BBB (S&P/Fitch)	**New junior secured bond issued in July 2025, rated B/B1 (S&P/ Moody's)**
Upgrade of our MSCI (Morgan Stanley Capital International) ESG Rating in June 2025 from A to AA	**Arqiva – winner Best Wellbeing Strategy, at the 2024 HR Excellence Awards**

Refer to the 'Financial Review' section for the footnotes referenced above.

Chair's Introduction

It is with great pride that I write this introduction as the newly appointed Chair of the Board of Directors. Stepping into this role, I have been inspired by the dedication, resilience, and innovation demonstrated across our organisation. This report not only highlights our achievements over the past year but also sets the tone for the journey ahead - one rooted in collaboration, transparency, and a shared commitment to deliver for all our stakeholders. I am honoured to lead alongside such a talented team and look forward to building on these strong foundations.

This year has been a year of strategic delivery and operational resilience for Arqiva. Against a backdrop of persistent inflationary pressures, evolving regulatory frameworks, and continued macroeconomic uncertainty, the Group has remained focused on executing its Vision 2031 strategy. We have continued to invest in our core infrastructure, expanded our product portfolio, and strengthened our position in both the Media & Broadcast (M&B) and Smart Utilities Networks (SUN) sectors.

The Group delivered a solid financial performance, with EBITDA growth of 0.6% in the face of the pressures previously referenced, and a strong contracted orderbook of £2.8bn. While EBITDA margins were impacted by energy cost volatility and investment in new capabilities, we have taken proactive steps to mitigate these pressures, including the full implementation of the new energy purchase hedging policy and the transition to 100% renewable energy from our main suppliers.

Operational Focus

Our M&B division continues to play a critical role in the UK's communications infrastructure. DTT capacity platform utilisation remained close to full utilisation with recent long-term contract renewals secured into the 2030s. Both national DAB multiplexes remain fully occupied, with 80% of Digital 1 capacity contracted to 2035. We have also seen continued demand for local DAB services, with significant contracts secured to 2030.

As the media industry increasingly looks for services delivered in the cloud, we continue to meet our customers where they need us with multiplexing, content exchange and now addressable advertising solutions. This demonstrates significant progress in our long-term aim of transitioning global media services into the cloud.

Our SUN business is truly leading the way in the digitisation of the industry, particularly in the water industry. Our belief that data is the biggest tool to addressing water scarcity in the UK has driven us to a market-leading position in smart water meters with excellent prospects for future growth. As our network expands, the opportunity to utilise that network for supplementary use grows.

Sustainability

Sustainability remains a priority for the group. We are committed to achieving net zero greenhouse gas emissions across our value chain by 2040 from a 2023 baseline year and have near term and long term targets approved by SBTi (Science Based Targets initiative) and have seen a reduction of 21% in our location-based scope 1&2 greenhouse gas emissions from FY 2024. We have maintained our Silver Medal in the EcoVadis Sustainability ratings and gained B rating for climate in our Carbon Disclosure Project (CDP) disclosure. We are also delighted to receive an upgrade in our MSCI rating, improving this from A to AA in June 2025.

We have also strengthened our ESG reporting and governance, with the Operational Resilience Committee overseeing our sustainability programme. Our initiatives include reducing emissions, enhancing biodiversity at our sites, and promoting inclusion and ethical business practices.

Governance and Leadership

Following the resignation of Sean West as CFO in March 2025, Nathan Hodge stepped in as interim CFO while the recruitment process for a permanent successor was underway. On 5 August 2025, Alastair Cochran was announced as the new CFO and he took up his position on 1 September 2025.

The Board underwent a Board effectiveness review in 2024. The overall findings were that the Board generally functions well. There is however always room for improvement and the Board has now considered all recommendations from that review and either actioned changes or noted that the recommendation will be revisited in the future (more detail is contained in Principle Two of the Wates Corporate Governance Statement on page 74). I look forward to extending the practice of continuous improvement to maintain Board effectiveness on an ongoing basis.

Refinancing Activities

In July 2025, we issued £500m of 5-year Junior Secured Notes, refinancing our existing £450m junior syndicated loan, reducing interest costs and extending our maturity profile, with surplus proceeds being used for general corporate purposes. This transaction was leverage-neutral and was over-subscribed with positive bond trading post issue.

Changes in the Board of Directors

This year we welcomed a number of new members to the Board of Directors. Mike Osborne and James O'Halloran joined to replace Diego Massidda and Andrew Macleod as Digital 9 Infrastructure plc nominated directors. Philip Hogan replaced Paul Donovan as the Macquarie European Infrastructure nominated director and David Stirton replaced Maximillian Fieguth as the IFM nominated director. David had previously been part of our Board as Max's alternate. Jonathan Carter and Drummond Clark are the new nominated alternates for Mike, James and David, respectively. Scott Longhurst has also taken over from Andy MacLeod as the Chair of the Governance and Remuneration Committee and Matthew Postgate has taken over from Paul Donovan as the Chair of the Operational Resilience Committee.

Future Market Dynamics

The Media Act, which received Royal Assent in May 2024, introduces important reforms to support public service broadcasters and modernise media regulation. Ofcom's ongoing review of the future of TV distribution, expected to conclude in early 2026, will provide greater clarity on the long-term role of DTT. Arqiva is actively engaged in this process, including as member of The Department for Culture Media & Sport (DCMS) Future of TV Distribution Forum, and is well positioned to support a hybrid broadcast-IP future.

In the utilities sector, Ofwat's final determinations for Asset Management Plan 8 (AMP8) are expected to unlock £104bn in infrastructure investment, including £2.5bn for smart water metering. As the UK's leading provider of smart water metering connectivity, Arqiva is uniquely placed to support the sector's transformation and sustainability goals.

On behalf of the Board, I would like to thank all our colleagues for their continued dedication and professionalism. Their efforts have been instrumental in delivering another year of progress for Arqiva.

I would also like to thank Mike Darcey for his guidance and oversight as Chair over the years and wish him well in his next endeavour.

Patrick Tillieux
Chair
September 2025

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Chief Executive's Statement

Chief Executive's Statement

It has been a solid year in terms of performance, operational resilience and financial transformation for Arqiva. We have continued to build on the strong foundations laid out in our Vision 2031 strategy, consolidating our leading positions across both our M&B and SUN businesses, while navigating a changing and challenging regulatory and economic landscape.

Operational Highlights and Financial Performance

We delivered a robust financial performance despite the difficult macro-economic conditions. Although, Group revenue decreased to £675.3m, down 1.1% from the prior year mainly driven by price pressure, EBITDA increased to £312.4m, reflecting a 0.6% increase year-on-year. At its core, the business remains resilient underpinned by long term inflation linked contracts and strong customer relationship with disciplined cost control strategies. We maintained strong cash conversion of 71.1% and operating cash flow, after capital investment, of £222.2m, down 9.2% from financial year 2024.

Our Smart Utilities Networks ("SUN") business saw us secure significant new contracts with Anglian Water, United Utilities, Affinity Water and Portsmouth Water for the latest (AMP8) investment period which commenced in April 2025. These long-term, index-linked agreements, spanning 15–20 years, will see the deployment of over 3 million smart water meters and associated infrastructure, further consolidating our market-leading position. For the first time, Arqiva in partnership with Network Plus will be responsible for the installation of smart water meters for the United Utilities contract, enhancing our contribution across the value chain. In addition, our energy network solutions support over 4 million households across the North of England and Scotland with performance against contractual KPIs remaining consistently strong.

New device installations reduced year-over-year with AMP7 contracts concluding and our new AMP8 contracts not being fully operational. As device deliveries were expedited during the prior period as part of efforts to address shortages resulting from pandemic silicon supply constraints, this contributed to a 0.4% reduction in SUN revenue to £198.0 million in year.

Within our M&B sector, our DTT and DAB platforms remain at near full capacity, with significant renewals secured through to the 2030s for DTT and 2035 for DAB. We launched five new High Definition (HD) channels on our DTH platform and expanded our cloud-based media services, including Arqade, Arqplex and Arqads. M&B revenue decreased by 1.4% to £477.3m but despite some customers entering administration we launched replacement channels to maintain the high utilisation as well as renewing a number of key customer contracts through to 2030.

We continued to invest in our cloud and IP-based media infrastructure, reducing onboarding times and enhancing service agility. Arqade, our cloud-based video content exchange platform, now supports access to over 700 channels and is used by major global media groups to distribute content to over 40 platforms globally including Apple TV, YouTube and Amazon Prime Video. Arqplex, our hybrid multiplexing solution, is now fully in service with multiple PSBs (Public Service Broadcasters). Alongside this Arqads, our addressable advertising platform, is enabling targeted ad insertion for Sky AdSmart and is being developed for Freeview.

We have also made significant progress in technology development to support future growth. Our Streaming Optimisation product, which enables customers to optimise their use of content delivery networks, has received strong market interest and our newly launched Audio Streaming product launched has a radio customer in trial. We are also investing in a new Cloud Playout product, leveraging our past experience in Playout and high expertise in the provision of managed media services to bring more flexible and adaptive approach to our customers. These innovations are helping us diversify our media offering, deepening customer relationships and positioning Arqiva as a leader in next-generation media services.

Challenges and Strategic Initiatives

The UK relies on the resilience of services which are underpinned by our critical infrastructure, much of which is located in exposed areas. The frequency and severity of large-scale storms can make access for repairs during severe weather particularly challenging. Despite the UK experiencing six named storms during the year and a further 11 in the previous year, I am proud to say that through a combination of advance resource scheduling, planning and rigorous health and safety measures we experienced no prolonged service issues as a direct result of these storms.

Power is a critical input for the delivery of our services. Which is why the move to a rolling hedging strategy and transition to 100% renewable energy (from April 2024) has stabilised costs and supported our ESG goals. Despite the energy market volatility in the early part of the year, power costs decreased by 13.9%.

There has been a concerted effort to make a step-change in our environmental sustainability efforts. I am really pleased that these have been suitably recognised with Arqiva receiving an upgrade on its MSCI (Morgan Stanley Capital International) Rating in June 2025 from A to AA, receiving a 4 star (score of 94) under the GRESB rating and awarded a silver medal in the EcoVadis assessment, putting us in the top 15% of participants. It's a testament to all the hard work across the business over the last two years to make a difference alongside helping to improve water and energy efficiency enabled by our SUN business.

Investing in our people

At Arqiva, we are committed to fostering a workplace where every individual feels engaged, respected, and empowered to thrive - both professionally and personally. Our People Strategy ensures that everyone has the opportunity to create value and succeed. We continue to invest in learning and development through accessible, inclusive platforms and targeted programmes like Skills Management, supporting career growth and strategic workforce planning. Our partnerships with the IET and AWS, alongside professional sponsorships, reinforce our commitment to technical excellence.

Wellbeing remains central to our culture. Our "Whole-person Wellbeing" approach spans physical, mental, social, financial, and professional health, with initiatives ranging from onsite health checks to mental health first aiders. This year, we were proud to receive the Best Wellbeing Strategy award at the HR Excellence Awards. We are equally focused on diversity and inclusion, striving for a workplace where every voice is heard and valued. With a vibrant community of employee networks, strong governance oversight and rich diversity data, we are building a culture of belonging and equity. And most critically given the nature of our work, Health and safety is a non-negotiable priority. We've strengthened our team, introduced new tools, and remain ISO 45001 certified, ensuring continuous improvement and industry collaboration.

Looking Ahead

Looking ahead, we remain cautiously optimistic. Arqiva enters the financial year ending June 2026 with strong momentum. Where there are significant political and regulatory processes underway, we are active in our engagement with the people and organisations at the centre of those processes. We will continue to invest in innovation - working in partnership with others as appropriate to offer a range of additional services to media and utilities companies - sustainability and operational excellence, while maintaining a disciplined financial approach.

I want to thank our colleagues for their dedication and resilience. Their commitment to our purpose - enabling a switched-on world to flow - has been instrumental in delivering another year of progress. We remain confident in our strategy and excited about the opportunities ahead.

Shuja Khan
Chief Executive Officer
September 2025

Arqiva Business Overview

Arqiva's performance reflects continued resilience and strategic progress across both its M&B and SUN divisions, despite a challenging macroeconomic and regulatory backdrop. The Group remains well-positioned to support its customers through long-term inflation-linked contracts, a robust infrastructure base, and a growing portfolio of digital and cloud-based solutions.

In the media sector, the passage of the Media Act in May 2024 and the ongoing DCMS led forum reviewing the future of TV distribution have set the stage for long-term clarity and investment in Arqiva's broadcast business. Arqiva continues to play a central role in these discussions, advocating for the enduring relevance of broadcast services and the existing hybrid DTT-/ Internet-delivered model providing choice for viewers and ensuring those sections of society heavily reliant on DTT are protected. The Group's DTT platform remains close to full utilisation, with key contract renewals extending into the 2030s. National DAB multiplexes are also fully occupied, of which 80% of multiplex D1 capacity contracted to 2035. Arqiva's DTH platform is also near full capacity, with five new High Definition (HD) channels scheduled for launch by September 2025.

Arqiva's innovation in media management continues to gain traction. The Arqplex cloud multiplexing platform is now in service for some major broadcasters, while Arqade supports access to over 700 channels globally, including Apple TV, YouTube and Amazon Prime Video. Arqads, the Group's addressable advertising solution, is powering targeted advertising for Sky AdSmart and is being developed for Freeview. We have also made significant progress in technology development to support future growth. Our Streaming Optimisation product, which enables customers to optimise their use of content delivery networks, has received strong market interest and our newly launched Audio Streaming product has a major media customer in trial. We are also investing in a new Cloud Playout product, leveraging our past experience in Playout and high expertise in the provision of managed media services to bring more flexible and adaptive approach to our customers.

Turning attention to this year, it has been another year of solid performance despite the challenges noted above.

- The Group's contracted order book stood at £2.8bn as of June 2025
- The Group's revenue decreased by 1.1% to £675.3m
- The Group's EBITDA increased by 0.6% to £312.4m
- Continued investment in growth, with contracted growth capex rising to £27.9m and non-contracted growth capex (supports secured contracts) increasing to £11.3m, reflecting product development and system improvements
- Maintenance capex remained broadly stable at £28.0m

Arqiva's capital structure remains robust. The Group successfully issued £500m of Junior Secured Notes via Arqiva Broadcast Finance Plc in July 2025 to refinance £450m of existing junior debt. The Group's senior debt continues to be rated BBB+/BBB by S&P and Fitch.

- The Group's new issuance junior secured notes are rated B/B1 by S&P/Moody's
- The technology function continues to evolve, with a focus on cloud delivery, agile development and customer-centric innovation. Sustainability remains a core priority, with Arqiva purchasing 98% renewable electricity since April 2024 and progressing toward its 2031 net zero target

As a business, our colleagues are our greatest asset and therefore it's encouraging that in in our latest engagement survey, our engagement score was 72, up from 69 in June 2024, with our response rate remaining at 84%. Arqiva Challenge, our annual company-wide event, which sees volunteer employees take on various physical challenges was as popular as ever, with local and national charities benefitting from our team's endeavours. We are very proud to have won Best Wellbeing Strategy at the 2024 HR Excellence Awards.

Business model

Enabling a switched-on world to flow

Arqiva is at the heart of Media and Broadcast and Smart Utilities Networks in the UK, providing critical data, network, and communications services.

Arqiva works in partnership with its customers, delivering vital connectivity. We are building and operating the complex ecosystems and infrastructures through which data and content can move effectively, securely and sustainably at scale – whether that's through media broadcasting and transmission services, or smart networks for energy and water.

Arqiva earns revenue from its customers through the provision of network access and transmission service as well as fees for engineering services and new projects. Arqiva's services tend to be mission-critical for its customers, providing the network coverage necessary for the fulfilment of their requirements for their licensed services. Arqiva delivers broadcasters' services to their agreed coverage and availability requirements.

Arqiva has £1,145.8m of property, plant, and equipment as at 30 June 2025 and our assets, operations and markets are predominantly within the UK, with our business predominantly focused on the UK Market. We currently have a small overseas footprint and so have had minimal exposure to international markets and foreign exchange. However, this is evolving as we have established new business development roles in targeted markets, aimed at growing our cloud based global media management services.

Arqiva is financed through a mixture of equity and long-term debt, with an average maturity debt profile of over 4 years. The Group's senior debt also benefits from an investment grade BBB+ rating from Standard and Poor's and BBB from Fitch.

Arqiva operates through two main commercial functions, Media and Broadcast and Smart Utility Networks supported by non-revenue generating Operations, Technology and Corporate functions.

COMMERCIAL

Media and Broadcast

This function consists of DTT transmission, DTT capacity (Digital Platforms), Radio transmission, Radio capacity and Managed Media Services segments. Arqiva is the UK's only supplier of national terrestrial television and radio broadcasting services and our DTT network provides more than 16 million households a means to access TV. Our radio infrastructure supports a range of services across the UK with over 300 stations on DAB and over 460 stations across FM, AM and MW.

Sector Snapshot

Media and Broadcast services remain incredibly important for viewers and listeners in the UK. Even as viewing habits change, the Office of Communications (Ofcom) Media Nations 2025 report showed that while broadcast TV viewing has declined year-on-year – with individuals spending 4% less time watching broadcast TV than in 2023 – the rate of decline has slowed across the majority of age groups, with those aged 75+ actually increasing their daily viewing time by 13 minutes. Live radio reach also remains high, with 87% of adults aged 15+ tuning into radio for an average of 20.5 hours per week. This is despite the continued growth in streamed music and podcasts. The most-used platform for radio is DAB, accounting for 42% of listening hours, followed by AM/FM at 27%. Listening through smart speakers has been increasing gradually and now accounts for 18% of live radio listening hours. In recent years, the UK has seen the emergence of alternative viewing platforms. Hybrid platforms leverage the reach and cost effectiveness of DTT to deliver Free-to-Air (FTA) services with interactive services typical of internet delivered services (IP), such as catch-up and on-demand. The increase in "pay-lite" services e.g. Netflix, Amazon and Disney+ give consumers further opportunity to combine DTT with an Over The Top (OTT) offering. This trend also supports the Managed Media Service segment which has been providing IP streams and video-on-demand processing services since 2015 and is currently undergoing an expansion of the Group's capabilities to support recently secured contracts.

Media and Broadcast at Arqiva

The Group benefits from a regulated position as the sole UK national provider of transmission services for DTT broadcasting, the most used TV platform for the consumption of linear and live content in television homes across the UK. The Group operates all television transmission sites used for DTT broadcasting in the UK, with over 1,450 broadcast transmission sites of which c.1,150 are television transmission sites. DTT provides universal UK coverage through the subscription-free TV platform, Freeview, with its presence within TV sets sold in the UK, enabling the PSBs to meet the obligation under their licences to extend coverage to 98.5% of the UK population.

Through its Digital Platforms products, the Group is also the UK market leader for the provision of access to the DTT platform for broadcast channels, operating the licence for two (of six) national DTT Multiplexes used for transmission of UK DTT services. The Group's DTT Multiplexes have 34 streams carrying 48 channels including full-time 24/7 TV channels plus part-time channels and radio services. We are enabling leading broadcasters such as Sky, Warner Bros, Discovery and UKTV to deliver broadcasting content using our channel capacity.

While consumer preference indicates rising use of OTT services, popularly known as streaming services, FTA television retains the majority share of live video viewing in the UK as per published TV viewing data. The near-universal coverage of DTT combined with affordability and broadband coverage constraints suggest that the future is likely to remain a hybrid of FTA TV, Pay-TV & OTT with a substantial share of viewing driven by FTA TV.

The Group benefits from its regulated position as the only UK national provider of radio broadcast transmission services with a 100% national market share, covering both analogue and digital services through Digital Audio Broadcast (DAB). The Group owns and operates radio network infrastructure comprising approximately 1,700 analogue transmitters and 1,020 DAB transmitters over 690 radio sites providing coverage of c.99% of the UK population. The Group operates the two national commercial digital radio multiplexes (including through joint ventures) and holds 25 of the UK's 58 local DAB radio licences. The Group is also the service provider for the BBC national digital radio multiplex. The Group intends to support its customers and the industry by continuing to develop digital DAB radio as an attractive medium for listeners, establishing DAB as the default replacement network for the eventual phase-out of analogue. While there have been Government statements of support for no FM switch-off before 2030, AM closure is expected to be phased over time and completed before 2030.

The Group's Managed Media Services business segment is a leading provider of satellite uplink infrastructure and satellite distribution services in the UK, in terms of the number of channels uplinked for DTH satellite broadcast. The Group provides services to c.24% of fully managed channels for UK DTH. The Group operates more than 80 uplink dishes in five teleports (ground stations that act as a hub to connect a satellite network to a terrestrial telecommunications network), accessing more than 25 satellites and delivering media content to five continents. Arqiva procures third-party ground-based teleport services where a line of sight to a satellite cannot be achieved from its UK assets. This infrastructure enables the Group to provide customers with a comprehensive range of services to deliver their data, broadcast content and media services internationally. In addition, the Group provides encryption, multiplexing, up linking and satellite space to channel operators through its global media distribution offering. The Group provides network connectivity capabilities at over 300 key Media and Broadcast locations delivering content in the UK through its own optical and IP enabled networks and to the five continents around the world through leased access to a third-party global fibre network. The Group also provides IP and cloud-based services including distribution of broadcast channels and live sports globally, (augmenting its satellite and fibre footprint) reaching over 100 countries, video-on-demand content to over 40 streaming platforms including Paramount+ and Apple TV, cloud-based content processing services (called multiplexing or head ends) and streaming solutions for OTT platforms.

Media and Broadcast contributes significant and stable cash flows to the Group with a long-term order book of £2.2bn (2024: £2.4bn). A significant proportion of the value of the order book relates to RPI-linked medium to long-term contracts, as far as 2035 which includes DTT and radio transmission. The decline in the order book reflects the unchanged nature of the transmission business. However, the Group remains focused on growth opportunities in targeted core infrastructure areas such as smart utilities, as well as diversification in new product launches as noted above.

Smart Utilities Networks

The SUN function covers two principal markets. Arqiva is the sole metering connectivity provider to electricity and gas companies in the North of England and Scotland and we are also the provider of utility meter monitoring systems to help reduce water wastage and supporting sustainability.

Sector snapshot

Ambitious environmental and sustainability agendas from regulators are driving change across the utility sectors, providing huge opportunities for growth. Today, less than 10% of UK premises have a smart water meter, and less than 30% have a smart energy meter. With 20% of water lost through leakage, our water customers are focused on reducing leaks as well as reducing pollution caused by sewer flooding. Smart meters are providing an opportunity to meet sustainability targets through reducing the UK's overall greenhouse gas emissions, including up to 0.5% from smart water meters on their own.

In February 2025, the Government passed the Water (Special Measures) Act, outlining stricter accountability measures for water company executives, including blocking bonuses and enabling criminal charges for persistent pollution or negligence. It establishes automatic fines for pollution incidents and mandates real-time monitoring and transparency of storm overflow discharges. Additionally, the Act outlines further measures to enhance environmental strategies, expands regulatory powers and clarifies responsibilities for Ofwat and water companies.

Smart metering, whilst not currently mandated across the whole of the UK, remains a priority investment for water companies and the regulator, with growing population and climate change creating further pressure on the UK water supply. The Final Determination for the next regulatory period (AMP8) has approved £2.5bn of investment in smart metering as part of a £104bn overall investment in water infrastructure. This will support the rollout of c.10 million smart meters in the period 2025-30 with all water companies, except Dwr Cymru, having targets to connect and gain smart meters reads to agreed volumes and standards.

In July 2025, the Independent Water Commission – chaired by Sir Jon Cunliffe – published its final report setting out recommendations for reform to improve the water sector regulatory system in England and Wales. The report contains 88 recommendations to Government including one to expand the circumstances in which smart water metering becomes mandatory as part of a broader effort to reduce per capita consumption and improve demand-side efficiency.

Smart Utilities Networks at Arqiva

Digital technology means that we can now get a much better handle on how much gas, electricity and water we all consume. That's the first step in using less of it, something we all have to do if we're going to live sustainably on the planet. Arqiva works across the utilities sector to make this happen. Through our efforts, energy and water grids and meters are getting smarter, meaning more control, and less wastage.

For energy and mobility companies, satellite operators, government organisations and telecoms providers, secure networks are vital. Arqiva utilises global satellite, teleport and fibre networks to support communications for these areas. With coverage that spans the globe, we build customised end-to-end solutions that offer reliable data communication.

Arqiva generates revenues with respect to the build and operation of the smart 'machine-to-machine' networks and other data transmission services applications. With a continuing focus on innovation and market opportunities, Arqiva is embracing the fast-developing Internet of Things sector, particularly for utilities, using our Flexnet network solution and LoRaWAN technologies across our smart metering contracts. The Group has invested in building machine-to-machine networks, which support major energy metering contracts spanning 15 years and covering more than 10 million premises. Over 4 million comms hubs (Communication hub, device that connects to the meter and transmits the data to the mast) have already been installed by Arqiva through the Communications Service Provider (North) contract with the DCC. Arqiva has invested substantially in

infrastructure to support these contracts, which now results in recurring cash flows during the long-term operational phases of the network delivery.

In the Water segment, the Group supports smart metering through contracts with a growing number of water companies who are investing in Advanced Metering Infrastructure ("AMI"). The Group secured the majority of AMI market share in the previous regulatory period AMP7 (April 2020 to March 2025) and has secured more than 50% of the market (measured by volume of smart meters) awarded so far for the next 5-year regulatory period. As of June 2025, the Group has 2.5 million meters connected daily to the Group's networks, the majority with Thames Water and Anglian Water alongside smaller scale to Affinity Water and Northumbrian Water. As at the date of writing, the Group is delivering against new contracts and requirements for Anglian Water, Thames Water, United Utilities, Affinity Water and Portsmouth Water. The Group continuously reviews its business to ensure it focuses on core areas that are important to its customers and is actively engaging with water companies to understand how it can support programmes which require smart sensors to monitor key operational and regulatory obligations.

The Group also offers satellite data communications for electricity distribution networks. In addition, following the sale of the telecoms business to Cellnex, we implemented a revenue share agreement for the use of broadcast sites for telecommunications equipment and transitional services. These activities are included in SUN revenues.

The SUN products have an order book of £0.6bn (2024: £0.7bn), with contracts running as far as 2050. The Water industry is actively running multiple RFP processes for smart metering investment programmes, for the next 5 year-AMP 8 period. Arqiva is actively participating in multiple bids with a view to increasing its market share of smart water metering.

OPERATIONS

The Operations function oversees the operation and maintenance of all Arqiva sites, supports internal IT systems and serves the M&B and SUN business areas to meet customer needs. Field engineering delivers corrective and preventive maintenance, as well as project work for broadcast, utilities transmission, antennas, structures and satellite infrastructure. Operations also manages the inventory, logistics, configuration, site management, disaster recovery and network operations areas. The Group's Resilience and Risk team, covering Safety, Health and Environment, Business Continuity and Sustainability, also sits within Operations. This area does not generate revenue but incurs costs for providing these essential management and support services.

TECHNOLOGY

Our Technology function spans a broad and evolving range of capabilities that support the entire organisation. It includes traditional engineering disciplines, such as broadcast transmission, networking and electrical engineering, alongside modern specialisms in software development, cloud engineering, product management, product marketing, information security, data and insight and business enablement. We are actively investing in and expanding our software and cloud engineering capabilities to deliver scalable, secure and innovative digital solutions. Delivery teams and the Value Management Office (VMO) are embedded within the Technology function to ensure close alignment with product and engineering teams.

As part of our ongoing evolution, we are transitioning towards a more agile, cross-functional and product-centric operating model. This approach enables us to respond more effectively to customer and business needs, accelerate delivery and foster deeper collaboration across disciplines.

CORPORATE

Corporate functions at Arqiva comprise Finance, Procurement, Legal, Strategy & Regulatory and People & Culture, providing support services across the business.

Strategic Overview

The Group's strategic focus is Vision 2031. We have four key ambitions each with a related strategy and supported by key enablers to deliver them.

Each ambition has a number of priorities in order to help achieve the vision, as shown below:

To be the undisputed leader in UK TV and radio broadcast

- Deliver sustainable TV and Radio broadcast, protecting and focusing on customer and operational excellence and managing capacity and margins to maximise revenues, ensuring that the value we bring to society is understood
- Leverage our scale and the cloud, enabling industry efficiency by supporting our customers to move to more cost-efficient and increasingly flexible models
- Expand services and drive renewals, delivering greater value by selling across our portfolio of services and creating long-term partnerships while also developing value-added services in new areas

To transition global media to cloud-based solutions

- Scaling IP and cloud-based services; investing in building broadcast quality cloud processing and extending our footprint in live /events content
- Becoming the go-to choice for our partners in cloud distribution so they can better manage their global content flows across all formats
- Growing multiplex service, using our infrastructure to provide virtual, cost-effective and scalable services to mid-size TV cable operators outside of the UK

To be the UK's leading smart utilities platform provider

- Leading in connecting UK smart meters, maintaining market leadership, and scaling our operations to drive and accelerate the roll-out of domestic smart meters
- Broadening our product offering, developing new value-added data-driven services in monitoring and control, that reduce energy use, water wastage and pollution
- Diversifying through forging partnerships and widening technology choice, to deliver new hybrid connectivity solutions and real time network monitoring

To be an innovator of scalable solutions for new connectivity sectors

- Working with partners, building new solutions for new and emerging sectors that have growing and more complex connectivity needs including:
    - Creating services that make the most of our infrastructure, spectrum and satellite expertise, to support development of the LEO satellite sector and its related services
    - Internet of Things (IoT) opportunities across multiple sectors as they develop

Business Update

Arqiva's strategic focus for this financial year has remained on consolidation through effective execution and operational resilience. In alignment with the implementation of Vision 2031 and a comprehensive review of our Technology function, efforts in 2025 have been dedicated to establishing the essential capabilities needed to advance our long-term goals in the context of a challenging economic environment.

Media And Broadcast

DTT Capacity

During the period, the DTT platform achieved 97% utilisation as at 30 June 2025 following the expansion of capacity on one of Arqiva's multiplexes - COM5. Significant contracts with our largest customers have been extended through to the early 2030s, alongside additional channel renewals throughout the year. Furthermore, two new channels are scheduled to launch on the platform in the first quarter of the financial year ending 30 June 2026.

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 new contracts 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 providing stability across both the national and local platforms.

FM renewals have continued, securing several contracts again out to 2030. In addition, in June we launched our first trial with a major broadcaster on our Audio Streaming solution, whilst we have only launched the minimum viable product and development is ongoing, it provides a path in the future to new revenue streams.

Direct to Home (DTH)

The DTH platform remains close to full capacity, supported by renewals secured to 2029 with a number of key customers. We continue to win a high proportion of channels new to market, with 3 new HD channels launched in the first quarter financial year 2026.

Managed Media Services

Arqiva has secured a contract to migrate Hearst Networks to cloud-based Video on Demand (VOD) platform. The VOD platform will support the distribution of over 35 Pay TV and OTT platforms across the EMEA region from mid-2025.

Arqplex: the Group's on premise and cloud multiplexing deployment, is in service, supporting multiple PSB and global customers to deliver their content to millions of people in the UK and internationally.

Arqade: Arqiva's cloud-based video content exchange product enables media companies to interchange their content with multiple platforms efficiently across the world. We currently deliver all feeds for a large global media company outside the Americas via Arqade as well as deployments for many other global media groups. We now have over 700 channels accessible within the Arqade platform and deliver live events for a variety of sports related customers.

Arqads: Arqiva's addressable advertising solution facilitates targeted ad insertion into television channels, enhancing the precision and relevance of television advertising to boost revenue generation. The product enables new customer services for Sky AdSmart with the Arqads platform hosting a portfolio of channels supporting two major media organisations to monetise their channels more effectively on the Sky Platform. Product features are in development to support targeted advertising on the Freeview TV platform, targeted to launch mid-2025.

We have received much customer interest in our newly launched Streaming Optimisation product which allows the customer to optimise their use of Content Delivery Networks (CDN), delivering deeper insight via analytics with improved audience experience and cost savings through CDN switching and peer-to-peer networking. Response from the market has been very positive. We are in ongoing talks to deliver several proofs of concept (PoC) for a number of media customers.

There remains an exciting and growing pipeline of potential customers across this comprehensive portfolio of new products, with bids active on several opportunities with UK and international customers.

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

In November 2024, Hellen Systems and Arqiva announced a partnership to develop a commercial eLoran service in the UK. eLoran is a sovereign, independent, resilient terrestrial radio navigation system, providing an alternative to the existing global PNT services. Arqiva continues to monitor developments in this sector, including the outcome of the Government spending review and exploring opportunities for involvement in any Government funded initiative.

Regulatory Environment

In November 2024, the DCMS launched a forum to advise on the future of UK television. This is a Ministerial-led process with aim of driving forward policy. The DCMS forum builds on the prior work by Ofcom in its Future of TV Distribution Report published in May 2024. In that report Ofcom called on Government to provide certainty and set out options for the long-term future of DTT, which include investing in more efficient DTT services, reducing DTT down to core services or moving towards DTT switch-off over the 2030s. The Group is actively involved in the forum and submitting its views and perspective. 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-2026.

The Office of the Adjudicator - Broadcast Transmission Services appointed a new Adjudicator in 2024. He has looked at a number of areas of the regulated broadcast transmission business in FY25. This has included raising a number of questions and publishing two consultations beyond the annual budget consultation. On the consultation on Arqiva's Regulatory Accounts, the Adjudicator concluded that Arqiva should continue to publish the Regulatory Accounts and he will work with Arqiva to review what may be included in future Regulatory Accounts after stakeholder feedback. 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 guidance, for example, around the Weighted Average Cost of Capital (WACC) or inflationary mechanism, this would only apply prospectively (i.e. not to existing contracts). This consultation closed on 20th June 2025.

Smart Utilities Networks

Regulatory Environment - Water

Following Ofwat's publication of its final determinations for Price Review 2024 (PR24), the water sector is now actively progressing plans to deliver on the ambitious objectives set for the 2025-2030 regulatory period. This includes £104bn in investment on transforming infrastructure and systems to meet evolving environmental and operational demands - £2.5bn of which will go into smart metering, with the rollout of an additional ten million meters. These efforts will support Ofwat's target of a 17% reduction in leakage, leveraging smart technologies and improved data insights to drive efficiency and sustainability.

Five water companies have disputed Ofwat's final determinations- namely Anglian Water, Northumbrian Water, South East Water, Southern Water and Wessex Water – and their cases have been referred to the Competition and Markets Authority (CMA) for redetermination. Thames Water have also asked for the deadline for them to

dispute their final determination to be extended, given their individual circumstances, this has both been granted and in early summer further extended. The CMA process remains ongoing, with provisional determinations expected in September 2025 and final determinations due late 2025/early 2026.

The Independent Water Commission set up last year by the incoming government in June delivered its final report with 88 recommendations for reform of the Water industry. Whilst several of these are positive for Arqiva and very few, if any negative, they remain at this time just recommendation, we must wait for the White paper due this autumn 2025 in order to understand what changes and when will happen, this will take some time to enact whatever recommendations are accepted.

Regulatory Environment – Energy

The Office of Gas and Electricity Markets (Ofgem) has released its draft determinations for RIIO-3 – the next price control period for electricity and gas networks running from 2026 to 2031 which covers Electricity Transmission and Distribution companies along with the Gas Distributors. Electricity Distributors run on a two year lag to these timescales. RIIO-3 sets out a regulatory framework to support the UK's transition to a clean, secure, and affordable energy system, with over £100 billion in total investment expected across the period.

A significant portion of this investment will go towards upgrading the electricity transmission network to enable the government's Clean Power 2030 ambition. This includes funding for new infrastructure to connect renewable generation and reduce reliance on gas-fired power, with over £80 billion earmarked for electricity transmission alone.

RIIO-3 also places strong emphasis on digitalisation and system resilience. Network companies are expected to deploy smart technologies, including sensors and advanced monitoring systems, to improve asset health, reduce outages, and support real-time grid management. Ofgem has reinforced the need for secure, interoperable communication systems and high-quality data to enable smarter, more flexible networks.

We can expect final determinations on RIIO-3 to be announced in early-December 2025, following successful completion of the consultation process. The price control period is expected to run from 1 April 2026 - 31 March 2031.

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. Due to our strong performance to date, Anglian has awarded Arqiva a contract to deploy an additional 1.1 million meters, along with the associated network, in the regulatory period (AMP8 2025-2030). This agreement includes a 20-year operational term. Meter deliveries have already commenced. They have also increased their focus on adding sensors to the network with both sewer level and chlorine sensors being developed for trial this year.

United Utilities

In December 2024, United Utilities awarded Arqiva a contract of at least 15 years to provide 1.1m meters in support of their AMP8 smart meter rollout programme, with deliveries already commenced. 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 2030-2035 (and AMP10 (2035-2040)).

Affinity Water

Arqiva 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. Delivery of this contract is already underway with Arqiva providing the communications network and managed service along with the meters. Affinity Water's overall programme for smart meters is 1.2m which also offers the potential for new growth opportunities during AMP9 and AMP10.

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. This is the largest smart water metering network in the UK and has high coverage across the Thames Water London region. We continue to work with Thames Water to develop joint plans for additional meters in areas we already serve as well as ways to support delivery of their full commitments in AMP8.

Portsmouth Water

In February 2025 Arqiva signed a 20 year (8 years delivery + 12 additional years providing support service) contract with Portsmouth Water to provide the communications network, managed service and meters. In addition, this includes installing over 325,000 meters (across both AMP8 and AMP9 periods). We are engaged on conversations with them about sensors to measure pressure on the network and Narrowband Internet of Things (NB IoT)to support infill of the communication network.

SGN Hybrid Connectivity

Since the original 5-year contract was awarded by SGN earlier this year to provide connectivity solutions for 230 of their sites, Arqiva has agreed with the customer to extend this contract to serve an additional 174 sites over the 5 year period.

Smart energy metering rollout

The Group's smart metering communication network in the North of England and Scotland continues to deliver with over 4m devices installed and performance against our contractual KPIs is consistently strong. Alongside this we work closely with the DCC to identify and deliver against opportunities for improved experience and have been actively engaged in a jointly sponsored programme to improve the installation experience of new smart meters over the past months which has delivered good results.

Arqiva is in the middle of technology development which will deliver enhancements to the platform to support the growth forecast in the next couple of years, with key deliverables already achieved in the periods to June 2025; all milestones have been achieved to date and new code has been deployed in production. Arqiva remains on track to deliver the next set of milestones through Q1 and Q2 of the year ending 30 June 2026. This has been a major technology delivery programme which will deliver benefit now and into the future.

Corporate Update

Defined Benefit Pension Scheme

Following the Plan's insurer backed buy-in transaction that completed in April 2024, in February 2025 the Trustees and Arqiva agreed to a Surplus Sharing position for the Plan. The allocation of any surplus was agreed between trustees and the Sponsoring Employer Arqiva Ltd; if there is a surplus on the wind-up of the Plan it has been agreed that the members will receive a proportion of that surplus, with the remainder of the surplus being returned to the Company. This sharing mechanism is only applicable if there are surplus funds on the winding up of the Plan. Any funds available to members will be used to provide an enhanced pension.

In September 2023 the Trustees and the Company agreed that the Arqiva contribution of £7m would be held in an escrow account to be available to the Plan as required rather than being contributed into the Plan. In March 2025 the full amount of the Escrow account was agreed to be released back to the Company. For 2024, this was presented as 'restricted cash'. For 2025, this is now presented within Arqiva's unrestricted cash balance.

Chair

On 24 April 2025 Patrick Tillieux was appointed as non-executive Director and Chair of the Board of Directors. Patrick is an independent non-executive director and held board positions in several companies related to media broadcasting and distribution, as well as broadcast technology and telecoms. He also serves as corporate adviser and operating partner to private equity firms.

Patrick has more than 25 years of C-level management experience in the UK and across Europe. As an executive Patrick is the former CEO of satellite and streaming content provider OSN, former CEO of technology provider Red Bee, former COO of German broadcaster ProSiebenSat1 and former CEO of SBS Broadcasting Group. Previous positions include CEO of Canal+ Netherlands, CFO of RTL Netherlands and co-founder of Eurosport.

Management Changes

Following the resignation of Sean West as CFO in March 2025, Nathan Hodge stepped in as interim CFO while the recruitment process for a permanent successor was underway. On 5 Aug 2025, Alastair Cochran was announced as the new CFO and he took up his position on 1 September 2025.

Energy Hedging

Arqiva had historically been protected from extreme volatility in energy prices through long-term forward energy purchases. During the year to 30 June 2024, the Group entered into new forward energy purchase contracts. By maintaining this long-term forward energy purchase policy, Arqiva has hedged 93% of the anticipated energy usage for the year to 30 June 2026 and 40% of the anticipated energy usage in the year to 30 June 2027.

Information Security

Arqiva has maintained an information security management system certified against ISO27001. This certification enables the organisation to demonstrate the robustness of our security controls using an internationally recognised framework.

Through independent review and certification, supported by regular internal audits, Arqiva continues to confidently demonstrate our commitment to security and secure working practices. The organisation has held ISO27001 certification since 2013 and recertify every three years. The most recent recertification, awarded in April 2024, was Arqiva's most successful to date - reflecting the maturity and the strength of the organisation's security culture.

Sustainability

Arqiva received an upgrade on its MSCI (Morgan Stanley Capital International) Rating in June 2025 from A to AA. This is an independent, globally recognised, assessment of our ESG rating. Additionally, Arqiva once again was awarded a silver medal in the EcoVadis assessment, putting us in the top 15% of participants. Under the GRESB rating we received a 4 star rating (score of 94).

Wellbeing

Arqiva received the Best Wellbeing Strategy award at the 2024 HR Excellence Awards. As a result of this strategy, we have successfully surpassed our FY25 wellbeing KPIs: maintaining absence rates well below the UK average, achieving 73% unique wellbeing touchpoints against a target of 65%, and securing recognition from external bodies.

Employee perceptions of leadership support for health have shown marked improvement, increasing from 62% in 2019 to 78% in our most recent survey. Addressing work-related stress identified in 2024, we scored four points above the UK benchmark for 'manageable workload' in our June 2025 engagement survey.

Furthermore, our 2024/25 sleep programme has led to a significant reduction in sleep-related absences, decreasing from 142 days in 2023 to only four days reported thus far in calendar year 2025.

Refinancing

The Group's senior debt continues to be rated BBB+/BBB by S&P/Fitch respectively. The Group's junior debt, a subordinated public bond, was successfully issued in July 2025, for £500m at an interest rate of 8.625% and with a rating of B1/B by Moody's/SP&P respectively. Whilst the Group's junior bonds had not previously been rated by S&P, the previous rating by Moody's (last issued in 2022) was B2.

£450m of the proceeds were used to repay the existing junior debt. Net proceeds of c.£23m (after repayment of existing debt, interest and fees) are available to be used for General Corporate Purposes.

At the same time as issuing the bond, the £100m Senior Revolving Credit Facility (RCF) has been extended for 5 years, the £150m Senior Loan Facility has been renewed for a further year and a new £45m Junior Loan Facility has been agreed to cover 12 months of interest on the subordinated bond. An existing £35m senior RCF and £70m Junior Loan Facility have been cancelled as part of the process.

Financial review

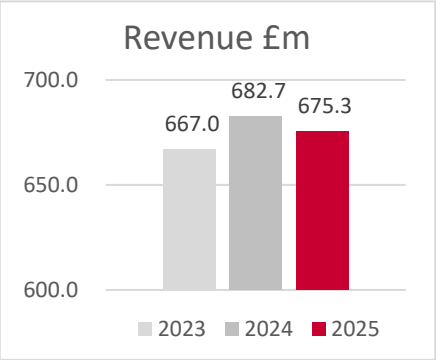
Financial Performance

This review contains a summary of the financial performance for the year ended 30 June 2025 and presents Arqiva's key financial performance indicators alongside it. Other non-financial KPI's are included on page 35.

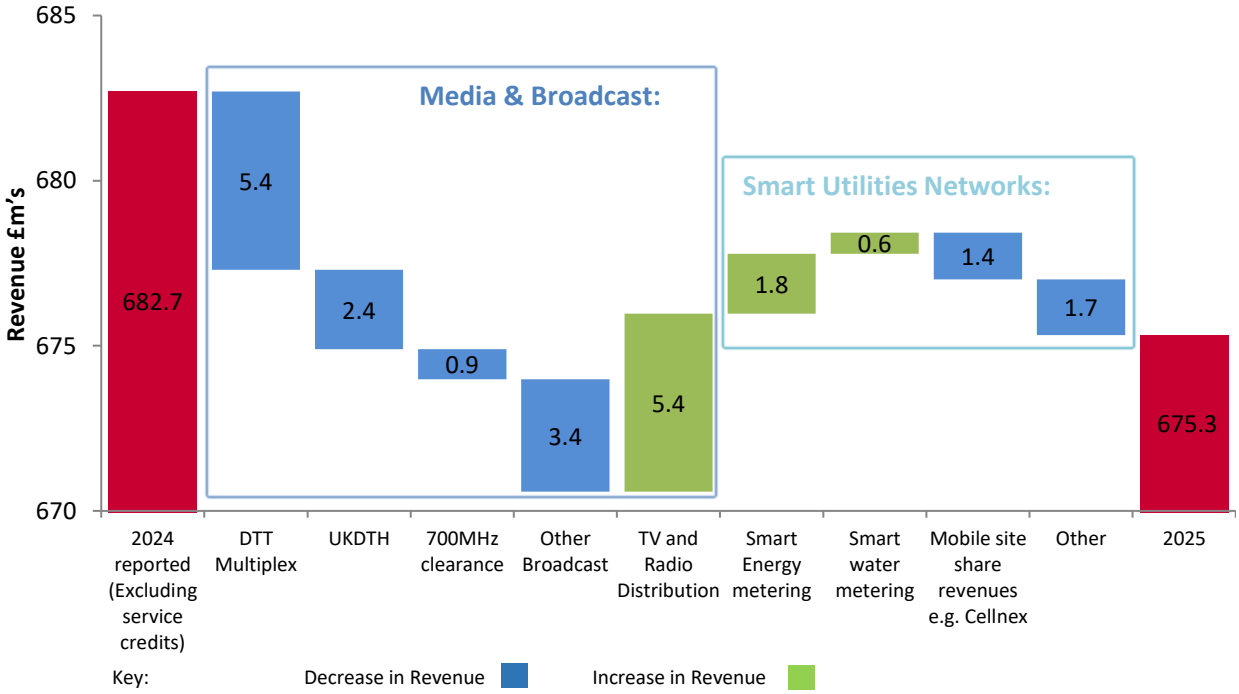
Financial KPI: Revenue[2]:

For the year ended 30 June 2025, revenue for the Group was £675.3m, a decrease of 1.1% from £682.7m in the prior year. Both of our business functions have seen slight declines this year, with a larger relative decline in the Media and Broadcast function of 1.4%, compared to 0.4% in the SUN function, reflecting trading challenges faced by some of our customers. See reconciliation and explanation on page 26 for how this agrees to revenue disclosed in the Consolidated Statement of Profit or Loss on page 95.

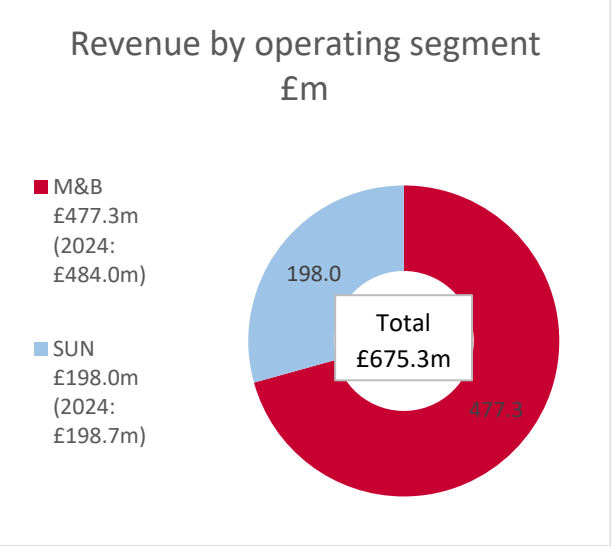
Revenue by market area	Year ended 30 June 2025 £m	Year ended 30 June 2024 £m	Variance %
Media and Broadcast	477.3	484.0	(1.4)%
Smart Utilities Networks	198.0	198.7	(0.4)%
Total Group Revenue	**675.3**	**682.7**	**(1.1)%**

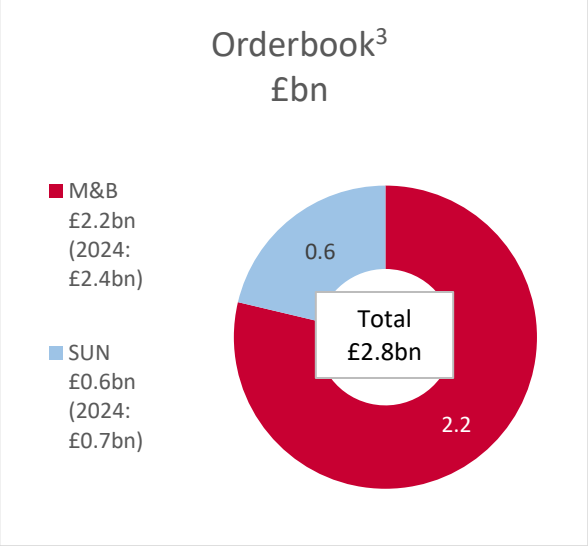


The in-year movements by contributing product segment are illustrated in the following revenue chart:



[2] *Within the financial review section, both revenue and EBITDA are presented inclusive of the revenue not recognised to the extent of the service credits related to the Bilsdale settlement. This is the only difference to revenue as per the financial statements. Revenue has been accounted for in accordance with IFRS 15.*





The figures quoted above show revenue excluding service credits related to the Bilsdale settlement. The Income Statement on page 95 and associated disclosure notes are inclusive of these service credits, however there was no impact in FY25. The following table provides a reconciliation between the two measures:

Reconciliation of Revenue	Year-ended 30 June 2025 £m	Year-ended 30 June 2024 £m	Year-ended 30 June 2023 £m
Annual Report (excluding service credits)	675.3	682.7	667.0
Bilsdale service credits recognized in the period	-	(2.8)	(15.3)
Income Statement (including service credits)	675.3	679.9	651.7

Media and Broadcast

Total Media and Broadcast revenue has decreased by 1.4% year on year from £484.0m to £477.3m. Our core broadcast TV and radio distribution products have remained strong and stable during the year with RPI linked inflationary increases on long-term contracts. Customer passthrough of power costs have reduced versus prior period, through a successful power cost hedging strategy and lower usage driven by re-engineering efficiencies.

Market pressures within the DTT and DTH capacity products have impacted on renewal pricing with some customers terminating, negating the core RPI increases. However, new channel launches in the period saw both DTT and DTH platforms remaining close to fully utilised and we remain optimistic about this market segment.

Smart Utilities Networks

The SUN function has seen a 0.4% decrease in revenue year on year, from £198.7m to £198.0m.

Recurring revenues have remained stable in the period, driven by indexation linked increases plus additional water site operation revenues, through incremental site delivery. This negates the prior period network change requests that have not been repeated.

Device volumes were down for our water customers, following the post-pandemic silicon shortage catch up deliveries in the prior period and as we reached the end of AMP7 deliveries, with AMP8 volumes only beginning

[3] *Orderbook" reflects management's estimates of the Group's potential future revenue to be derived from awarded contracts and reflects nominal values which have not been adjusted for inflation or discounting. The orderbook also assumes that the contracts will be fulfilled until their contract end dates, with no early terminations.*

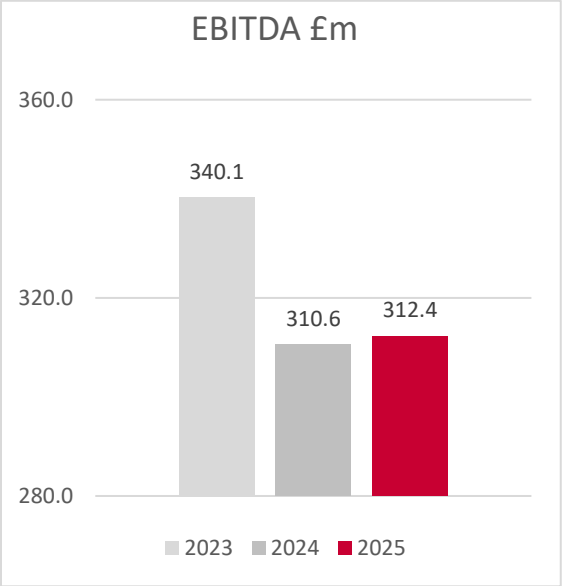
to replace these in the second half of FY25. Arqiva's new water meter installation service commenced during the year, contributing £4.2m of revenue.

Smart Utilities revenue also includes site share revenues relating to the utilisation of broadcast sites for telecommunications equipment following the sale of the telecoms business to Cellnex, where on-going revenues have remained in line with prior period. Prior period however included a £1.0m of uplift relating to the recognition of site access and build process optimisation, relating to customer acquisition activity.

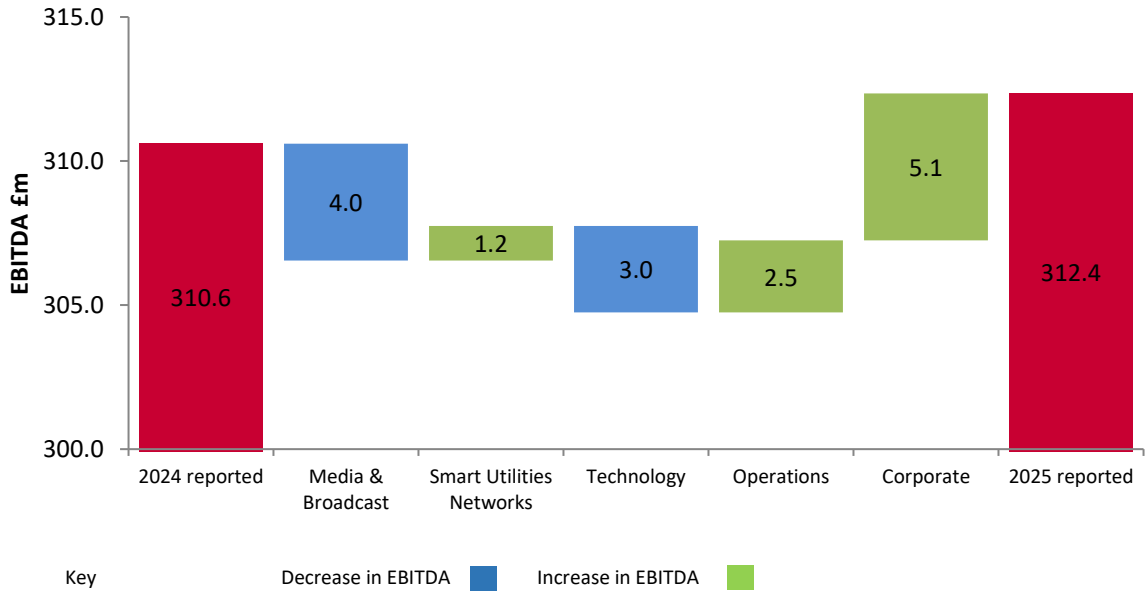
Financial KPI: EBITDA[4]:

Total EBITDA[4] was £312.4m, an increase of 0.6% compared to the prior year of £310.6m.

EBITDA by functional area	Year ended 30 June 2025 £m	Year ended 30 June 2024 £m	Variance %
Commercial			
Media and Broadcast	*337.3*	*341.3*	*(1.2)%*
Smart Utilities Networks	*67.8*	*66.6*	*1.8%*
Total Commercial	405.1	407.9	(0.7)%
Operations	(22.6)	(25.1)	10.0%
Technology	(40.1)	(37.1)	(8.1)%
Corporate	(30.0)	(35.1)	14.5%
Total Group EBITDA	**312.4**	**310.6**	**0.6%**



EBITDA has increased for the period, despite the decrease in revenue. The following waterfall chart demonstrates the how our different functions have contributed to EBITDA year-on-year:



[4] *Definition: EBITDA is a non-GAAP measure and refers to 'earnings before interest, tax, depreciation and amortisation' and includes add-backs for certain items charged to operating profit that do not reflect the underlying business performance. See page 30 for its reconciliation to operating profit.*

Media and Broadcast

Media and Broadcast EBITDA has decreased by 1.2%, from £341.3m to £337.3m. This is primarily driven by the drivers in falling M&B revenue- market pricing pressures within DTT and DTH channel renewals and loss of high margin DTT channel customers. However, these have been partially offset by the Group's effective power hedging strategy, securing lower prices plus the benefit of power consumption efficiency gains from re-engineering projects resulting in lower power usage and therefore strengthened gross margin underpinning the core Media and Broadcast contracts.

Smart Utilities Networks

EBITDA for the SUN function has increased by £1.2m, 1.8% from £66.6m to £67.8m. As with revenue, the lower device volumes across our water contracts resulted in reduced absolute device gross profit. Underlying core service margin remains stable, negating the impact of prior period one off change recognitions.

Other Functions

The Operations function is a non-revenue generating part of the business responsible for the efficient operations and maintenance of all Arqiva services including Field Engineers, Service Delivery and Site Management and Supply Chain areas as well as the Group's Resilience and Risk team. EBITDA from the Operations function has benefited from cost reductions of 10.0% from a loss of £25.1m in prior year, to a loss of £22.6m for this year. The cost reduction is due to an increase in utilisation of the team on projects, a one-off benefit relating to review of lease renewal programmes and a release of the dilapidation provision of £1.1m, to align it with the latest cost forecast review.

The non-revenue generating Technology function includes Arqiva's Programme & Project Delivery teams, Engineering functions, Architecture Information Security, as well as Product and Data & Insight. This area has seen costs rise to £40.1m, an increase of 8.1% from £37.1m in the prior year. The increase in cost is mainly due to consultancy and agency fees, combined with software licence and support costs arising from the transformation of IT systems to cloud based platforms.

Corporate EBITDA represents costs for the support functions such as Finance, Procurement, Legal, Strategy & Regulatory and People & Culture as well as the Executive Management team. EBITDA for this function improved by 14.5%, reducing from a loss of £35.1m to £30.0m for this year. This improvement in EBITDA benefits from of the one-off release of prior period circuit cost accruals and bonus and incentive programme accrual releases to reflect performance in the period, which were not seen in the prior year period.

Total operating expenses have decreased by 2.7%, a £2.9m cost reduction compared to the prior year. This year benefitted from a number of one-off improvements, most significantly as a result of resolution of historic inactive circuit cost and VAT provision reviews. These one-offs, plus increased utilisation of headcount have offset the impact of wage inflation and increased national insurance expense due to an increase the UK rate and threshold reduction during 2025. These changes apply across a broadly flat headcount year on year.

Capital expenditure cash spend has reduced by 10.1%, a £7.2m reduction, with a number of one-off programmes to support our corporate IT capability and network circuits upgrades being completed in prior year. Bilsdale restoration spend has reduced in the year, as the project continues to wind down to completion.

These factors are being partially offset by increased spend on CSPN (Communications Service Provider North) internal change Business Support System and hardware refresh activity plus Telecoms Security Act compliance spend in the current year. Growth capital expenditure has seen a year on year increase most notably within SUN due to an increased volume of water site build completions and within M&B product supporting Arqade, VOD and Arqads development.

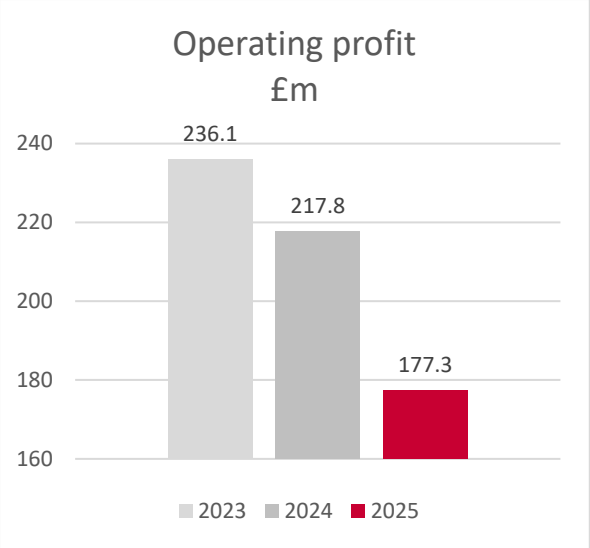
The Bilsdale restoration project nears completion, with restoration activities continuing in the year. These costs are presented within exceptional operating expenses.

In the year, depreciation has increased by £36.5m (2025: £124.8m; 2024: £88.3m). The increase in depreciation is primarily driven by a larger asset base due to increased additions in recent periods, as the Group delivers on its growth objectives in Utilities. As well as a one-off correction taken in the year, due to an error in the depreciation calculation.

Amortisation expense has decreased by £6.2m, from £19.7m to £13.5m. The decrease is driven by a one-off amortization catch-up in the prior period, which was not repeated. This was due to re-alignment of contract end dates and asset life, for some CSPN assets.

Exceptional operating expenses charged to operating profit were £4.6m, decreasing from £7.9m in the prior year. Exceptional expenses for this financial year relate to; restructuring and severance costs, restoration costs relating to the Bilsdale site and a Defined Benefit pension expense, arising from a surplus sharing agreement that defines how a potential surplus would be shared on the wind up of the scheme. This agreement was a consequence of the pension buy-in transaction that took place in the year ended 30 June 2024. Exceptional operating expenses are excluded from EBITDA. A reconciliation of EBITDA to operating profit is presented below.

Other income has decreased from £9.9m to £7.8m as the prior year included a £2.0m gain on the sale and leaseback of a site, compared to a £0.2m loss on site disposals in 2025. The remaining balance is the recurring release of deferred income relating to a UK government infrastructure grant that was received upfront.



Operating profit has decreased by 18.6% from £217.8m in 2024 to £177.3m in 2025. The decrease has been driven by several factors: M&B revenue mix; renewal price pressure and high margin customer losses. Increased costs in the Technology function, driven by consultancy and IT transformation expenses, that outweighed Operations and Corporate functions cost improvements. Additionally, depreciation increased due to asset base growth and a one-off catch-up adjustment, while other income fell by £2.0m as there were no significant asset disposals in the year. These factors have outweighed the steady improvement in SUN profits for the year.

A reconciliation between operating profit and EBITDA is presented below:

	Year ended 30 June 2025 £m	Year ended 30 June 2024 £m
Operating profit	177.3	217.8
Exceptional items charged to operating profit	4.6	7.9
Exceptional service credits	-	2.8
Depreciation	124.8	88.3
Amortisation	13.5	19.7
Other Income	(7.8)	(9.9)
Exceptional Other Income	-	(16.0)
Total EBITDA	**312.4**	**310.6**

Finance Costs

Finance costs (net of finance income) were £1,027.5m, an increase of 11.7% from £920.1m in 2024. The increase is driven primarily by the compounding effect of interest on the shareholder loan note principal and the accrued interest.

We have recognised a gain of £11.6m in Other Gains and Losses (2024: £11.8m loss) with £4.3m as a result of fair value movements of interest rate and index-linked swaps due to changes in forward market rates and credit spreads. The remaining £7.3m gain is due to foreign exchange gain on the Groups USD denominated loan.

The Loss before tax for the Group was £838.6m, an increase of £124.5m from the prior year of £714.1m. The loss before tax is reported after non-cash charges of £1,044.9m (2024: £934.7m) as shown below:

Reconciliation between loss before tax and non-cash charges/(gains)	Year ended 30 June 2025 £m	Year ended 30 June 2024 £m
Loss before tax	(838.6)	(714.1)
Depreciation	*124.8*	*88.3*
Amortisation	*13.5*	*19.7*
(Gain)/loss on disposal of fixed assets (other income)	*0.2*	*(1.9)*
Accrued interest on shareholder loan notes	*887.1*	*783.1*
Other non-cash financing costs[5]	*31.1*	*33.7*
Fair value movements on derivative financial instruments	*(4.3)*	*11.8*
Foreign exchange loss on financing	*(7.3)*	-
Total non-cash charges	***1,044.9***	***934.7***
Adjusted profit before tax and non-cash charges	**206.3**	**220.6**

Cash Flow

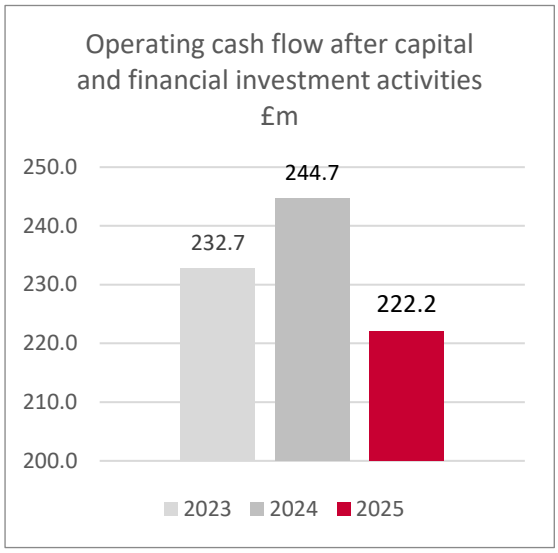
Net cash inflow from operating activities was £286.4m, a 2.8% decrease from £294.8m in 2024. This is primarily driven by a year on year decrease in operating profit. There has also been a larger working capital outflow in comparison to the prior year.

Capital expenditure on the purchase of tangible and intangible assets has decreased year on year primarily driven by a reduction in Bilsdale site rebuild costs as the programme approaches completion. Arqiva continues to invest in new products and an expanding utilities business.

Reconciliation between net cash flow from operating activities and operating cash flow after capital investment activity	Year ended 30 June 2025 £m	Year ended 30 June 2024 £m
Net cash inflow from operating activities	286.4	294.8
Purchase of tangible and intangible assets	(64.2)	(71.4)
Sale of tangible and intangible assets	-	5.3
Receipt of insurance stage payment	-	16.0
Net capital investment activities	**(64.2)**	**(50.1)**
Operating cash flow after capital investment activities	**222.2**	**244.7**
Cash Conversion as a % of EBITDA[6]		
Operating cash flow after capital investment	71.1%	78.8%

[5] Includes amortisation of debt issues costs, unwinding of discount on provisions, imputed interest and interest on lease liabilities.
[6] Cash conversion as a % of EBITDA is a non-GAAP measure referring to the calculation of operating cash flow after capital and financial investment activities as a percentage of EBITDA.

Financial KPI: Operating cash flow after capital and financial investment[7]:



Operating cash flow after capital and financial investment activities was £222.2m, a 9.2% decrease from £244.7m in the prior year. This decrease has been primarily driven by lower operating profit and increased working capital outflows compared to 2024.

2024 also benefited from final insurance proceeds of £16.0m (2025: £nil) related to the Bilsdale fire. 2025 benefited from a reduction in capital expenditure due to the reduced Bilsdale site rebuild activity. Cash conversion levels for the Group remain strong although decreased due to movements in working capital.

Financing cash flows have reduced year on year (2025: £225.7m outflow, 2024: £255.6m outflow). 2024 had a large outflow owing to the refinancing transactions that took place in that year. Two loans, with total loan principle of £262m were repaid in 2024, using the proceeds of a £250m senior debt issue. Whereas no debt refinancing transactions took place in 2025. There were also additional scheduled partial loan principal repayments for existing debt in 2024 compared to 2025, due to the repayment schedules.

2025 experienced a net cash outflow from new loans and loan repayments in the year of £32.4m. The Group continued to service its existing loans, making scheduled partial repayments of loan principal. 2025 experienced lower debt service cash outflows in the year in relation to accretion payments on our inflation-linked swaps, £43.3m, down from £53.4m in 2024. The Group also utilised the working capital facility, ending the year with a £20.0m drawdown balance (2024: £nil).

In 2024 the Group experienced a larger net cash outflow from new loans and loan repayments, £75.7m, with the Group receiving a cash inflow of £250m from a senior bond issued during the year. This was offset by the Group repaying the EIB and ITL loans, £262m, in addition to making its scheduled partial loan servicing repayments.

The total net cash flow for the year was a £1.8m outflow (2024: £8.3m outflow). This decrease in outflow is principally because of lower repayments of borrowings and accretion, and effective use of the working capital facility.

Financial Position

Net liabilities were £6,536.9m, representing an increase of 14.9% from £5,689.2m (restated) in the prior year. The net liability position is primarily driven by the capital structure reflecting the shareholder loan notes, borrowings, lease liabilities and derivative financial instruments held. The increase in liabilities for the year is driven by the financing costs for the Group. Our assessment of going concern is set out on page 85.

Restatement: Impairment of assets

During the Group's internal diligence process in connection with the July 2025 Junior loan refinancing process, in the year ended 30 June 2025, the Group identified a previously omitted impairment trigger arising for the Smart Utilities Networks (SUN) Cash Generating Unit ("CGU") assets.

[7] Definition: Operating cash flow after capital investment activities is a non-GAAP measure and refers to net cash flows from operating activities less the net cash flow from capital expenditure and financial investment per the cash flow statement excluding interest received. It represents the cash generated after spending required to maintain or expand its asset base. See table above for the reconciliation to net cash flow from operations.

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 intangible assets, and property, plant and equipment (PPE) carrying value on the statement of financial position which had a continuing misstated effect on goodwill, other intangible assets and property, plant and equipment (PPE) carrying values and accumulated losses in subsequent periods of account. As a result, the following misstatement has been recognized in these financial statements:

- £129.7 has been impaired from June 2023. This has been recognised against the SUN Goodwill balance of £117.8m reducing it to nil, with the residual amount being recognised proportionally against SUN other intangible assets reducing them by £1.7m, and SUN Cash Generating Unit PPE assets reducing them by £10.2m

- The Group has restated the Accumulated losses reserve lines in the 1 July 2023 and 30 June 2024 consolidated statement of financial position, to reflect that the 'Exceptional operating expenses' line in the year ended 30 June 2023 would have included the £129.7m impairment expense

- The Group has restated the Goodwill, Other intangible assets, and Property, plant and equipment lines in the 1 July 2023 and 30 June 2024 consolidated statement of financial position

- The SUN CGU's PPE and other intangible assets have a lower cost base to depreciate/amortize as a result of the impairment, resulting in lower depreciation and amortization charges for the impaired assets up until the end of their useful economic life. The impact of this for the year ended 30 June 2024 is not material, hence the 2024 Consolidated Profit or Loss statement has not been restated. The 2024 and 2025 reduction to depreciation and amortization have been taken through the Consolidated Profit or Loss statement in the year ended 30 June 2025

Tax

There are no outstanding enquiries or issues being dealt with by HMRC (or other tax authorities) in connection with the Group's tax affairs. All filings have been submitted in line with required timelines. In the year ending 30 June 2024, a credit relating to deferred tax items was recognised in the P&L for £31.4m, as a result of the historic position with respect to the Tax Return filings for the year ended 30 June 2021. This is in connection with the tax treatment of an aspect of the disposal of the Telecoms business to Cellnex which had been the subject of correspondence with HMRC.

Financing

The Group established a Whole Business Securitisation (WBS) structure in February 2013, following which the Group has continued to refinance elements of its debt structure, extending its maturity profile. Standard and Poor's and Fitch rating agencies reconfirmed their rating of Arqiva's senior debt at BBB+ and BBB respectively.

As at 30 June 2025 the Group's debt finance[8] comprised:

	< 1 year £m	1-2years £m	2-5 years £m	>5 years £m	Total £m
Facilities drawn	20.0	-	11.8	-	**31.8**
Finance lease obligations	17.3	10.6	11.6	15.4	**54.9**
Senior bonds and notes	75.0	55.5	681.1	88.1	**899.7**
Junior loan	-	-	450.0	-	**450.0**
Shareholder loan notes	-	-	-	2,148.1	**2,148.1**
Total	**112.3**	**66.1**	**1,154.5**	**2,251.6**	**3,584.5**

Included within the Groups' debt financing above is £2,903.0m of fixed rate debt and £681.5m of floating rate debt. £86.2m of Senior bonds and notes represents US dollar-denominated private placements. All other debt held at 30 June 2025 is sterling denominated. The shareholder loans notes have a principal value of £2,148.1m, and £5,201.5m of accrued interest. Although the accrued interest is repayable on demand, the Group can request for the deferral of settlement at a later date. In addition, the accrued interest on the shareholder loan notes has not been requested for repayment since 2013 and there is no expectation that the interest will be requested before the notes expire in 2029. Furthermore, the junior and senior debt covenants would not allow the debt to be repaid within 12 months.

In July 2025, The Group successfully issued £500m of Junior Secured Notes via Arqiva Broadcast Finance Plc to refinance the £450m of existing junior debt presented in the table above. As part of this refinance, the shareholder loan note expiry date has been extended to 2031.

The Group holds interest rate swaps (including inflation-linked interest rate swaps) and cross-currency swaps to hedge its interest rate exposures. The hedging strategy is employed to ensure the certainty of future interest cash flows. The Group does not apply hedge accounting to its swap arrangements.

The Group continues to comply with all financial covenant requirements including the following historic covenant ratio requirements at the senior financing level:

Senior debt level financial covenant ratios	30 June 2025	30 June 2024
Maximum allowed ratio of net debt to EBITDA	6.00	6.00
Actual ratio of net debt to EBITDA	2.97	3.06
Minimum allowed ratio of cash flow[9] to interest	1.55	1.55
Actual ratio of cash flow[9] to interest	4.13	4.17

Liquidity

To ensure we have sufficient available funds for working capital requirements and planned growth the Group maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. At 30 June 2025, the Group had a cash balance of £33.4m (2024: £35.2m). The Group carefully manages the credit risk on liquid funds and derivative financial instruments with balances currently spread across a range of major financial institutions. The institutions used have satisfactory credit ratings assigned by international credit rating agencies. The levels of credit risk are monitored through the Group's on-going risk management processes, which include a regular review of counterparty credit ratings. Risk in this area is limited further by setting a maximum level and term for deposits with any single counterparty.

[8] Excluding unamortised debt issue costs and accrued interest.
[9] 'Cash flow' as defined under the Group's financing common terms agreement, i.e. this is not a GAAP measure.

Drawings on facilities and cash held at 30 June 2025	Total Facility £m	Drawn £m	Available £m
Working Capital facility	205.0	(20.0)	185.0
Liquidity facility	150.0	-	150.0
Total Facilities	**355.0**	**(20.0)**	**335.0**
Cash held	-	-	33.4
Total Available Cash	**355.0**	**(20.0)**	**368.4**

The debt facility as described in note 25, provide details of the Comms Hub Receivables Purchasing ('CHuRP') debt that was originally set up to fund the initial tranche of communications hubs purchases. At 30 June 2025 this had an outstanding balance of £11.8m. However, this facility is no longer available to be drawn against and so is not included as available funds in the table above.

Going Concern

The Directors are confident that the Group has adequate resources to continue in operational existence for the 12 month period, posting signing of the accounts. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information. This is discussed in detail further down in this report, in the Directors' Report, Financial Risk Management section.

Non-financial KPIs

Broadcast - Network availability

99.9889% 2.47k Incidents

Definition – Arqiva strives to provide consistently high service levels and look to manage and monitor the total annual level of network availability across both TV and radio infrastructure as a percentage across all multiplexes.

Result – Through careful management, Arqiva has consistently been able to achieve high levels of network availability. Availability is under the target of 99.995% availability due to the impact of the storms in the year, impacting national infrastructure and power supplies across substantial areas of the country, resulting in unavoidable impacts on service availability and SLA performance.

Strategic ambition targeted - to be the undisputed leader in UK TV and radio broadcast distribution

Smart Utilities

- The smart metering CSPN contract has continued to achieve 99.5% network coverage in the North of England and Scotland
- Rollout of water metering on contracts won with Anglian Water, Thames Water, Portsmouth Water, Affinity and United Utilities. Other smart water metering bids are in progress

Strategic ambition targeted- To be the UK's leading smart utilities platform provider

New sector product diversification

Managed Media Services

- Arqade, a cloud-based channel and live event content exchange has launched demonstrating the value of integration with traditional broadcast infrastructure
- Arqplex, the Group's first customer cloud multiplexing deployment product, supporting customer deployments
- These products have been underpinned by improved customer onboarding and customer journey, capacity management for Arq-products, automated system health checks, enhanced governance and agile development and release management

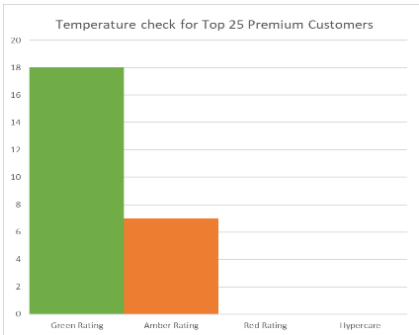
Utility Products

- Hybrid Connectivity services, a suite of managed connectivity solutions designed to support the network monitoring and control needs of utility companies. We are pleased to announce that we have recently secured a deal with SGN providing hybrid connectivity across 230 of their sites
- Leakage Detection and Sewage Level monitor proof of concept trials are continuing with positive feedback

Strategic ambition - Innovator of scalable solutions for high-connectivity sectors

Customers

Premium customer temperature check



- The Customer Temperature Check is a high-level assessment used to gauge the overall health of the customer relationship with Arqiva. It provides a quick, visual indicator of customer satisfaction and engagement, helping executive stakeholders understand where attention may be needed
- Premium customers temperature check for the sentiment of our top 25 premium customers in June has 18 of our customers in a good position at Green
- We have seven customers classified as Amber. Key issues highlighted relate to service, reliability, outages and initial issues in new product implementation
- No customers are in Red – an improvement from two in the prior year due to progress made on open issues and loss of 1 customer
- No customers are in Hypercare – in line with the prior year

People

72

- Our engagement score from our most recent 'Have Your Say' Employee Engagement survey in June 2025 is 72
- Arqiva is now in line with the Glint UK Benchmark engagement and just one point below global benchmark, with above benchmark scores across a number of areas including Wellbeing, Inclusion and Recognition. Our response rate in June 2025 was 84% (in line with June 2024) with 5,128 comments left and 72% favourability

Corporate Responsibility

Doing business both sustainably and in the right way is vital to Arqiva. It's as important as what we achieve. Arqiva endeavours to conduct its business in a way that benefits all our stakeholders including customers, suppliers, employees, shareholders and the communities in which we operate as well as creating a sustainable future for the business.

Our ethics, values and behaviours are woven through every aspect of what we do.

We believe that having the right culture is something that needs to be actively managed to deliver our purpose of 'enabling a switched-on world to flow'. Our culture is critical to the success of our strategy with our three culture goals driving how we serve our customers and create a great place to work. These goals are:

1. Accountability – being accountable for the promises we make
2. One Arqiva – working together as one team
3. Curiosity – striving to look at things differently to discover a better way

Sustainability

Sustainability is an integral part of our Vision 2031 strategy and our business operations and decision making. When thinking about sustainability we consider environmental sustainability, social responsibility and corporate governance (ESG). This comprehensive perspective allows us to assess the potential impacts of various sustainability factors throughout our business.

Our overarching strategic purpose is social, enabling people to stay connected to the information and entertainment that matters to them. We recognise the needs of the most vulnerable in society keeping them connected via both our Media and Broadcast and our Smart Utilities Network services.

We are working to incorporate sustainability into our business practices by leveraging the expertise of our colleagues to discover innovative solutions for growth and development of our products. In M&B this brings an opportunity to replace or upgrade existing technology with higher efficiency alternatives as we transition global media to cloud based services reducing energy consumption and our carbon footprint.

The rollout of our smart utilities platforms enables end users to understand their water and energy use so they can consider ways to reduce consumption of valuable resources and save money.

Conducting our business in a fair and ethical manner is critical to our success and relies on the interdependencies between our culture, people, technology, products and services, brand and partnerships including our supply chain. We operate a supplier code of conduct to encourage and support our suppliers to act responsibly, working in socially and environmentally sustainable ways including minimising any potential impact on the environment as a result of supplying goods or services to us.

We have updated our internal code of conduct and all colleagues receive training on a range of sustainability topics including Environmental Awareness, Cyber Security and Diversity and Inclusion. Our annual code of conduct refresher training, which includes a greater emphasis on ESG this year, was completed by 99% of colleagues. ESG metrics are also included as an element of bonus payments made to eligible colleagues.

During the year we participated in the EcoVadis Sustainability survey gaining a silver medal, putting Arqiva in the top 15% of participants. We also scored 94 in the GRESB benchmarking survey and our MSCI Score improved from A to AA.

Our sustainability programme continues to steer and shape our sustainability initiatives across the organisation, including development of our carbon reduction plans. Sustainability performance is monitored by the Executive Committee, reviewed on a regular basis by the Operational Resilience Board Sub-Committee and ultimately overseen by the Board.

Environmental Sustainability

We recognise the potential impact of our organisation on the environment and are certified to ISO 14001 demonstrating our commitment to complying with environmental legislation and to continual improvement in our operations and areas affected by our activities.

Over the past year we have continued to refine our environmental sustainability goals focusing on our journey to Net Zero, how we enhance the environments in which we operate and how we manage resources and waste, full details of progress in the year and our Streamlined Energy and Carbon Emissions Report can be found on page 65.

Social

Supporting Charities

We support our colleagues' fundraising for local and other national causes close to their hearts. Arqiva provides matched funding enabling colleagues to fundraise for their chosen charities, from Diabetes UK, Walking with the Wounded and the NSPCC to local community projects, children's clubs, and sports teams.

Our Charities Team have successfully launched a new partnership with Micro hive (formally Pennies from Heaven) which allows our colleagues to donate the pennies from their monthly salary (up to 99p) to a company nominated charity. This year's charity is Macmillan Cancer Support.

Arqiva also supports the 'Give as You Earn' scheme in partnership with the Charities Aid Foundation (CAF) allowing colleagues to get tax relief on their donations. The amount provided to charities through this scheme has reached over £150,000 over the past four years.

We also support our colleagues to volunteer their time and talents to causes they care about. During 2025 Arqiva relaunched its Volunteering strategy to further encourage our colleagues to find volunteering projects that resonate with them either in the local community, or larger volunteering events. To support this, we offer our colleagues one day paid volunteering leave every year.

By way of example of how our culture and communities come together including supporting our sustainability goals, the Veterans Network led work was widely supported by Arqiva colleagues in planting lasting Poppy Memorial Gardens at 3 of our sites to mark Victory in Europe day and raising money for the Royal British Legion Industries.

Supporting Our People

We aim to create a workplace where people feel engaged, energised, and respected, where they can do their best, and look after their personal wellbeing, both in and out of work. This is underpinned by our People Strategy to ensure that 'everyone has the opportunity to create value and succeed'.

Learning and Development
At Arqiva we are committed to our learning vision of 'empowering curiosity, growth and performance through learning'. This helps us to enable and grow our culture of learning across the business. We are dedicated to ensuring our people all experience accessible and inclusive learning experiences which deliver clear colleague and business benefit.

Through our Skills Management programme alongside our rich learning offering, we help our people and teams to work on targeted focus areas for development, whether in role or for aspirational roles. This programme supports our teams on multiple fronts including strategic workforce management, career discovery and professional and personal development.

Our colleagues have access to a host of self-serve learning platforms and materials, both internally and externally such as LinkedIn Learning, Pluralsight and getAbstract. On top of utilising external offerings, our internal Learning Team supports colleagues via delivery of training sessions across technical subjects, leadership and management topics, and by facilitating workshops to support more agile ways of working.

The Group is a corporate partner of the Institute of Engineering and Technology (IET), supporting engineering roles to achieve IET Professional status. As well as being a member of the AWS Partner Network, we provide sponsorship for professional qualifications and fund subscriptions for relevant professional memberships.

Wellbeing

Arqiva embraces a holistic approach to wellbeing, recognising the broad factors that contribute to overall wellness. We call our approach to wellbeing, "Whole-person Wellbeing". Our approach supports our desire for everyone to have the opportunity to create value and succeed at work and demonstrates to all our stakeholders that we are an organisation which takes its commitment to health and wellbeing seriously.

Our wellbeing mission is to help our people to be the best version of themselves at work and still have the time and energy to live a full life outside of work.

Our approach sees us embrace five pillars of wellbeing:

- **Physical Wellbeing:** We want our colleagues to be motivated and equipped to own their physical health with greater understanding and access to meaningful tools. To help drive this forward, we've launched initiatives such as onsite health checks, onsite gyms, activity challenges, free flu vaccinations, at home test kits and much more
- **Professional Wellbeing:** Our colleagues should feel satisfied in their jobs. Here we provide opportunities to learn, develop and move career

- **Social Wellbeing**: Through our volunteering approach, onsite social events and employee networks, such as family networks and veteran networks, we encourage our colleagues to invest in relationships inside and outside Arqiva
- **Financial Wellbeing:** We enable access to a diverse network of experts to provide information and guidance on a range of financial topics
- **Mental Wellbeing:** We are committed to protecting and supporting the mental health of our colleagues, so that they can thrive. We have worked hard to destigmatise mental health, through regular company-wide communication, retaining a large Mental Health First Aider group, our employee networks, and regular onsite events. In turn, this provides our colleagues with the freedom to tell us how they're really feeling so that we can adapt and support their ever-changing needs.

We are pleased to report that we received a HR Excellence Award for Wellbeing in FY25, demonstrating our continuing commitments to the wellbeing of all our employees.

Our vision	**To recognise and support whole-person wellbeing** Whole-person wellbeing represents an inclusive approach, which respects our complexity by acknowledging that we are multidimensional beings				
Our mission	**We help our people to be the best version of themselves at work and still have the time and energy to have a full life outside of work**				
Our strategy	**FY24** **Secure your present** Achieve your self-care basics brilliantly		**FY26** **Active & Embed** Reaching everyone	**FY25** **Transform your future** Embrace your opportunities and reduce your risk	
Our five wellbeing pillars	**Physical wellbeing** *'I am motivated and equipped to own my current and future physical health, with increased understanding, greater self-awareness and access to meaningful tools'*	**Mental wellbeing** *'My mental health at work is protected and supported so that I am able to thrive'*	**Professional wellbeing** *'I am able to achieve greater job satisfaction through adopting healthy boundaries around the work I do, the goals I set and the people I work with'*	**Social wellbeing** *'I feel I belong, and I feel supported and confident to bring my whole self to work. I have strong relationships, and I'm treated the way I want to be'*	**Financial wellbeing** *'I feel secure and in control of my present finances and understand how to improve my future finances'*
Key focus areas FY26	• **Activate** action toward known health risks • **Embed** proactive MSK healthcare	• **Activate** mental wellbeing & work demand mitigation within business functions • **Embed** MHFA operating levels & engagement	• **Activate & embed** resilience for a high-performance culture	• **Activate** more team/site based social collaboration • **Embed** the value of face-to-face collaboration & visual connection in the virtual world	• **Activate** increased uptake & use of benefits that support financial wellbeing • **Embed** support to help colleagues make confident money decisions 1

arqiva

Health and Safety

Health and safety is vital, whether in the office or repairing an antenna on a 300-metre mast. We want to ensure all colleagues and contractors are engaged in achieving our aim of everyone going home safe and well at the end of each day. This stems from our belief that "Safety is in our Hands" as everyone follows our Health and Safety golden rules. To support our colleagues, we run a range of regular training courses tailored to the risks they face in their individual roles. We consult with colleagues and the BECTU union through regular meetings, and work with our contractors to share and learn though our contractor health and safety forums. We are an active member of the Mast and Tower Safety Group, an industry-led group that seeks to share and develop best practice that we share with our colleagues and contractors.

We are certified to ISO 45001 demonstrating our commitment to complying with applicable health and safety legislation, and to continuous improvement in achieving a high standard of health, safety, and welfare in our operations, and for all those in the organisation and beyond who may be affected by our activities.

Over the past year, we have invested in our health and safety team by expanding and reorganising the team. We have introduced health and safety business partners to focus on supporting specific functional areas and set up a new strategy team to deliver long term improvement projects focusing on our health and safety management system and performance.

We have implemented a new incident reporting tool to streamline the reporting and investigation of incidents and near misses, ensuring learnings and actions are put in place to improve our performance.

Supporting Diversity and Inclusion

Our diversity and inclusion approach ensures that we are continually focused on what is needed for everyone to feel included and to be able to perform. We are committed to making our workplace as diverse and inclusive as possible because the complex engineering and customer challenges we need to solve can only be done by colleagues with a diverse range of skills, backgrounds and life experiences.

Our aim is to create an inclusive environment, where there are no barriers to success and our vision is for a workforce who feel valued, empowered and engaged, where every contribution is heard, every perspective is valued, and every individual feels empowered to be successful.

We have many established colleague networks including our Inspiring Women's Network, Veterans Network and Arqiva Black Network. Our network leads also work together to ensure we are considering intersectionality and maximising opportunities to work collaboratively.

We are a corporate member of industry leading Inclusive Employers to ensure we benefit from their subject matter expertise as well as partnering with Tommy's 'Pregnancy and Parenting at Work' to support pregnant colleagues and secondary caregivers.

At a Board level, the Governance and Remuneration Committee are responsible for reviewing the Group's diversity and inclusion policies.

As of June 2025, 87% of colleagues have volunteered additional diversity data including gender identity, ethnicity, sexual orientation and religion. This rich diversity data allows us to better understand the unique needs of our workforce and enables a data driven approach to our diversity and inclusion practices.

Employees

The average number of persons employed by the Group during the year was 1,318 (2024: 1,319). Arqiva recognises the significant contribution of our employees and makes every effort to create a rewarding and engaging work environment.

Arqiva pays more than the Living Wage and includes considerations around Living Wage in our reward and remuneration processes such as annual pay reviews and salary benchmarking activities.

Our policy is to provide equal opportunities for all employees, irrespective of race, nationality, gender, sexual orientation, marital status, religious or political beliefs, disability or age. Like many engineering-based businesses, we recognise that Arqiva has a higher proportion of men than women and are working to address this with the Employers Network for Equality and Inclusion through our diversity and inclusion programme.

The table below provides a breakdown of the gender of Directors and employees as of 30 June 2025:

	2025		2024	
	Female Number / %	Male Number / %	Female Number / %	Male Number / %
Board of Directors	1 / 13%	7 / 87%	1 / 13%	7 / 87%
Executive Committee	2 / 25%	6 / 75%	2 / 25%	6 / 75%
Group Employees	330 / 25%	967 / 75%	325 / 25%	970 / 75%

To support emerging talent, Arqiva facilitates an annual intake of graduates every September, offering two-year graduate programmes followed by the opportunity to progress into permanent roles. This year, 8 graduates joined Arqiva across Engineering, Data & Insights, Commercial and Legal. Alongside this, Arqiva runs apprenticeship schemes, via the Apprenticeship Levy.

Other initiatives include a line manager support programme, a line manager induction, and we provide the Level 3 and Level 5 Apprenticeship in Leadership and Management, accredited by the Chartered Management Institute.

The Arqiva Employee Board (AEB) is a democratically elected Board that acts as a voice for employees across Arqiva and provides a clear and direct link between the Group's employees and the Executive Committee. The AEB continues to meet monthly to discuss key matters such as performance management, or efficiencies and processes to develop responsive action plans. Furthermore, the AEB (as well as the Executive Committee) interacts with representatives of BECTU (the Broadcasting, Entertainment, Cinematograph and Theatre Union) regarding employee matters including pay negotiations. Arqiva also operates a collective bargaining agreement allowing colleagues to opt in and out of trade union collective representation at any time.

The Group's employee forums provide an effective additional channel for communication and collective consultation across the Group. They play an important role in enabling employees to help the Group manage change effectively. The goals of each forum are to act as the formal consultative body for its part of the business within Arqiva, provide a voice to management on employee issues, initiate and support social activities, and promote consultation and sharing information.

Significant emphasis is placed on employee communication. The Group intranet, 'The Hub', makes information available to employees on all matters including performance, growth, and issues affecting the industry. The Group also runs "Let's Connect' events" across various sites to bring employees together and provide opportunities for updates and discussion across the business. We have increased participation on Viva Engage, an Enterprise Social Network to further enhance colleague interaction and engagement. 45% of colleagues are now actively using this communications channel. The Executive Committee also host quarterly all company virtual Q&As where employees can ask any questions that are on their mind.

Our "Work. Life. Smarter." initiative also recognises the benefit of hybrid working to our employees. This commitment to our people endeavours for our people to feel supported and empowered to work in a way that enables them to thrive in their role, give their best every day and a work experience that provides a choice about how, when and where we work.

Arqiva wants all our employees to benefit from our success and growth as a business. The annual bonus scheme recognises the importance of high performance and is designed to reward employees for achieving targets and continuous improvement in overall performance, in line with our values and strategy. The scheme considers the targets that have been set by the Group i.e. the Group must achieve a minimum operating cash performance before a bonus becomes payable which is then calculated based on these financial KPIs. As part of our ongoing commitment to ESG, we continue to include an ESG performance related target of 10%.

Arqiva has a Share the Success scheme for employees who are not eligible for the annual bonus scheme or commission plan. This scheme is also based on achieving a cash performance above target with performance shared with qualifying colleagues on a profit share arrangement. Any bonus payments for the 2025 financial year are expected to be made in October 2025. In addition, some senior managers participate in a long-term incentive plan which is typically three years in duration and is designed to recognise the value of strategic initiatives being undertaken by the Group during the longer-term. As with the annual bonus scheme, the Group must achieve a minimum threshold of financial performance before a bonus becomes payable under the long-term incentive plan which is then calculated based upon the three-year Group financial KPIs of EBITDA and operating cash performance. All such arrangements are cash-based incentive schemes which operate against documented performance targets and are reviewed at least annually by the Governance and Remuneration Committee.

Gender Pay Gap

The full annual Gender Pay Gap Report is available on the company website at www.arqiva.com. The latest report shows the emphasis and commitment to diversity and inclusion demonstrating sustained improvement over the years. The full report provides details on why we have a pay gap, the reasons for the increase in the year and the actions we are taking to address the issue.

Human Rights and Modern Slavery Act

The Group is fully committed to promoting and maintaining high ethical standards in how we operate and we do not tolerate human rights abuses or modern slavery in our operations or in our supply chains. Our policies, which include our internal Code of Conduct and Supplier Code of Conduct (published at Arqiva.com), are aimed at ensuring that we do not participate in the violation of human rights and making it clear that we expect the same of our suppliers. The Group has limited supply chain activity in high risk jurisdictions and our Procurement team have recently reviewed and revised our supplier due diligence and onboarding processes to further strengthen supplier compliance in these areas. Our Modern Slavery Statement sets out the steps taken to identify, address and prevent modern slavery and human trafficking in our business and supply chain. Whilst the Modern Slavery Statement specifies three of Arqiva's entities, this is a function of their annual turnover, it pertains to and is upheld by the Group in its entirety. The Modern Slavery Statement is reviewed by the Board on an annual basis and can be found at: Modern Slavery Statement**.**

Compliance and Security

Anti-Financial Crime, Bribery and Anti-Corruption

We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and to implementing and enforcing effective systems to counter fraud, bribery and corruption. During FY25, the Group carried out a risk assessment around fraud prevention and additional training on fraud prevention will be included in mandatory training for all colleagues in FY26. Our Code of Conduct for employees was updated in FY25 following the risk assessment and was approved by the Board in June 2025.

The Code of Conduct outlines the requirements for all colleagues (both temporary and permanent) to comply with relevant legislation on preventing financial crime (including bribery, fraud, money laundering and tax evasion). The Code of Conduct incorporates all the Group's anti-corruption policies and procedures including its Anti Bribery and Anti-Corruption Policy. The Anti-Bribery and Anti-Corruption Policy also sets out how we manage political payments and contributions, facilitation payments, charitable contributions, third party compliance and giving or receiving gifts and hospitality.

The Code of Conduct requires colleagues to report any suspicions of fraud, bribery, corruption or other irregularities and sets out potential consequences for breaches of the Code - colleagues may be subject to disciplinary action up to and including dismissal. The Code also sets out the processes for raising concerns to a line manager, to relevant members of the Executive Committee or by using the Group's confidential Speak Up services.

All colleagues receive mandatory training on the Code of Conduct, including specific training on Working Environment, Promoting Inclusivity, Anti-Bribery and Anti-Corruption, Competition law, Conflicts of interest, Information Security & Confidentiality and raising concerns (whistleblowing). This training is refreshed annually.

Whistleblowing and speak up

Our phone and online speak up services are available to employees and our suppliers or third parties to raise concerns about suspected wrongdoing or unlawful or unethical conduct and our Speak Up policy sets out how to raise such concerns and confirms that they may do so without fear of reprisal. The policy specifically covers raising concerns in respect of discrimination or harassment, health and safety, non-compliance with law (including bribery, corruption, money laundering, fraud and tax evasion), abuse of authority or conflicts of interest.

Information Security

Due to the critical importance of our sites and systems to the Group, our customers and, in some cases, as Critical National Infrastructure, we take information security very seriously, focusing on protecting and managing access to information throughout its entire lifecycle.

We hold 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 allows us to compete for new business which requires us to demonstrate the robustness of our security controls. Through independent review and certification, supported by regular internal audits, we continue to confidently demonstrate our commitment to security and secure working practices. We have held ISO27001 certification since 2013 and recertify every three years with recertification last given in April 2025.

Taxation

The Group's approach to tax is to ensure compliance with all legal and statutory obligations. The Group is committed to maintaining a transparent and constructive working relationship with HM Revenue & Customs and with local tax authorities in the jurisdictions in which we operate. The total contribution to UK tax receipts including business rates, income tax, PAYE and NI paid by both the Group and employees, totalled £59.0m for the financial year (2024: £52.9m).

The Group is a primarily UK based infrastructure group. There are some trading entities based outside of the UK, however these generate less than 1% of operating profit and there are no tax planning activities taken which seek to reduce the Group's UK profits or revenues by transferring revenue or profit out of the UK. The Group's small overseas trading entities deal directly with customers in their area of residence and fulfil their tax requirements in the local jurisdictions.

Section 172 Statement

The Companies (Miscellaneous Reporting) Regulations 2018 (the Regulations), requires companies that meet certain thresholds to report on the Directors' application of their section 172 duty to promote the success of the Company, as set out in the Companies Act 2006, along with stakeholder and employee engagement.

The Companies Act 2006 sets out a set of general duties owed by directors to a company, including a list of matters to which directors must have regard, which are set out in s.172(1)(a) to (f). During 2025, in continuing to exercise their duties, the Directors have had regard for these matters, as well as other factors, in considering proposals from the Executive Committee and continuing to govern the Company on behalf of our shareholders.

Section 172 Factor	Key Examples	Page / Reference
Consequence of any decision in the long-term	Strategic Overview Business Update Directors' Report - Wates Corporate Responsibility Principal risks and Uncertainties	*18* *19-24* *73* *36*
Interests of employees	Strategic Overview Employee Engagement Supporting our people Supporting Diversity & Inclusion Whistleblowing policy and speak up Corporate Responsibility	*45-46* *35* *38-42 (Corporate Responsibility)*
Fostering relationships with suppliers, customers and others	Stakeholder Engagement Business Update	*45* *19-24*
Impact of operations on the community and the environment	Environmental Sustainability Streamlined Energy and Carbon Reporting (SECR) Climate Related Risks and Opportunities (Non-Financial Sustainability Information Statement) Supporting Charities	*37 (Corporate Responsibility) & 63-64* *65-68* *69-72* *37 (Corporate Responsibility) & 84*
Maintaining a high standard of business conduct	Governance Directors' Report - Wates Corporate Governance Statement Health & Safety Human Rights and Modern Slavery Anti-financial crime Whistleblowing policy and speak up	*48* *73-75* *73* *39 (Corporate Responsibility)* *Modern Slavery Statement & Supplier Code of Conduct available at www.arqiva.com* *42*
Acting fairly between members	Stakeholder Engagement Accountability	*44-46* *76*

Stakeholder Engagement Statement

Throughout the year, the Board has continued to ensure engagement with relevant stakeholders generally in relation to its day-to-day business and particularly with respect to key challenges. Examples of the way in which this engagement has taken place are set out in the table below:

Section 172 Factor	Key examples
Employees	The Board receives regular updates on people and culture from the Chief Executive Officer and Chief People Officer, which includes feedback on engagement surveys to ensure Board decisions consider employee interests. Board members also engage in site visits and attend Arqiva Live events providing additional opportunities to meet employees in more informal settings. Please see our Employee Engagement Statement below and Corporate Responsibility statement (page 46) for further details.
Regulatory Bodies	The Board receives regular updates from our Regulatory & Strategy team. We have good relationships with representatives in all relevant regulatory bodies and engage regularly with, for example, Ofcom; the Office of the Adjudicator – Broadcast Transmission Services; DCMS; the Department of Science, Innovation and Technology (DSIT) and the Department for Environment, Food and Rural Affairs (DEFRA). We also monitor relevant developments with Ofwat and Ofgem as regulators of customers of our Utilities business, and we participate in consultations and consult with government departments and regulators when setting strategy and making decisions that affect the industry generally. We have hosted various MPs at different sites around the countries. Key updates relating to the regulatory environments we operate in can be found within the Business Update (pages 19 - 24).
Investors	Quarterly reports to investors are published on our website and available to all. Offering Memorandum and Prospectus materials for debt raising processes are also published on our website for potential investors to access. An annual investor call is held, in which we review our annual results and invite questions from investors.
Customers	Our relationships with our customers are very important to us, and we maintain regular contact through account managers; our Customer Experience team; Executive Committee members; and where appropriate our Chair. We regularly invite customers to participate in qualitative and quantitative research. Our most recent customer survey saw a response rate of 46%, higher than the Business to Business (B2B) average (c.30%). Customer specific actions generated from our surveys are discussed with our customers to help us address specific points and/or key themes.
Suppliers	The Board receives updates at Board meeting on our engagement with suppliers including a recent update on reviewing and revising our due diligence and onboarding processes. Our Procurement team oversees supplier relationship management, with a category management structure so that employees have relevant expertise for each supplier. In FY25, we issued a new Supplier Code of Conduct which was approved by the Board emphasising our expectations of our suppliers including around modern slavery, anti-bribery and corruption and sustainability. We work closely to ensure positive relationships, seeking to agree fair terms and conditions and ensure timely payment, through adherence to and reporting on the Prompt Payment Code.
Shareholders	Shareholder representatives on the Board and committees of the Board report back to shareholders on the business and take their interests into account when making decisions, while operating in accordance with their Companies Act duties. The Group's corporate governance specifies a number of categories of decisions which are reserved to shareholders, ensuring that the decisions affecting shareholders are subject to the necessary oversight.

Stakeholders	As part of our infrastructure projects, we engage with planning authorities and local communities to foster positive relationships. Arqiva's charitable engagement also seeks to support communities local to the areas in which it operates (see Supporting Charities (page 37). The Company is also part of the Broadcast 2040+ coalition working with various charities and social groups urging the government to commit to protecting essential broadcast TV and radio services in the longer term. We also engage with key relevant industry bodies such as: the Digital Television Group (DTG), Everyone TV, TechUK, Digital Production Partnership (DPP) and Waterwise.

Employee Engagement Statement

1. *Information*
   Regular all company updates are provided to all employees via Arqiva's Hub (intranet) and email updates; employees and Management also connect via the Viva Engage employee experience platform; Management conducts regular 'Let's Talk' company-wide live broadcasts and hosts face-to-face 'Let's Connect' days throughout the year to update employees on performance, strategy and other key developments and provide opportunities for employees to ask questions in real time. We also have a dedicated Line Manager Monthly call to enable our managers to better lead their teams and quarterly Leadership Team events to ensure that the business is fully aligned with the key priorities.

2. *Consultation*
   Management run engagement surveys to measure progress against business and cultural goals and how we work. This information provides a platform for two way feedback which is acted on at all layers of management in the business and is reviewed at least annually with the Board. Arqiva also has active union representations through the Broadcasting Entertainment Communications and Theatre Union (BECTU); strategic decisions which may affect employees (including business change; pay; and terms and conditions) are discussed with BECTU representatives in advance of action being taken. Similar engagement also takes place with the Arqiva Employee Board (AEB), which is elected by employees, and their feedback and views are taken into account when making decisions affecting the workforce, for example in setting timescales and the content of communications. Further detail about engagement with BECTU and the AEB is set out in Supporting Diversity & Inclusion - Employees (page 40).

3. *Involvement*
   Employees participate in annual bonus schemes (see Supporting Diversity & Inclusion - Employees (pages 40-41) which are based upon performance of the business throughout the year, encouraging employees to contribute to the sustainable success of the business. The Group's cultural values of Curiosity, One Arqiva and Accountability encourage new ideas and fosters strong relationships across the organisation, supporting overall performance of the business.

4. *Common Awareness*
   Financial and economic factors affecting the business are described to employees throughout the year during Management broadcasts; via Viva Engage updates; regular email communications with business updates; and through the Arqiva Hub.

Decisions made during the year

The following are some of the decisions made by the Board during the year that demonstrate how section 172 matters have been taken into account as part of Board discussions and decision making:

Commercial approach relating to SUN bids for the latest (AMP8) investment period: During the year, the Board reviewed and approved various bid submissions for water metering. As part of this, the Board considered the long term strategy (to be the UK's leading smart utilities platform), options for new service delivery models

which included considerations of internal resourcing approach and use of new suppliers (such as Network Plus) all with the overall aim of delivering a high quality good value bid into customers. This approach saw us secure significant new contracts with Anglian Water, United Utilities, Affinity Water and Portsmouth Water, further consolidating our market-leading position. The Board has also received updates on execution of these contracts.

Refinancing: the Board revisited the financing profile for the Group as part of ensuring stability in the longer term and approved a move to refinance the junior debt. This included considerations around the investor community and shareholder engagement and approvals. In July 2025, we issued £500m of 5-year Junior Secured Notes, refinancing our existing £450m junior syndicated loan, reducing interest costs and extending our maturity profile, with surplus proceeds being used for general corporate purposes. This transaction was leverage-neutral and was over-subscribed with positive bond trading post issue.

Health & Safety and Sustainability Framework Reviews: the Board also regularly considers the impact of the Group's activities on the community and environment. To this end, the Board has overseen (in particular via the Operational Resilience Committee) a review of the Group Health and Safety framework with the aim of ensuring the Group is keeping employees, suppliers and the public safe. The Board has also overseen the review and update of the Sustainability Programme.

This report was approved by the Board on 18 September 2025 and signed on its behalf by:

Scott Longhurst
30 September 2025

Governance

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Board of Directors and Executive Committee

Ownership

The Company is owned by a consortium of shareholders, shown in order of shareholding, these are: Digital 9 Infrastructure plc (via D9 Wireless OpCo 2 Limited) (c. 48%), Macquarie European Infrastructure Fund II (via MEIF II Luxembourg Communications S.a.r.l.) (c. 25%), IFM Global Infrastructure Fund (via Conyers Trust Company (Cayman) Limited) (c.14.8%), Health Super Investments Pty Limited (c. 5.5%), Motor Trade Association of Australia Superannuation Fund Pty Ltd (c. 5.2%), other Macquarie managed funds (MGIF 2 Communications S.a.r.l. and Macquarie Prism Proprietary Limited) (together c. 1.5%). There is no ultimate controlling party of the Company, as defined by IAS 24 'Related Parties'.

In accordance with IAS 24, there are two investor companies which are related parties with the Group, by virtue of significant influence due to the level of shareholding in the Group:

- D9 Wireless OpCo 2 Limited (c.48%), a company owned by Digital 9 Infrastructure plc ("D9"). D9 is an investment trust focussed on the infrastructure of the internet. The number 9 in D9 comes from the UN Sustainable Development Goal 9, expressing the fund's focus on investments that increase connectivity globally and improve the sustainability of digital infrastructure. D9 is listed on the London Stock Exchange (DGI9).
- Macquarie European Infrastructure Fund II (MEIF II) (c.25%), an investment fund managed by Macquarie Asset Management, part of the Macquarie Group. MEIF II is a wholesale investment fund focusing on investments in high-quality infrastructure businesses across Europe. Macquarie Group Limited is listed in Australia (ASX:MQG ADR:MQBKY).

Arqiva Board of Directors

The Group's Board of Directors consists of seven Directors representing our shareholder consortium (with two alternates) and an independent Chair and is supported by the Company Secretary and Executive Committee.

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Board Committee Membership

A – Audit and Risk Committee
G – Governance and Remuneration Committee
O – Operational Resilience Committee
C – Capital Structure Committee

Patrick Tillieux, Chair

Patrick was appointed to the Board as Chair in April 2025.

Patrick is an independent non-executive director and held board positions in several companies related to media broadcasting and distribution, broadcast technology and telecoms. He also serves as corporate adviser and operating partner to private equity firms. Patrick has more than 25 years of C-level management experience in the UK and across Europe. As an executive Patrick is the former CEO of satellite and streaming content provider OSN, former CEO of technology provider Red Bee, former COO of German broadcaster ProSiebenSat1 and former CEO of SBS Broadcasting Group. Previous positions include CEO of Canal+ Netherlands, CFO of RTL Netherlands and co-founder of Eurosport. Patrick started his career as civil works engineer at Bouygues in France.

Patrick has more than 25 years of C-level management experience in the UK and across Europe, building a track record for turning businesses around and successful business development.

A G O C

Appointed by IFM Investors and Motor Trades Association of Australia (joint appointment)

Scott Longhurst, Director

Scott was appointed to the Board in February 2023.

Scott has over 25 years of experience in Infrastructure and Utility businesses. He was formerly Group Finance Director of Anglian Water Group (AWG) and Managing Director of its non-regulated business until 2019.

Prior to AWG, he was Chief Accounting Officer of TXU Corporation and CFO of its regulated electric and gas businesses. Scott also held a number of financial and commercial roles with Shell encompassing corporate, operating company and joint venture activities across Europe, the Far East and Middle East.

He is currently also on the boards of FCC Aqualia S.A., EVOS BV (Audit Chair), Infinis Energy Management Limited (Audit Chair), and a Senior Adviser to Igneo Infrastructure Partners. Scott is a Fellow of the Institute of Chartered Accountants in England and Wales, and a founding member of the Accounting for Sustainability CFO Leadership Network.

A G C

Appointed by Digital 9 Infrastructure plc

James O' Halloran, Director

James was appointed to the Board in December 2024.

James is a Partner at Infrared Capital Partners, the investment manager of Digital 9 Infrastructure plc. He is Fund Manager for the D9 vehicle invested in Arqiva. James has previously served on the board of various portfolio companies, including High Speed 1.

James has more than 25 years of infrastructure experience, covering investment M&A, investment trusts, asset management and portfolio management. He has a wealth of experience across a range of investment strategies and sectors including digital, utilities, energy transition and transportation.

Mike Osborne, Director

Mike was appointed to the Board in November 2024.

Mike is a Managing Director at InfraRed Capital Partners. Mike also serves as a board member of several other InfraRed portfolio companies, including High Speed One and Affinity Water.

Mike began his career with Ernst & Young and then moved to Citi, where he advised on project financing, mergers and acquisitions and capital raising within the infrastructure sector, before going into equity investment with Citi Infrastructure Investors and subsequently Corsair Capital. Mike was previously a board member of Kelda Holding and its regulated subsidiary, Yorkshire Water Services, and Itínere Infraestructuras, a toll road platform in Spain.

Mike holds a Masters degree in Chemistry from the University of Oxford.

A G O C

Matthew Postgate, Director

Matthew joined the Board in November 2022.

Matthew is Digital and Technology orientated leader with extensive experience in new digital businesses and with the digital transformation of existing organisations. He is a Non-Executive director of UK Strategic Command within the Ministry of Defence and with a media technology Scale-Up. He also provides selective advisory services supporting technology enabled businesses and digital transformation.

Previously Matthew was the BBC's Chief Technology and Product Officer, leading the BBC's Design & Engineering division. The division had a global remit, developing the BBC's digital strategy and wider transformation while maintaining the technology operations that keep the BBC on-air, online and reaching 500m people a month.

Prior to this role Matthew held various roles at the BBC including CTO and leading the Internet Operations function, Business Development Group and its Research & Development department. He started his career at the BBC in product management roles and was part of the leadership team that launched BBC iPlayer and was responsible for building the corporation's world leading mobile services. Before joining the BBC, Matthew worked as a consultant and start-up co-founder.

Matthew holds a BSc from Bristol University, is a graduate of the Stanford GSB Stanford Executive Programme, is a fellow of the IET and a member of the Raspberry Pi foundation.

O C

Jonathan Carter, alternative Director

Jonathan joined the Board as an alternative to Mike Osbourne & James O'Halloran in February 2025.

Jonathan is a Director at InfraRed Capital Partners where he serves as a board member for several other infrastructure investments including High Speed 1 and Elio Networks. He also leads initiatives to implement best-in-class value creation and preservation strategies across the portfolio and provides support on the origination of new corporate investments. He began his career at PwC where he qualified as a Chartered Accountant in 2015.

Jonathan holds an undergraduate degree from the University of Cambridge and a Masters from London Business School.

Appointed by Macquarie European Infrastructure Fund II

Philip Hogan, Director

Philip joined the Board September 2025.

Philip is Head of Portfolio Strategy at Macquarie Asset Management, responsible for the firm's EMEA infrastructure funds' portfolio management and strategy activities. Philip serves on several investment committees and acts as a director on various regulated entities and general partner boards. He provides support to transaction teams in assessing and developing new opportunities, optimising the performance of existing investments and fund returns. During his time with Macquarie, Philip has played leading roles on numerous acquisitions and disposals across multiple sectors and has overseen the management and realisation of MAM's Middle East funds. Prior to joining Macquarie, Philip gained over 10 years of corporate experience in the UK and European energy and transport sectors, where he undertook a variety of operational, commercial, and merger and acquisition roles.

Susana Leith-Smith, Director

Susana joined the Board in May 2022.

Susana is a Senior Managing Director in Macquarie Asset Management's (MAM) Real Assets business in EMEA.

Susana has a wealth of experience in capital markets. Prior to joining MAM, Susana was at Barclays, most recently as the EME Head of Leveraged Finance and managing all transactions in the Telecoms, Media and Tech sectors.
Susana holds a Masters Degree in Modern History and International Relations from the University of St Andrews.

A G O C

Appointed by IFM Investors

David Stirton, Director

David joined the Board in February 2025 after previously serving as an alternate to Max Fieguth from February 2023.

David is a Director in IFM Investors' infrastructure investment team and represents IFM on the Boards of Arqiva and Anglian Water. He has worked with a number of IFM's portfolio companies including Manchester Airports Group, the M6toll and Naturgy. At IFM, David researches and prepares infrastructure investment strategies and helps execute transactions.

Prior to joining IFM, David was an analyst at Citigroup in its investment banking division, advising on a range of transactions including mergers, acquisitions, divestitures, capital raisings and restructurings. He holds a Bachelor of Science in Business Administration (first class honours) from the University of Bath.

A G O C

Drummond Clark, alternative Director

Drummond joined the Board as an alternative to David Stirton in February 2025.

Drummond is currently a Vice President in IFM Investors' Infrastructure Equity team. Drummond works on the origination and execution of infrastructure transactions and related asset management. Prior to joining IFM Investors, Drummond was an investment banking professional at Gleacher Shacklock. Drummond holds a BSc in Economics from the London School of Economics.

Nicola Phillips, Company Secretary

Nicola acts as company secretary. She is also a member of the Executive Committee and so her biography is contained below.

Board Members who stepped down in FY25

Paul Donovan	stepped down from the Board on 31 August 2025
Mike Darcey	stepped down from the Board on 18 March 2025
Maximilian Fieguth	stepped down from the Board on 28 February 2025
Andy MacLeod	stepped down from the Board on 26 November 2024
Diego Massidda	stepped down from the Board on 11 December 2024
Arnaud Jaguin *(alternate to Diego Massidda)*	stepped down as alternate to Diego Massidda on 31 October 2024

Executive Committee

Shuja Khan, Chief Executive Officer

Shuja was appointed Chief Executive Officer in June 2022.

Prior to this, as Arqiva's Chief Commercial Officer since January 2020, he was responsible for all revenue generating activities including strategy, regulatory affairs, product development and customer experience and at the heart of the development of Arqiva's 10-year strategic plan, vision and purpose.

He draws on more than 20 years of leadership experience in the technology, media and communications sector, including the role of Chief Commercial Officer across 24 territories at Cable & Wireless and various leadership roles at both Virgin Media and Liberty Global Europe with a focus on driving growth.

Shuja initially qualified as a Chartered Accountant with Deloitte before moving into management consultancy advising a cross section of media and telecoms clients including the BBC on strategy and operational transformation.

Alastair Cochran, Chief Financial Officer

Alastair was appointed as Arqiva's Chief Financial Officer in September 2025 and has over 30 years' experience in finance.

Alastair (better known as Al) was previously Chief Financial Officer and Interim Co-CEO at Thames Water and Chief Financial Officer at Petrofac where he led the finance, commercial and digital functions. Prior to this, Al was at BG Group where he was responsible for M&A, treasury, corporate finance, global strategy, and business development. In all these roles, Al has been accountable for defining and delivering transformation strategies, financing growth, sustainability and unlocking value for all stakeholders.

A fellow of the Institute of Chartered Accountants in England and Wales, he started his career with KPMG before enjoying a successful career in investment banking with Barclays de Zoete Wedd, Credit Suisse First Boston and Morgan Stanley. He believes passionately in driving performance and creating value through purpose, partnership, and innovation.

Mark Steele
Chief of Operations

- Joined **Arqiva** in July 2015
- Appointed to the Arqiva Executive Committee in November 2024, having been interim Chief of Operations since May 2024
- Career of over 25 years spanning numerous senior leadership roles at businesses such as **Virgin Media**, **Telewest Broadband** and **Yorkshire Electricity**

Sarah Jane Crabtree
Chief People Officer

- Joined **Arqiva** in October 2022
- **BT:** various senior HR roles including HR director of EE after its acquisition by BT
- Began her HR career in the Civil Service as an HR consultant for the **Cabinet Office** and 10 Downing Street

Nicola Phillips
Chief Legal Officer

- Joined **Arqiva** in July 2023
- **Parker Meggitt:** Deputy General Counsel (UK and EMEA) and Director of Legal Operations
- Other previous roles include Director of Legal for **ITV Commercial** and Group Marketing at **ITV**, responsible for regulatory relationships and commercial legal support

Dom Wedgwood
Chief Technology Officer

- Joined **Arqiva** in June 2023
- Previous role as Senior Vice President for Broadcast Technology and OTT Playout Experience at **DAZN Group** responsible for product management and technology teams
- Prior to this was Broadcast and Operations Technology Director for **Perform Group**

Gaurav Jandwani
Executive Director of Media and Broadcast

- Joined **Arqiva** in January 2023
- **Telia:** Business Head, TV & Streaming at the leading Nordic and Baltic media house
- Previously held leadership roles at **Walt Disney** and **Vodafone**

Mike Smith
Executive Director of Smart Utilities Networks

- Joined **Arqiva** in February 2023
- Previously, led the Enterprise and Public Sector business at **Virgin Media O2**, and before that was a Managing Director at **Virgin Media**
- Experience in Insurance and Banking Services

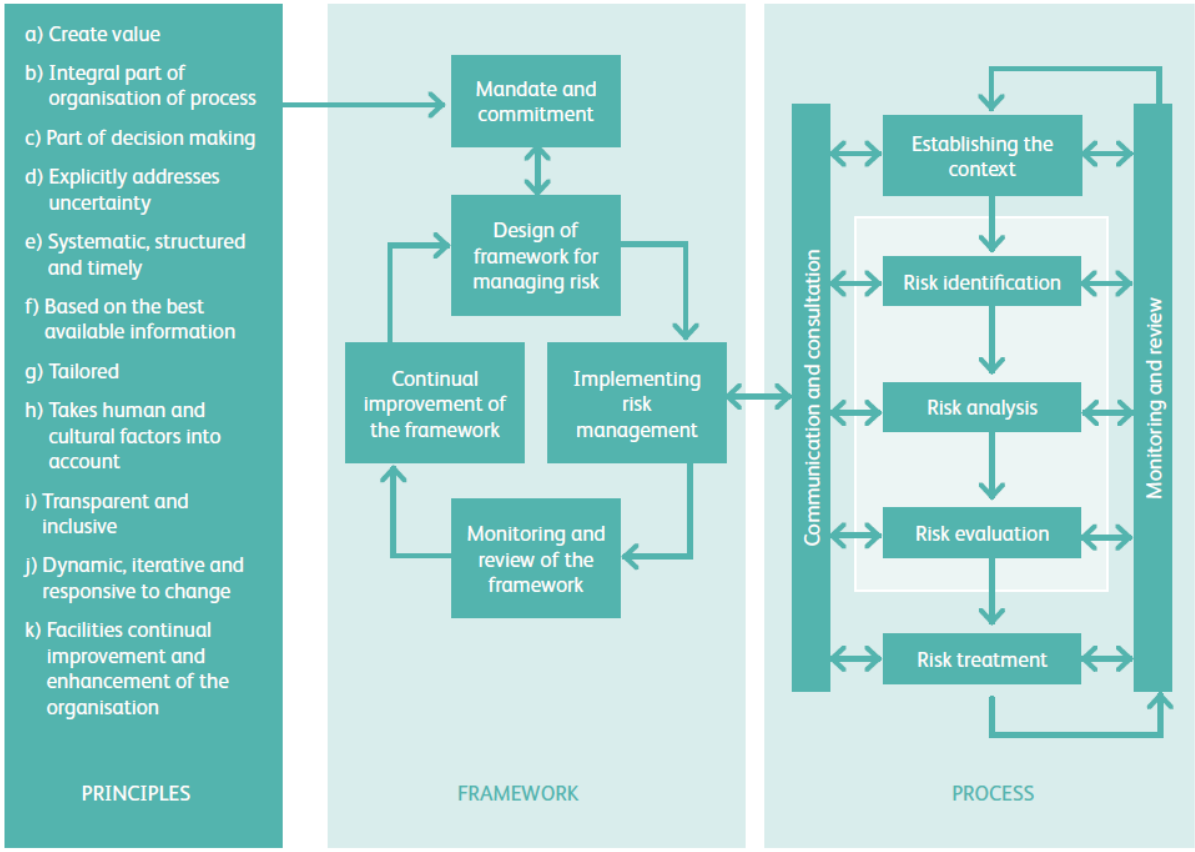
Principal Risks and Uncertainties

Arqiva's approach to risk management is as follows:

- Arqiva recognises that the effective management of risk is essential to achieve our business objectives,
- Arqiva adopts an Enterprise Risk Management ('ERM') approach, which is recognised as 'best practice' for top performing companies,
- Managing risk is a core responsibility of management at all levels and is a key component of governance and compliance,
- Arqiva aims to embed risk management principles into the culture of the organisation.

Enterprise-wide management of risk is important for Arqiva to meet our corporate objectives and for us to protect future competitive advantage. The strategic importance of risk management is recognised by top performing companies and is an important part of good corporate governance. Arqiva subscribes to the Enterprise Risk Management approach to managing our risk profile.

Arqiva subscribes to Enterprise Risk Management and conforms to the intent of ISO31000. Arqiva has adopted the ISO 27001 standard for Information Security and conforms to the intent of the ISO/IEC 27005 for Security Risk Management which operates within the Arqiva ERM Framework. Our statements and principles are linked to our process through our risk management framework.



The Executive Committee has responsibility for maintaining and updating their line of business risk register which includes utilising the standardised approach to risk assessment and risk monitoring. The Group's centralised Internal Audit and Risk function provides training and support to ensure risks are captured effectively and on a timely basis. The Internal Audit and Risk function works with the Chief Executive Officer to review and consolidate the most significant business risks into a corporate risk register for scrutiny at quarterly Executive Committee and Audit and Risk Committee meetings. The Executive Committee makes recommendations for ensuring the risk management framework remains effective going forward.

Management has identified the following risks as the most significant business risks affecting the Group, presented together with identified mitigating actions.

Risk Type	Description of risk / uncertainty	Management of risk / uncertainty	Recent developments
Commercial	Market and customers do not take up Arqiva's new products & services.	Operating and capital expenditure are budgeted to include investment to support product development.	Arqiva remains in dialogue with customers and other stakeholders such as government and Ofcom or developments and opportunities in the markets.
	Limited market opportunity, they do not meet customer needs or have an unsustainable cost base ultimately impacting growth and longevity of the business.	We maintain strong relationships with our customers and engage with them in the development and product discovery phase of new products.	Arqiva have introduced product led ways of working and initiatives to improve product readiness which will reduce the likelihood of this risk materialising significantly.
	There is a risk of alternative competing technologies leading to a faster move towards non-linear services and more competition from alternative providers leading to non-renewal of contracts for radio, TV and connectivity services.	The product development process is performed in increments (e.g. 3 months) with checkpoints after each increment to ensure market and technology assumptions still hold.	Dedicated product teams and agile ways of working will ensure we can react to market changes and shifts in customer dynamics with product value generating developments.
	Customer demand and ability to pay reduces due to high inflation impacts as well as listening trends, faster migration to non-linear and IP delivered services or structural changes to the broadcast market seeing players exit or consolidate to fewer DTT	Arqiva acts to engage with any relevant Government or regulatory process which might impact Arqiva's business areas in response to the change in regulatory structure and/or development of alternative or competing technologies.	Arqiva continues to engage with the DCMS review on the Future of TV and with the Broadcast 2040+ initiative, which seeks to safeguard the terrestrial TV and radio broadcast products that underpin the core business of Arqiva and secure the longevity of these contracts.

	channels resulting in lower cash flows for the Group	Arqiva's commercial teams engage with customers around pricing and ability to pay and around renewal of services. Prices vary in response to these discussions which reflect market conditions e.g. with media customers on the multiplexes Arqiva operates on DTT or DAB and through its use of transponder capacity. Arqiva seeks to support the industry in instances where changes could undermine the long-term demand or ability to pay.	The annual budget includes investment to support product development. New product development is continuing to support customers evolve their business and respond to changing preferences.
	Customers challenge regulated pricing, impacting long-term contracts and returns on existing services and increasing volatility.	Arqiva is exploring the possibility of revenue sharing models for customers to mitigate the downturn in advertising revenues. Arqiva has long-term contracts in place with its regulated business customers – this provides an inherent level of protection to this risk.	Arqiva remains in dialogue with relevant stakeholders including Government and regulators to include any changes to licences, spectrum or around the future of TV and/or the PSBs including the BBC Charter process.
Technological	Impact of development of alternative competing technological solutions against Arqiva solutions such as a faster move to non-linear and IP delivered services away from broadcast delivered or on the utilities side wider competition to our portfolio of services to the water sector. These could impact customer decisions to not renew contracts or reduce the scope of services for broadcast or utility connectivity.	Arqiva's Vision 2031 strategy seeks to broaden Arqiva's ambitions and ensure that it can remain sustainable. It sets out key pillars of activities which will drive a focus on building new business areas and responding to technology changes and opportunities in the market. It prepares the business to embrace partnerships and new technologies which go beyond the historic focus on Arqiva's infrastructure and enable the business to access new technologies. Arqiva acts to engage with any relevant Government or regulatory process which might impact Arqiva's business areas in response to the development of alternative or competing technologies. Arqiva acts to ensure that operational performance is retained at a very high-level and that DTT, radio and DTH services remain on-air in order	Arqiva remains in dialogue with relevant stakeholders - including Government and regulators - to address any changes to licences or spectrum relating to the DCMS review on the future of TV, and any discussions relating to the PSBs including the BBC Charter process. We are also currently engaging with the DCMS on the timing of a future radio review into 2026 to seek to ensure a long-term future and clear plan for the radio sector. This engagement seeks to protect the longevity of radio services. The strategic priorities of the Group put a focus on the sustainable future of the business including the development of solutions for new and emerging sectors to make the most of our existing infrastructure platforms and expertise.

	Asset condition is worse than expected due to the aging nature of our passive infrastructure. Also, the technology that our networking relies upon is rapidly changing. This could lead to equipment failure or obsolescence, service outages leading to penalties with customers and requirement for greater than anticipated capital expenditure.	to support their ongoing use relative to IP or broadband alternative methods of delivery. Our approach is to take a balanced but focused approach on asset quality and maintenance. • Combining an Asset Lifecyle Management approach with an established strategic risk framework to prioritise our maintenance strategy • System owner reviews of platform health assessed against RAG status for systems & component assets. • Risks identified from reviews are assessed through Risk Management process assigning risk score & mitigation. • Mitigation requiring a Capex investment are prioritised within the Capex budget envelope. • Capex investment could result in full mitigation for a defined period of time or maintain asset condition at an acceptable risk level. • Provision of Vendor support contracts	Site inspections are completed with a focus on older sites and structural maintenance plans have been implemented. Maintenance capex is built into the long-term plan along with increased investment in security. Efforts are underway to evaluate the investment envelope and prioritize maintenance capital expenditures for FY26. Asset owners have submitted bottom-up demands which have been prioritized according to risk scoring and risk appetite frameworks. Specific challenges have been noted in managing third-party product withdrawals, structural issues, and DTT transmitters support.
Political	Change in government plans, policy or priorities could lead to changes in licensing, spectrum access, longevity of services or impact growth opportunities.	Arqiva maintains regular dialogue with our stakeholders to manage any political or regulatory risks facing the business. Arqiva's assets and operations remain predominantly in the UK and therefore our business has limited exposure to the changing relationships with international markets or political or regulatory changes in other countries. Arqiva acts to defend its licences and spectrum as necessary and engages with all relevant government or regulatory processes.	Arqiva has successfully agreed scope and change requests on our smart energy metering programme with our customer demonstrating the customer's continued focus on network roll out. Arqiva remains in dialogue with relevant stakeholders including government and regulators to include any changes to licences, spectrum, legislation or in policy which might impact its business areas. This includes ongoing input into and engagement with DCMS' review of the Future of TV, which is expected to conclude in early 2026. Arqiva supports the Broadcast 2040+ campaign and coalition which seeks to safeguard the terrestrial TV and radio broadcast services Arqiva delivers for the nation.

			Arqiva's key DTT mux licences run until the end of 2034 and Arqiva has renewed the remaining local digital radio multiplex licences for DAB that it holds this year until the end of 2030 in line with Ofcom's licence renewal process. Arqiva has been involved in WRC23 which protected the spectrum allocated to DTT. Arqiva engaged both domestically and at an international level through membership and participation in Broadcast Networks Europe to secure a protection of the spectrum allocated to DTT at WRC23. Arqiva has been successful with five customers in the PR24/AMP8 regulatory cycle in the water sector and seeking to ensure that smart water metering is supported and enabled to address issues of leakage, water scarcity and climate change.
Reputational	Adverse publicity damages Arqiva's reputation and customer and business partner confidence and its ability to do business as a result of: - A major event or incident impacting our services, - Untimely delivery on major projects, - Repeated unexpected service outages, - Security breach or cyber-attack on networks, or Major network or equipment failure or obsolescence or inability to configure to comply with information security standards	Arqiva carefully engages with our customers to ensure that project milestones are carefully managed, and management regularly reviews the progress of all projects. Through continuous measurement of operational KPIs and addressing shortfalls in performance through process excellence the risk around service reliability is carefully managed. The Group has in place a crisis management plan for public relations and external communications to provide support should there be any major events. This is regularly monitored and reviewed. Cyber-attacks and trends in this area are continually monitored. The Group continues to invest in our infrastructure and perform site inspections and maintenance.	The Group was re certified in 2025 with the ISO27001 regarding information security and holds periodic reviews of the security environment and training for employees. Incident management, business continuity and disaster recovery plans are in place. The Business Continuity Group continues to meet regularly to test and roll out the plans. There has been continued capital expenditure in the year to improve infrastructure. The Group has continued with our digital transformation programme with the programme largely complete with new systems launched.

Operational	Information, networks and systems infrastructure may be subjected to disruptive and destructive cyber-attacks through its systems and third-party supplier systems. This could lead to a loss or corruption of data, penalties, impacting the operational capacity of Arqiva, reputational risk and loss of revenue and cost impacts from fines and recovery costs. Critical transmission structures or IT infrastructure supporting key operational processes could fail leading to operational outages or catastrophic loss of service. Risk arising from natural issues such as adverse weather, flooding and erosion, society risks from security breach and vandalism or maintenance and structural routines.	The Group maintains an ISO27001 certification regarding information security, which includes Cloud Security Services. Employee training on information security is mandatory, and quarterly reviews are undertaken by external consultants to examine the robustness of the security environment. System monitoring and scanning are maintained as well as threat and vulnerability management. Arqiva ensures data is regularly backed up and Incident management, Business Continuity Plans and Disaster recovery have been established for key sites and each business area including establishing a network of agencies to support, regular site inspections and corrective and preventative maintenance. A Business Recovery Working Group meets regularly to stress test these plans and continually review the Group's approach to disaster recovery and operational resilience. Arqiva maintains a robust oversight of the delivery of our major programmes. This includes identifying the key personnel and resources required for delivery and working closely with its suppliers and customers to ensure that these requirements are sufficiently available.	Arqiva has implemented detection and prevention solutions on networks. Arqiva has continued to pass our quarterly security reviews and has consequently retained ISO 27001 certification which was retained in 2025 for a further 3 year period. Arqiva continues to monitor endpoint security user access to manage who has access to our systems. Site inspections are completed with a focus on older sites and structural maintenance plans have been implemented. There is a strengthened inspection regime for sites and structural maintenance plans are in place. The Group's smart metering communication network in the North of England and Scotland now covers 99.5% of premises. Arqiva continues to support the DCC on the meter roll out programme. The enablement team at Arqiva monitors delivery of all projects with a specific focus on major programmes and reporting on progress to Arqiva governance forums.
People and Culture	The risk that the Group does not have an alignment of skills to support the future requirements of the business leading to being unable to deliver the strategic ambitions.	Arqiva recognises the importance of our people and seeks to make Arqiva a rewarding and enjoyable place to work. The Group operates a competitive annual bonus plan for employees and a long-term incentive plan for our leadership team. Additionally, the Group operates formal retention and succession planning in knowledge-critical areas of the business. The Group has a People and Culture Initiative roadmap.	Arqiva continues to make progress on its cultural ambitions. The "Work. Life. Smarter" approach to flexible working proves to be a differentiator to external candidates. Arqiva continues to invest in its people with new graduates and apprentices starting in the year. Digital learning tools are available for all employees.

	The risk that the Group does not have the right culture or the right people in the right place at the right time with the right skills to enable execution of our strategic plans	The changing customer and competitive landscape as well as our internal changes to our strategy, organisational design, technology and processes require a different set of mindsets, behaviours, capabilities and skills so Arqiva has established and launched the Culture transformation programme to drive our people work.	Partnered with external consultants to review salary ranges. The culture transformation programme continues to be embedded, driving the 3 culture goals to support the achievement of our strategy. Each function has a workforce plan and the skills management roll out will increase insights of skill gaps pan-Arqiva. Maintenance of technical skills for our core infrastructure remains an area of focus alongside bringing in new capabilities.
Business Sustainability	Failure to achieve long-term cost targets impacting the future sustainability of the business.	There is ongoing monitoring and detailed change control and regular monitoring of third-party savings initiatives at both the Executive Committee and shareholder levels. Ongoing monitoring versus budgets and business plans plus regular monitoring of third-party savings initiatives at both the exco and shareholder levels (monthly reporting) and alignment of reward schemes to drive behaviour at the leadership team level. An Enablement team has been established to follow on from the transformation programme undergone and drive forward efficiencies in our processes and operations.	The strategic priorities of the Group put a focus on the sustainable future of the business including the development of solutions for new and emerging sectors to make the most of our existing infrastructure platforms and expertise. The Group has also continued to pursue its sustainability programme to mitigate our impacts and support the environments we operate in and increase focus on climate risks facing the business. Water bids highlighted an increased demand for revenue models with network build / roll out cost recovery spread over the life of the contracts, a shift away from the upfront capex charge model assumed in the Long Term Plan (LTP).
Financial	Details of the financial risks and details of mitigating factors are set out in the Directors' report on pages 80 - 82		
Climate	See Environmental Sustainability section page 63		

Environmental Sustainability

Environmental Sustainability Strategy

Arqiva has 3 key environmental sustainability goals that both support and are supported by our core business strategic objectives, mitigating our impact on the environment.

- **Goal 1:** *To become a Net Zero Organisation by 2040, with an interim target of reaching net zero across our Scope 1 and Scope 2 emissions by 2031*
- **Goal 2:** *To positively enhance the environments we operate in*
- **Goal 3:** *To optimise the use of natural resources*

Our approach to these goals focuses on:

- Measuring, monitoring and reporting Arqiva's carbon emissions to create transparency
- Delivery of our Sustainability Programme which, identifies and reviews environmental risks, developing strategic and operational plans to mitigate them
- Working collaboratively with our customers and suppliers on strategies, and mitigations to drive the carbon reduction agenda
- Actively assessing the market and our own products for future decarbonization opportunities using new technology and innovation
- Establishing information flows and responsibilities across the organisation to ensure that sustainable principles are embedded into our business processes and form part of the framework used for decision-making

To achieve our sustainability targets, in 2023 the Board approved our Environmental Sustainability Policy and sustainability goals. The Board monitors progress against the Sustainability Programme which formalises and coordinates delivery of Arqiva's goals. Arqiva's Sustainability team supports development and delivery of our sustainability goals. The team provide updates to the Executive Committee, Board and other key stakeholders as required.

Arqiva holds ISO 14001 certification for its environmental management system and reviews its performance regularly to look for opportunities for improvement. Arqiva participates in the Carbon Disclosure Project (CDP) gaining a B rating for Climate and a C for water for our last submission.

Progress Against our Environmental Sustainability Goals

Goal 1: *To become a Net Zero Organisation by 2040, with an interim target of reaching net zero across our Scope 1 and 2 emissions by 2031*

Arqiva is a large owner and operator of infrastructure with several customers who outsource energy intensive services to us. Our energy strategy is of interest, economically and environmentally to both Arqiva and our customers and the strategy reflects our collective net-zero ambitions by:

- Reducing energy consumption in partnership with our customers
- Investing in energy efficient technologies
- Working with our key suppliers to reduce carbon in our supply chain
- Monitoring and managing carbon emissions
  Setting Net Zero Targets which are validated by the Science Based Targets initiative (SBTi)

Science Based Targets initiative - Net Zero Targets

To meet the requirements of the SBTi net zero target framework Arqiva is committed to identifying opportunities to reduce our carbon emissions and has set science based net zero targets aligned to meeting the goals of the Paris Agreement which aims to limit global warming to 1.5C above pre-industrial levels.

We have committed to near and long term carbon reduction targets that are aligned to the SBTi Net Zero Standard which were officially validated in July 2025 following submission during the 2025 financial year. Our overall net-zero target commits to reaching net- zero green house gas (GHG) emissions across the value chain by 2040. Our near-term target commits us to reduce absolute scope 1 and 2 GHG emissions 90% by 2031 from a FY 2023 base year and to reduce absolute scope 3 GHG emissions 42% within the same timeframe. Our long-term target commits us to maintain a minimum of 90% absolute scope 1 and 2 GHG emissions reductions from FY 2031 through 2040 from a FY 2023 base year and to reduce absolute scope 3 GHG emission by 90% within the same timeframe. In both cases the target boundary includes land related emissions and removals from bioenergy feedstocks.

This financial year we reduced our energy consumption across Scopes 1 and 2 by approximately 8.6 Gigawatt hours. This was achieved through a combination of power reductions and reconfiguration of equipment, installing more efficient technology, and switching off some legacy services.

Scope 1 Emissions

Arqiva has abatement plans in place for the reduction of scope 1 carbon emissions which are centred on electrification of our fleet vehicles, logistics optimisation, transition to low carbon fuel for generators, and replacing gas and oil central heating.

Over the last year we have:

- Increased the number of electric vehicles from 21 to 39 and increased the number of hybrid vehicles from 4 to 40 out of a fleet of 283 vehicles
- Reduced the total miles travelled by around 180,000, which includes reductions achieved by changing the way site visits are scheduled
- Begun the phasing out the use of FM 200 in our fire suppression systems
- Purchased hydrotreated vegetable oil (HVO) fuel where feasible for use in our generators

Scope 2 Emissions

Arqiva's scope 2 reductions are dependent on reducing our energy demand through re-engineering or replacement of technical equipment. We are working collaboratively with customers who outsource services to us to negotiate and formalise a rolling programme of work considering changes to the services we provide on their behalf as well as the practicalities of adapting or replacing parts of the enabling asset base.

Over the last year we have:

- Switched off some legacy radio services
- Made engineering changes to broadcast equipment to improve efficiency and lower power usage
- Seen improved efficiency following replacement of equipment
- Continued purchase of electricity with renewable energy guarantee of origin certification which commenced in April 2024 from our main supplier

Continued to generate electricity from solar panels at our sites saving the equivalent of 36 tCO_2e emissions

Scope 3 Emissions

We have completed an assessment of the full range of scope 3 emissions for inclusion in this year's Streamlined Energy and Carbon Reporting (SECR) report. The SECR report contains the total scope 3 emissions from all categories relevant to Arqiva. Emissions through our supply chain have been calculated using spend based data. We will be developing our scope 3 carbon reduction plan in the coming year.

Streamlined Energy and Carbon Reporting (SECR)

The following information is reported in order for Arqiva to meet its reporting obligations under SECR and covers the company's FY25 reporting period, from 01 July to 30 June 2025.

- Energy use, including purchased electricity, gas, oil and transport
- Associated greenhouse gas (GHG) emissions
- Energy and GHG intensity ratios
- Energy use and GHG emissions for the previous two years
- Information about energy efficiency action taken in Arqiva's financial year
- Methodologies used in the calculation of disclosures

Arqiva's 2025 Greenhouse Gas (GHG) Accounting Methodology details the approach to calculating GHG emissions and can be found:
http://www.arqiva.com/emissionsreport2025
Independent verification of Arqiva's GHG inventory has been completed in accordance with ISO 14064-3. LRQA's assurance statement can be found:
http://www.arqiva.com/carbonreportmethodology2025

Energy consumption (GWh)

Indicator	FY23	FY24	FY25
Fuel consumption	**9.3**	**8.2**	**6.4**
Automotive fuels[1]	5.2	5.1	**4.7**
Gas[2]	1.7	1.5	**0.9**
Oil[3]	2.4	1.6	**0.8**
Purchased electricity	**197.0**	**189.0**	**182.7**
Renewable electricity	7.8	50.7	**180.5**
Non-renewable electricity[4]	189.2	138.3	**2.2**
Self-generated electricity (solar)[5]	**0.2**	**0.2**	**0.2**
Business travel[6]	1.2	1.1	**0.7**
Total energy consumption	207.7	198.5	**190.0**

1 Includes diesel and unleaded petrol used in vehicles controlled by Arqiva
2 Includes natural gas and propane

3 Includes gas oil and biodiesel HVO
4 Purchased electricity used by company-controlled vehicles is assumed to be non-renewable
5 Electricity generated by solar installations is used by Arqiva and is not exported
6 Business travel includes fuel used in personal/hire cars on business use (including fuel for which the organisation reimburses its employees following claims for business mileage). In FY2025, the methodology used to calculate energy consumption in hire cars has changed from previous years. For this period, spend-based data was used to estimate quantities of fuel (energy) purchased. In FY2023 & FY2024, distance-based data was used to calculate energy consumption

Energy Intensity (GWh/£m revenue)

Indicator	FY23	FY24	FY25
Energy intensity (total consumption)	0.32	0.29	0.28

Greenhouse Gas (GHG) Emissions (tCO2e)

Indicator	FY23	FY24	FY25
Direct GHG emissions (Scope 1)	4,122	3,819	1,642
Automotive fuels	1,335	1,300	1,213
Gas	312	281	172
Oil1	591	313	164
Fugitive emissions2	1,884	1,925	93
Indirect GHG emissions (Scope 2), location-based	40,716	39,070	32,264
Indirect GHG emissions (Scope 2), market-based3	64,896	45,150	310
Total scope 1 & 2 GHG emissions (location-based)	44,838	42,889	33,906
Total scope 1 & 2 GHG emissions (market-based)	69,018	48,969	1,952
Indirect GHG emissions (Scope 3)	114,235	102,594	89,074
Purchased goods and services	32,696	33,021	31,560
Capital goods	25,073	19,872	17,616
Fuel and energy-related activities	14,246	13,671	12,860
Waste generated in operations4	24	19	1,627
Business travel5	570	510	674
Employee commuting6	1215	1212	1,214
Upstream leased assets7	789	682	1,369
Use of sold products	35,557	28,549	19,163
End-of-life treatment of sold products	4,065	5,058	2,991
Total scope 1,2 & 3 GHG emissions (location-based)	159,073	145,483	122,980
Total scope 1,2 & 3 GHG emissions (market-based)	183,253	151,563	91,026
Outside of scopes	24	87	44
Direct biogenic emissions8	24	87	44

1 GHG emissions from oil consumption reduced in FY2025 following completion of Bilsdale mast construction project

2 In FY2025, we invested in fire suppression system upgrades to reduce the risks associated with the release of gases which have global warming potential (GWP). Incidents involving the activation of fire suppression systems were lower during the reporting period in comparison to previous years

3 We have restated GHG inventories for both FY2023 and FY2024 in accordance with the Greenhouse Gas Protocol Scope 2 Guidance. This involved recalculating market-based scope 2 emissions using supplier-specific emissions factors, where available. As a result, scope 2 market-based emissions reported for FY2023 and FY2024 in this report are higher than those disclosed in Arqiva's 2024 Annual Report and Financial Statements
4 In FY2025, we identified additional sources of waste and their associated greenhouse gas emissions
5 Business travel includes hotel lodgings and transport by air, sea and land in vehicles not controlled by Arqiva. We have chosen to include upstream emissions from business travel
6 Employee commuting includes emissions from homeworking
7 For FY2025, we have provided a more complete disclosure of GHG emissions related to electricity consumption by leased assets in comparison to previous years. We determined this by identifying additional sources of emissions and, where actual data was unavailable, estimating electricity consumption based on historical or average consumption data
8 This category includes direct biogenic emissions from the consumption of biodiesel HVO
Terms used
Scope 1: Direct greenhouse gas (GHG) emissions from sources owned or controlled by Arqiva
Scope 2: 2 Indirect greenhouse gas (GHG) emissions generated from purchased energy consumed by Arqiva

- The location-based method reflects average GHG emissions intensity of grids on which energy consumption occurs
- The market-based method reflects GHG emissions from electricity the company has chosen to purchase.

Scope 3: Indirect greenhouse gas (GHG) emissions that occur in Arqiva's value chains both upstream and downstream that are not included in Scope 1 or Scope 2

Greenhouse Gas Emissions Intensity (tCO_2e/£m revenue)

Indicator	FY23	FY24	FY25
GHG intensity, Scope 1 & 2 (location-based)	68.8	63.1	**50.2**
GHG intensity, Scope 1 & 2 (market-based)	105.9	72.0	**2.9**
GHG intensity, Scope 1,2 & 3 (location-based)	244.1	214.0	**182.1**
GHG intensity, Scope 1,2 & 3 (market-based)	281.2	222.9	**134.8**

Goal 2: To positively enhance the environments we operate in

Many of our sites are in rural locations around the country with protected habitats and wildlife. To positively enhance these environments we seek to protect, work around, or strive to have the least impact possible on natural habitats, rare flowers, and wild animals and to improve the habitats for flora and fauna to thrive in, supporting and enhancing biodiversity. We work closely with planning authorities and local communities to find the best acceptable solution for locations of masts and infrastructure essential to keeping both rural and urban communities connected.

We have started identifying opportunities for grass restoration at five sites including our main site Crawley Court by designating "no-mow" areas throughout the summer to encourage wildflower growth and enhance biodiversity.

As part of our operations, we want to prevent disturbance to nesting birds across our property by setting policies and procedures to identify nesting birds and ensure that any activities/works are managed accordingly. During FY 25 we put in place access restrictions on 57 sites to protect nesting birds. We are working with the RSPB to identify to best ways to protect nesting birds present at our sites.

We provide volunteering opportunities for our colleagues to gain a greater understanding of the importance of biodiversity by getting involved in beach cleaning, nature surveys and litter picking.

Goal 3: To optimise the use of natural resources

This goal focuses on the reduction of waste generated as a consequence of our operations, by incorporating the principles of a "circular economy" that consider waste through the supply chain including end-of-life management, maintenance of assets, reclamation and re-use of usable components and equipment potentially avoiding carbon emissions otherwise associated with asset replacement. For items no longer required by the business we follow the waste hierarchy as we seek to resell, reuse, reclaim or recycle materials. This year we have recycled 113 tonnes of waste collected from our sites . Of around 4000 technical parts that were sent to our repair centre following identification of faults or following maintenance, 99 %were repaired and returned as stock items, . the remaining items were deemed to be beyond economic repair and sent for recycling. Our smart energy and water utilities propositions support a more responsible use of natural resources, assisting our utilities customers with their sustainability agendas. Arqiva are also developing next generation cloud-based, IP enabled services to aggregate media content from different sources for distribution to different platforms using content delivery networks that can work alongside traditional broadcast platforms, enabling customer carbon reduction through improved scalability, enriched service, improved energy consumption, and reductions in maintaining a traditional fixed asset base.

Climate Related Risks and Opportunities (Non-Financial Sustainability Information Statement)

To improve transparency of the Group's climate-related risks and opportunities, Arqiva has produced this disclosure for its year ended 30 June 2025 in accordance with the requirements of Companies Act section 414. Within this disclosure Arqiva has considered both physical environmental risks and those associated with the transition to a greener economy alongside opportunities due to climate change that are relevant to its operations, assessing the potential impact on the business in the short, medium and long term.

Part A - Governance of Climate-Related Risks

The Board:

Governance is overseen by the Board and Board Subcommittees who receive regular progress reports which include financial implications and updates on climate related risks and opportunities, ensuring that risks are reviewed at least annually.

In 2023 the Board approved our 3 key Environmental Sustainability goals including our target to become Net Zero for Scope 1&2 greenhouse gas emissions by 2031 and Net Zero for Scope 3 emissions by 2040.

Management Roles and Responsibilities:

The Arqiva Executive Committee has overall responsibility for Environmental management across Arqiva's activities products and services which includes the impact of climate change.

The Chief of Operations, a member of the Executive Committee, has overall accountability for management of environmental sustainability including climate change action.

The Sustainability Leadership Group comprising of Executive Committee members and stakeholders from across the business determine our sustainability strategy and monitor progress against our targets to deliver our sustainability goals.

Parts B And C - Identification and Assessment of Climate-Related Risks, And Integration to Group Risk Management

Identifying Risks:

We identify climate related risks and opportunities as part of our Enterprise Risk Management process which considers acute and chronic physical risks, transition risks and opportunities which could impact our assets, operations and our supply chain. Emerging climate change risks are identified from a range of sources including the UK National Risk Register, internal and external subject matter experts, industry best practice and stakeholder guidance.

Assessing Risks:

Climate change risks are assessed based on the potential likelihood, the impact to the business and the time horizon we expect to see the onset of that risk or opportunity. The impact time horizons considered are Short (within 3 years), Medium (within 3-5 years) and Long (within 5-15 years).

The risk assessment also considers a range of potential climate change scenarios based on the Shared Socioeconomic Pathways (SSPs) from the Intergovernmental Panel on Climate Change (IPCC) and the potential impacts of climate change to the business at points in time (2030, 2040 and 2050).

The risk assessment approach uses a mix of qualitative and quantitative data to determine the potential financial impact of the chosen scenarios to the business, significant financial impacts contained in this report are ranked as Moderate (£100k-£1m), High (£1m-£50m) or Very High (>£50m).

The output of our climate change risk assessment is shown in table below on page 71.

Managing Risks:

Our Operational Risk Committee oversees management of a range of risk and compliance issues including climate change and our Sustainability Leadership Group monitor the operational impact of climate change risks. Our most significant environmental risks are managed within our certified ISO 14,001 environmental management system.

Our Enterprise Risk Management (ERM) process is used to record the impact of climate change risks and any associated mitigating actions, ensuring all risks are considered as part of business operations and decision making. Read more about Arqiva's risk management approach on pages 56-62.

Parts D, E and F - Principal Climate-Related Risks and Opportunities, Potential Impacts, And Initial Scenario Assessment

The table below summarises the significant climate-related physical and transition risks and opportunities Arqiva has identified over the short, medium, and long term, and their impact on the organisation's businesses, strategy, and financial planning.

	Time Horizon			Description	Potential Financial Impact	Relative Impact									Summary of action being taken
						2030			2040			2050			
	S	M	L			CP	DT	NZ	CP	DT	NZ	CP	DT	NZ	
PHYSICAL RISKS															
Severe Weather causing harm to people and damage to assets and infrastructure		x		Harm to people and damage to assets and infrastructure due to changes in weather patterns due to climate change resulting in increased frequency and intensity of extreme weather events including storms, flooding and extreme temperatures	Increased costs for repair and insurance of assets Reduction in revenue due to reduction in quality of service provision										Assets and infrastructure are built and maintained in line with relevant British Standards Regular inspection and monitoring of condition of equipment is carried out Insurance in place to cover losses above agreed amount
Severe Weather causing harm to people and disruption to national infrastructure		x		Harm to people and damage to national infrastructure during extreme weather events causing disruption to power supplies and impeding ability for engineers and other support colleagues to travel to sites	Reduction in revenue due to disruption of service										Duel electricity supplies, batteries and back up generators and fuel are provided at critical sites We monitor the local impacts of weather events to mobilise teams safely to carry out any necessary repairs to assets
Changes in average temperatures increasing demands for heating and cooling of assets		x		Changes to average daily temperatures may result in changes to the demand for heating and cooling of equipment and offices resulting in increased power and maintenance costs	Increase in operational spending										Currently systems are repaired as required, where possible refrigerants with a lower global warming potential are used New systems have higher levels of energy efficiency
TRANSITIONAL RISKS															
Changing customer requirements	x			Changing customer requirements for their supply chain to become net zero and to reduce impact on biodiversity could reduce revenue due to fewer customers and/ or increased costs to meet their demands	Reduction in revenue due to fewer customers and increased operation costs										We have aligned our net zero targets to support customers in their goals Working with our value chain to understand their climate change targets and action being taken to reduce environmental impact
Increased costs due to Regulatory and Legal changes		x		Emerging climate change regulation and carbon taxation could incur increased costs (directly and indirect via supply chain) and restrict access to capital investment	Increase operating costs Lower availability / increased cost of capital investment										We have set out our net zero ambitions and track progress towards our goals
Increased cost of energy and supplied goods and services	x			Rising cost of energy and supplied goods and services Availability of renewable electricity impacting revenue and our ability to reach our net zero targets	Increased costs for renewable energy purchase and supplied goods										Our carbon reduction plan targets absolute reductions in the first instance We commenced the purchase of renewable electricity from our main supplier with REGO certification in April 2024 Working with our value chain to understand climate change impact on supply of goods and services
OPPORTUNITIES															
Investment in self generation and energy efficient technologies		x		Investment in solar, wind generation and energy efficient technology could secure renewable energy and reduce operating costs	Reduction in operating costs										As well as our carbon reduction plan we are exploring the potential to expand the sites with solar or wind generation
Expansion of Smart Utilities Network	x			Expansion of the smart utilities network and the scope of our product offering brings opportunities to deliver savings to our customers across water, gas and electricity enabling better use of natural resources and reducing impact on biodiversity	Increased revenue as a result of a better product offering										We have expanded our customer base for delivery of smart utility meters and are developing additional products to support the utilities sector
Introduction of next generation broadcast and transmission solutions	x			Development of next generation cloud based, IP enabled services that can work alongside traditional broadcast platforms offering a range of products that have improved energy efficiency	Increased revenue as a result of lower operating costs and increased customer uptake										We have worked with customers to switch off legacy systems and carried out engineering upgrades to install more efficient broadcast technology

KEY:

Time Horizon for onset of Risk/Opportunity	
S	0-3 years
M	3-5 years
L	5-15 years

Relative Risk Impact
Moderate- £100k- £1m
High- £1-50m
Very High- >£50m

Relative Opportunity Impact
Moderate- £100k- £1m
High- £1-50m
Very High- >£50m

Relative Impact Scenarios - based on the Shared Socioeconomic Pathways (SSPs); Intergovernmental Panel on Climate Change (IPCC)	
CP	Current Policies (SSP5-8.5 where predicted temperatures continue to rise with no policy changes)
DT	Delayed Transition (SSP2-4.5 where predicted temperature peak around 2060 then fall)
NZ	Net Zero (SSP1-2.6 where emissions half by 2050 minimising temperature increases to 1.8C)

Parts G And H – Targets and KPIs Used by Arqiva to Manage Climate-Related Risks and To Realise Climate-Related Opportunities

We have committed to near and long term carbon reduction targets that are aligned to the SBTi Net Zero Standard which were officially validated in July 2025 following submission during the 2025 financial year.

Metric	Risk / Opportunity	FY25 Target	FY25 Performance
Scope 1&2 Location Based Emissions (tCO2e) reduction	**Opportunity**	**1,212 tCO2e reduction**	**8,983 tCO2e reduction**
Electricity Energy Consumption % reduction	**Opportunity**	**2.6% reduction**	**3.4% reduction**

Directors' Report

The Directors of Arqiva Group Limited, registered company number 05254001, (the "Company") and its subsidiaries (the "Group") submit the annual report and audited consolidated financial statements ("the financial statements") in respect of the year ended 30 June 2025.

The Company is a holding company with an investment in a group of operating companies, financing companies and other holding companies.

Wates Corporate Governance Statement

For the year ended 30 June 2025, under The Companies (Miscellaneous Reporting) Regulations 2018, Arqiva has continued to apply the Wates Corporate Governance Principles for Large Private Companies (as published by the Financial Reporting Council (FRC) in December 2018 and available on the FRC website).

Companies can adopt the Wates principles as an appropriate framework when making a disclosure regarding corporate governance arrangements. We have adopted the disclosure in our 2025 Annual Report and Financial Statements and we set out below how the principles have been applied over the past year.

PRINCIPLE ONE - PURPOSE AND LEADERSHIP – *An effective board promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.*

Purpose/focus and activities during the year.
The Board focuses on enabling the long term sustainable success of the Group for shareholders and other stakeholders. The Board and Executive Committee continue to progress the strategy to build a sustainable future for the Group focused on its purpose of "***Enabling a Switched on World to flow***" delivering critical connectivity working in partnership with its customers across broadcast, media and utilities.

The following items were key areas of focus during the year:

Item	Summary
Headline purpose and strategy matters	The Group continues to build on the Vision 2031 work in "***Enabling a Switched on World to flow***". The purpose and cultural values underpin the Group's strategic priorities to achieve four key ambitions: to be the undisputed leader in UK TV, radio and broadcast; to transition global media to cloud-based solutions; to be the UK's leading smart utilities provider and to be an innovator of scalable solutions for new connectivity sectors. Execution of these strategic focus areas is enabled by an operational model aimed at strengthening culture; deepening engagement with and empowering people; promoting investment in products and technology; and developing and deepening relationships with key stakeholders (see Strategic Overview (page 18). The Board has overseen the progress against the purpose and strategic priorities. This year the Board has overseen the approach to engaging in bids for water contracts as well as execution of those successful bids, the DCMS' review on the Future of DTT and securing renewals with key M&B customers into the 2030s. The Board has also engaged with new product and technology updates and reviewed proposals for further growth opportunities.
Capital structure	The Board has continued to monitor the Group capital structure to ensure its suitability for the business needs. Group's senior debt continues to be rated BBB+/BBB by S&P/Fitch respectively. This year, the Board oversaw the refinancing of the Group's junior debt, the extension of the Senior Revolving Credit Facility (RCF) and renewal of loan facilities (see page 23 (Refinancing)). This year, the Board has also set up a new Board Capital Structure sub-committee, which meets on a regular basis, to oversee the long term strategy around capital structure.

Customers	The Board has regard to the need for strong customer relationships in its decision making. To this end, the Board receives regular market and customer updates from Management as well as approving key customer contracts and receiving execution updates. In this year, there has been a continued focus on strengthening customer relationships at all levels including increased focus on customer experience and feedback and senior engagement with key customers and stakeholders. Customer experience is critical and this year the Board has overseen a focus on delivery and execution as well as new product development. The Group continues to invest resource and money into developing new products working closely with our customers to meet market requirements (for example, the trial of the new audio streaming service with a major broadcaster and trials of new products in the Utilities sector).
People & Culture	We want to create an environment where everyone has the opportunity to create value and succeed, whatever their role. We support 10 internal diversity and inclusion networks and are a corporate member of the industry leading Inclusive Employers. 25% of our workforce is female, as a technical engineering organisation, this is in line with the national average for females working in STEM[10]. Having colleagues with the right skills in the right role is crucial to our success and place learning & development at the heart of what we do, providing lots of formal and informal opportunities to develop new and current skills. Further details are at Supporting our People and Supporting Diversity & Inclusion (pages 38-41). Employee Wellbeing is also central to our proposition, with Arqiva winning a HR Excellence Award for Wellbeing in December 2024.
Transformation	In FY25, the Board has overseen significant advancements to deliver new digital capabilities, increased operational efficiency, and improved customer experience by modernising core platforms, deploying AI-driven solutions, enhancing cybersecurity, and fostering a culture of agility and innovation—firmly establishing the organisation's foundation for sustainable growth and future readiness. Experienced Product, Brand & Marketing strategic leaders are now in position, and have linked Product Portfolio strategy to annual targets and long term growth plans.
Operational performance	The operational performance of the business has been closely monitored by the Board as part of the regular Board meeting agendas as well as via the Operational Resilience Committee which focuses on key matters relating to operational resilience including safety, health & environment, sustainability, security and operational resilience. Health and safety performance continues to be a key area of focus and the Operational Resilience Committee has overseen updates to reporting in this area as well as hearing from external experts in each case both at Committee and full Board level.
Sustainability	Sustainability is a key priority for the business with three key environmental sustainability goals: 1) to become a Net Zero organisation by 2040 with an interim target of net zero across Scope 1 and Scope 2 emissions by 2031 2) to positively enhance the environments we operate in 3) to optimise the use of natural resources. Details of our environmental sustainability strategy can be found on pages 63-64 of the annual report. Streamlined Energy and Carbon Reporting including details of our greenhouse gas emissions can be found on pages 65-68 of the annual report. Climate

[10] STEM – Science, Technology, Engineering and Mathematics Supply of skills for jobs in science and technology, Calendar year 2023

	related risks and opportunities have also been assessed, see pages 69-72 for further information. The Board continues to oversee further development of the Group's sustainability programme via the Operational Resilience Committee. Arqiva also notes the Sustainability Development Goals of Reduced Inequalities and Peace, Justice and Strong Institutions. The Group's work on empowering and promoting inclusion over the course of the year has included promoting employee resource and networking groups with a focus on intersectionality and working collaboratively. We are a corporate member of industry leading Inclusive Employers and we partner with Tommy's 'Pregnancy and Parenting at Work' to support pregnant colleagues and secondary caregivers. Promoting collection of diversity data allows us to better understand the unique needs of our workforce and enables a data driven approach to our diversity and inclusion practices. We maintain an ongoing commitment to gender pay gap reporting and promote colleague led community-based volunteering and charity support. The Group also drives ethical business behaviour through its approach on preventing financial crime, fraud, bribery and corruption, modern slavery and human trafficking and ensuring effective and accountable reporting. The Board has overseen detailed reviews of key policies including the Arqiva Code of Conduct to support ethical conduct and practices. These activities all form part of our Corporate Responsibility commitments (outlined at pages 36-43 of the annual report).

Values and culture

Arqiva's values (our culture goals) are promoted and reinforced throughout the business and are aligned to our overall business strategy. Regular reviews of employee and customer sentiment are undertaken and acted upon. There is also further engagement with employees via employee forums, an elected Employee Board and BECTU (outlined under Principle 6 (Stakeholders) below). The Group's People & Culture team monitors and regular reports to the Board on a range of employee metrics.

PRINCIPLE TWO - BOARD COMPOSITION - *Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.*

Chair
The Group's corporate governance structure creates a clear separation between the role of the Chair and that of the Chief Executive Officer.

The Chair (who is independent of the Group's shareholders) was appointed to the Board in April 2025. His appointment follows a comprehensive process to identify a candidate to replace Mike Darcey. He is an experienced Chair and business executive with significant operational and transformational experience across relevant industries having held board positions in several companies related to media broadcasting and distribution, broadcast technology and telecoms.

Balance and diversity
The Board brings a wide range of experience to assist in effective decision-making for the Group, which operates in a number of diverse and complex markets which require the Board to have a detailed understanding of the relevant sectors in order to arrive at informed decisions.

We acknowledge that there is a relative lack of diversity on the Board in the context of the wider diversity and inclusion goals of the Group. The Governance & Remuneration Committee Chair is leading work on reviewing Board skills and diversity in the context of assisting shareholders in Board succession planning following on from

a Board performance review in 2024. Page 40 of the Annual Report provides a breakdown of the gender of Directors and employees.

The Board remains committed to developing a more diverse workforce and Arqiva is actively working with Inclusive Employers in relation to diversity and inclusion and continues to promote relevant initiatives.
Details of the actions taken in the year towards this are discussed in the Supporting Diversity & Inclusion section of the Corporate Responsibility Statement on page 41 of the annual report.

Size and structure
There have been various changes to the Board over the course of the year as in addition to the appointment of Patrick Tillieux as Chair, Mike Osborne and James O'Halloran were appointed to the Board by Digital 9 Infrastructure plc, Philip Hogan as the Macquarie European Infrastructure nominated director and David Stirton replaced Maximilian Fieguth as the IFM nominated director (David had previously been an alternate director).

The size and structure of the Board remains under periodic review so that it is best organised to meet the needs and challenges of the Group. In terms of Board size, a balance has been struck between ensuring shareholders are adequately represented via their nominated Directors but also identifying directors with relevant industry experience (see pages 49-55 of the Annual Report for full details of the composition of the Board of Directors and Senior Executive Management).

Effectiveness
Following an in-depth Board effectiveness review in 2024, the Board has worked on reviewing and implementing the actions recommended by that review. All recommendations have now either been implemented (for example, actions targeting greater alignment with shareholders and more communication between Board members, changes to support more visibility of the work of the Committees at the Board (including on top level risks), reviewing and updating the Committee terms of reference and approach to forward looking agendas, additional information on business performance and specialist areas, validation of cultural values), are ongoing in nature (for example, work on reviewing Board skills and diversity in the context of succession planning) or are to be revisited at a future date (for example, shortening Board meetings). With the changes to the Board, the new Chair is considering the optimal approach and timing as to the next effectiveness review.

PRINCIPLE THREE - DIRECTOR RESPONSIBILITIES – *A board should have a clear understanding of its accountability and terms of reference. Its policies and procedures should support effective decision-making and independent challenge.*

Each Group director has a clear understanding of their general duties and accountability. The Board has a programme of at least five principal meetings every year plus additional session(s) for strategic planning, with additional meetings arranged for key projects or as may otherwise be required.

Accountability
Decisions which are within the remit of the Board or Shareholders are set out in a Shareholders' Agreement (as Board Reserved Matters and Shareholder Reserved Matters). There is a Delegation of Authority policy which sets out the responsibilities that are delegated to the Executive and those decisions which must be made at Board or Shareholder level. This policy is reviewed regularly and any revisions are brought to the Board for approval. Typically, Board or Shareholder Reserved Matters are raised at regular Board meetings and written resolutions are obtained where otherwise required.

Directors are all well aware of the requirements to exercise independent judgment. Conflicts of interest are considered as part of Board appointments and a Conflicts of Interest paper is maintained and regularly updated with details of Board or Shareholder conflicts. Any conflicts which may compromise independent decision making would be raised by the Company Secretary at the relevant Board meeting; a Director having a conflict is not entitled to discuss or vote on the relevant matter, or to count in the quorum.

Committees
The Board sub-Committees promote effective decision making and greater accountability and focus in relation to each of the areas covered by the respective sub-Committees. Pages 82-83 of the Annual Report provide an

overview and description of each of the Board sub-Committees comprising: Audit & Risk Committee, Governance & Remuneration Committee, Operational Resilience Committee and Capital Structure Committee. Each of the Committees has Terms of Reference, which set out its remit and the Board has reviewed and revised those Terms of Reference for each Committee this year.

Integrity of information
The Board receives regular reports from the Executive and Senior Management on key matters for which the Board has responsibility, including strategic projects; comprehensive financial reporting; key customer and regulatory matters; updates on operational resilience (including physical and cyber security as well as health and safety and environmental issues); details of major bids and performance of key contracts and market issues faced by the Group as well as developments in technology and regulation.

The agenda for each Board meeting is discussed and agreed in advance between the Chair and Chief Executive along with actions which have arisen from previous meetings. The Group uploads papers to a board portal for ease of review and administration. Other than in exceptional cases papers are submitted in advance and taken as read at Board meetings, allowing any presentations to focus on highlighting key issues, discussion and dealing with questions. The Board considers matters and approves actions to take forward. The Chairs of each of the Board Committees are aware of the importance of their position and during the year they have met with key employees of the Group to build relationships and gain direct access to those dealing with the day-to-day business of the Group.

PRINCIPLE FOUR - OPPORTUNITY AND RISK *– A Board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.*

Opportunity
The Group's Board maintains a focus on how the Group creates and preserves value over the long-term which is principally achieved through a well-developed strategic and long-term planning process. The Board keeps the strategy and long term planning under review and will oversee an exercise to update the long term plan in FY26. Appropriate governance mechanisms are in place to ensure that new business opportunities above a certain value are considered and approved by the Board.

Risk
The Group has a well-developed risk management process in place throughout the business (which is described on page 56-57 of the Annual report). The Group's Audit and Risk function works with the Chief Executive Officer to review and consolidate the most significant business risks into a corporate risk register for scrutiny at quarterly Executive Committee and Audit & Risk Committee meetings.

Arqiva's key operational risks and mitigations are outlined on pages 57-62 of the Annual Report.

Responsibilities
The Group has adopted the Enterprise Risk Management approach to managing its risk which has been approved by the Group's Audit & Risk Committee. This incorporates an internal control framework clearly defining the roles and responsibilities of those involved. Responsibilities include the following:

- The Group's Executive Committee takes recommendations for ensuring the risk management framework remains effective going forward,
- Processes are in place for managing the principal risks and uncertainties,
- The internal control framework (described on page 56 of the Group's annual report) confirms that there is a monitoring and review process in place to evaluate risks at both business function and Board level.

PRINCIPLE FIVE - REMUNERATION - *A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.*

Remuneration
A consistent approach has been adopted in setting the level and structure of remuneration in relation to each member of the Executive Committee to secure appropriate and fair levels of remuneration. Benchmarking and

advice from external remuneration consultants is obtained. Remuneration comprises of a number of elements including base salary, an annual bonus and a long-term incentive plan.

Page 41 of the Group's annual report provides more detail and explains how remuneration is structured to recognise and reward high performance for achieving targets in line with the Group's sustainable success and values. This aligns with remuneration arrangements for the remainder of the organisation where every employee's remuneration is made up of a combination of base salary and an annual bonus (which, again, is linked to achieving financial targets in line with the Group's objectives).

Policies
The Group has delegated remuneration matters to the Governance & Remuneration Committee (which is a committee of the Board). The Governance & Remuneration Committee operates in accordance with documented terms of reference. The Governance & Remuneration Committee is committed to take into account the pay and employment conditions of the Group's wider workforce when making recommendations in relation to Executive pay.

The Group's bonus and long-term incentive plans are documented in writing and reviewed at least annually by the Governance & Remuneration Committee and any payments made operate against documented performance targets.

In addition, the Governance & Remuneration Committee is responsible for reviewing the company wide pay increase on an annual basis. As part of this process, the Governance & Remuneration Committee will assess increases against certain criteria including taking into account comparative pay metrics in the industry, discussions held with BECTU, the existing and future financial capacity of the business, and also aligning with the long-term sustainable success of the company. In the year to 30 June 2025, annual pay negotiations were concluded with BECTU with agreement reached on the business' proposals in the same month.

The Group has published its full gender pay gap report which is available on the company website at www.arqiva.com. The latest report shows the emphasis and commitment to diversity and inclusion with improvements in both the mean and median pay gaps for the reporting period. The full report provides details on why we have a pay gap, the reasons for the increase in the year and the actions we are taking to address the issue.

PRINCIPLE SIX - STAKEHOLDERS *– A board has a responsibility to oversee meaningful engagement with material stakeholders, including the workforce, and have regard to that discussion when making decisions. The board has a responsibility to foster good stakeholder relationships based on the company's purpose.*

Stakeholders
The Group's key Stakeholders include its employees; customers; suppliers; debt investors; Shareholders; pensions trustees; and regulatory and government bodies including Ofcom, the Office of the Adjudicator – Broadcast Transmission Services (OTA-BTS), Ofwat, DCMS, DSIT, DEFRA and the Department for Business and Trade (DBT). Senior Management and the Strategy and Regulatory team work closely with industry bodies and lobby groups and representatives of the various regulatory bodies, and the Board is regularly briefed informally and formally on developments. The value of good relationships with local communities, in the context of planning requirements, for example, is understood and focus is given to fostering these relationships. The Group provides reports to investors and creditors as part of its listed debt obligations and conducts regular investor calls which give the opportunity for debt investors to raise questions with the Group. The Commercial and Operations teams have put additional focus on customer relationships including an increased emphasis on customer feedback leading to action . Group's procurement operations function actively undertakes reviews of its supplier base to enhance its best practice in this field.

Workforce
The Board has regard to employee interests when making decisions. To support this, the Board oversees employee engagement in line with the Employee Engagement Statement (see page 46 of the Annual Report). In addition, the Board engages with employees at a variety of levels from formal Board and Committee meetings

to more informal participation in site visits and attendance at 'Let's Connect' days. The Group's People & Culture team monitors and regular reports to the Board on a range of employee metrics.

External impacts

The Group's Corporate Responsibility statement (page 36) sets out a description of the Group's focus areas used to ensure that it acts responsibly, ethically and safely, from a Corporate; Community; Employee; and Business perspective taking into account sustainability goals. This is also reflected in the Stakeholder Engagement Statement (pages 44-47).

Directors' Report

Financial Risk Management

The principal risks and uncertainties of the Group have been outlined previously in this report (see pages 56-62). As a result of these, as well as the on-going business activities and strategy of the Group, Arqiva is exposed to a variety of financial risks that include financing risk, purchase price risk, credit risk, liquidity risk, interest rate risk and foreign exchange risk.

The key financial risks affecting the Group are set out below, together with a summary of how these risks are managed.

Risk Type	Description of risk / uncertainty	Management of risk / uncertainty
Inflation risk	High inflation risk has an adverse impact on both operating and financing cash flow as well as the financial health of customers and suppliers	The Group uses derivative contracts to hedge its exposure to adverse impacts of high levels of inflation to its cash flows. Inflation-linked swaps convert fixed or floating rate interest costs to RPI-linked costs. Increases in power costs are, in part, managed via pass-through arrangements with customers. The Group's power contracts were renewed until 2026 (England, Scotland & Wales) and 2025 (Northern Ireland), which, with Board approval on a power hedging strategy, has enabled the Group to mitigate the risk of market price volatility through small incremental future power purchased up to 18 months in advance. The total risks are minimised as a significant proportion of the Group's revenue contracts with customers within core TV and radio products are RPI-linked.
Financing risk	The Group will need to refinance at least part of our debt as it matures and may need additional financing to cover capital expenditure and certain other expenses to support its growth plans. The Group cannot be certain that such financing will be readily available on attractive or historically comparable terms. Breach of debt covenants and/or a downgrade in our rating could impact the availability of finance or the comparability of terms.	The Group mitigates this risk by the strength of the stable long-term investment grade capital structure in place. Our BBB+/BBB (S&P/Fitch) ratings reflect our strong ability to service and repay debt from our cash flows over a reasonable period of time, maintaining debt with a variety of medium- and long-term maturities, so that over time we do not have a significant concentration of debt due for refinancing in any given year, and aiming to refinance debt well in advance of the maturity date. With regards to covenants, the Group maintains financial covenant monitoring and modelling, both retrospectively and prospectively and maintains regular dialogue with credit ratings agencies.
Purchase price risk	Energy is a major component of the Group's cost base and is subject to price volatility and significant pressure from energy price inflation.	The Group's power contracts were renewed until 2026 (England, Scotland & Wales) and 2025 (Northern Ireland), which, with Board approval on a power hedging strategy, has enabled the Group to mitigate the risk of market price volatility through small incremental future power purchased up to 18 months in advance.

		A proportion of this risk is managed via pass-through arrangements to customers. Power purchasing options are reviewed, and expectations of higher future power costs are built into the business's long-term plans. Sustainability is a key focus for Arqiva, and it includes ways to reduce power consumption. Key revenue and cost milestones are set on larger projects to mitigate the financial risks of volatile market pricing. Third-party savings initiatives are regularly monitored at both the Executive Committee and Shareholder Board levels. Key revenue and cost milestones are set on larger projects to ensure the financial risks of volatile market pricing are mitigated. Third party-savings initiatives are reviewed at both the Executive Committee and Shareholder Board levels.
Credit risk	The Group is exposed to credit risk on customer receivables. The Group is exposed to counterparty risks in its financing operations.	Credit risk is managed through appropriate credit checking procedures both prior to taking on new customers and throughout contract life; and higher risk customers paying in advance of services being provided. Aged debt is actively monitored, escalated and acted upon by a dedicated team with support from account managers to reduce bad debt. Performance is closely monitored to ensure agreed service levels are maintained reducing the level of queried payments and mitigating the risk of uncollectible debts. The Group carefully manages the credit risk on liquid funds and derivative financial instruments with balances currently spread across a range of major financial institutions which have satisfactory credit ratings assigned by international credit ratings agencies. The levels of credit risk are monitored through the Group's on-going risk management processes, which include a regular review of the credit ratings. Risk in this area is limited further by setting a maximum level and term for deposits with any single counterparty.
Liquidity risk	Ensuring the Group has sufficient available funds for working capital requirements and planned growth and funding for the Defined Benefit pension scheme.	The Group maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. As at 30 June 2025, the Group had £33.4m cash available and £185m (£20m drawdown of £205m facility) and £150m undrawn working capital and liquidity facilities respectively available to cover senior debt and/or interest payment if required. The Board considers the availability and adequacy of working capital funding requirements in conjunction with forming its long-term financial plan for the business.

Interest rate risk	Exposure to interest rate risk due to borrowing variable rate bank debt.	The Group uses derivative contracts to hedge its exposure to rising interest rates. The Group maintains a hedging policy to manage interest rate risk and to ensure the certainty of future interest cash flows and compliance with debt covenants. The derivative contracts held are fixed rate hedging, split between interest rates and inflation-linked swaps. The Group has, however, elected not to apply hedge accounting meaning gains and losses are recognised through the income statement as fair values fluctuate (2025: £4.3m gain, 2024: £11.8m loss). Interest rate swaps convert variable rate interest costs to fixed rate interest costs while inflation-linked swaps convert fixed or floating rate interest costs to RPI-linked costs, which fluctuate in line with the RPI index as do a significant proportion of the Group's revenue contracts.
Foreign exchange risk	The Group operates from UK sites and predominantly in the UK market. While some customer and supplier contracts are denominated in other currencies (mainly US Dollars and Euros), the majority of the Group's revenues and costs are sterling based, and accordingly, exposure to foreign exchange is limited.	Management regularly monitors the impact of foreign exchange risks and assess the need to put any mitigating financial instruments in place. The Group has a loan of 118m US dollar denominated private placement notes, as well as cross-currency swaps to fix the exchange exposure on this debt. Details of the cross-currency swaps are provided in notes 32 & 33.

Internal control over financial reporting

The Board of Directors review the effectiveness of the Group's systems of internal control, including risk management systems and financial and operational controls (see page 56).

Audit and Risk Committee

The Audit and Risk Committee, chaired by Scott Longhurst, meets at least four times per year. The committee has responsibilities of oversight of risk management procedures, monitoring compliance and regulatory issues (including whistleblowing arrangements) and reviewing the effectiveness of the Group's internal controls and internal audit function.

The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties, and to obtain any external legal or other professional counsel it requires.

Meetings of the Committee are attended, at the invitation of the Chair of the Committee, by the external auditors, the Chief Executive Officer, the Chief Financial Officer and representatives from the business as required.

Internal Audit

The Audit and Risk Committee is responsible for reviewing the work undertaken by the Group's internal audit function, assessing the adequacy of the function's resources and the scope of its procedures. The internal audit function agrees its annual audit plan with the Audit and Risk Committee and regularly reports its findings and recommendations. The Group's internal audit plan incorporates an annual rolling review of business activities and incorporates both financial and non-financial controls and procedures.

External Audit

The Audit and Risk Committee is responsible for making recommendations to the Board on the appointment, re-appointment and removal of the Group's external auditor. The Committee makes an assessment of the auditors' independence and objectivity taking into account the relationship with the auditors as a whole, including the provision of any non-audit services.

PricewaterhouseCoopers LLP were re-appointed as external auditor in 2016, for the year ending 30 June 2017, following a competitive tender process. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Committee.

The auditors have provided certain non-audit services, principally in relation to non-audit assurance. The Audit and Risk Committee considers the acceptability of all non-audit services with the auditors in advance of commencement of work to confirm acceptability and ensures that appropriate safeguards of audit independence are established and applied, such as partner rotation.

Risk

The Audit and Risk Committee is responsible for considering and approving the Group's risk management function, ensuring adequate resources and access to information for effective function, reviewing the appropriateness of the Group's risk management function, reviewing reports from this function and monitoring management response to risk.

Governance and Remuneration Committee

The Governance and Remuneration Committee, chaired by Scott Longhurst, is established to take a proactive role in liaising with Shareholders to manage the process of appointing a Chair of the Board, CEO and CFO as well as Board level succession planning. This includes consideration of Board composition including skillsets and experience required from Board appointees and ensuring potential appointees as assessed for possible conflicts of interest and independence. The Committee also considers the succession planning for senior management, taking account of challenges and opportunities and skills and expertise required by the Group.

Further responsibilities include reviewing the Group's diversity and inclusion policies, overseeing, and setting compensation parameters, rewards and bonus schemes for senior management as well as determining and overseeing reward strategies including consulting and advising on the Group-wide bonus schemes.

The Committee meets at least three times a year.

Operational Resilience Committee

The Operational Resilience Committee, chaired by Matthew Postgate, has oversight of the adequacy and effectiveness of the operational resilience strategies and procedures of the Group (including principles, policies and practices adopted in complying with all relevant legal standards and regulatory requirements affecting the activities of the Group) and reviewing management performance, considering major findings of internal and external investigations and making recommendations to the Board in respect of this. The Committee also has oversight of operational resilience with regard to safety, health and environmental matters, cyber security, physical security, business continuity, diversity and inclusion to the extent they may impact business operations and sustainability. Arqiva have implemented a Sustainability Committee consisting of members of the Executive Committee and senior leaders across the business to ensure that Arqiva meets its environmental sustainability ambitions and commitments. Outputs from the Sustainability Committee are fed into the Operational Resilience Committee for Board level consideration.

The Operational Resilience Committee meets at least three times a year.

Capital Structure Committee

The Capital Structure Committee, chaired by David Stirton was set up this year to oversee the refinancing of the junior debt and senior bank facilities as well as providing strategic guidance and oversight on the longer term capital structure of the Group.

The Capital Structure Committee meets monthly.

Equal Opportunities policy

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues, and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person, should, as far as possible, be identical to that of a person who does not have a disability. Further information on how Arqiva supports its employees can be found on page 38.

Political Donations

No political donations were made during the year (2024: none).

Charitable donations

The Group has made £0.1m (2024: £0.1m) of charitable donations in the year.

Research and development

The Group performs research and development into new products and technology, the costs of which are capitalised where they meet the criteria for capitalisation in accordance with the Group's accounting policy. The research costs expensed in the year were £2.6m (2024: £2.4m). In addition, the Group carries out research and development as part of its contract bid processes and these costs are expensed as part of the bid costs unless the development expenditure can be capitalised. The bid costs expensed during the year total £0.9m (2024: £1.5m).

Development costs incurred as part of capital expenditure projects, which support customers' contracts, are included with the total project spend within property, plant and equipment. The Group's cash capital expenditure in the year was £64.2m (2024: £71.4m) and includes capitalised labour of £23.8m (2024: £23.3m). Other development costs are capitalised within intangible assets. In the year, new development costs capitalised total £3.9m (2024: £4.1m) with amortisation of £0.7m (2024: £0.9m) charged against such capitalised development costs.

Overseas branches

There are no overseas branches related to Arqiva Group Limited.

Events after the reporting date

The Board revisited the financing profile for the Group as part of ensuring stability in the longer term and approved a move to refinance the junior debt. This included considerations around the investor community and shareholder engagement and approvals. In July 2025, we issued £500m of 5-year Junior Secured Notes, refinancing our existing £450m junior syndicated loan, reducing interest costs and extending our maturity profile, with surplus proceeds being used for general corporate purposes. This transaction was leverage-neutral and was over-subscribed with positive bond trading post issue.

As at the reporting date, management is not aware of any other events, within the business or external to the business but which may have an impact on the business, or any unrecognised liabilities that could have a material impact on the business, its financial position or performance.

Dividends and transfers to reserves

The Directors of the Group have not recommended a dividend in the year (2024: £nil).

The consolidated loss for the year of £847.3m (2024: loss of £701.1m) was transferred to reserves.

Now Digital (East Midlands), a Group company which includes a non-controlling interest, declared a dividend in the year of £0.4m (2024: £0.4m), of this £0.1m is attributed to the non-controlling party.

Going Concern

The Strategic report includes information on the structure of the business, the business environment, financial review for the year and uncertainties facing the Group. Notes 25, 32 and 37 of the consolidated financial statements include information on the Group's borrowings, derivatives and cash respectively; and financial risk management information presented within this report.

The Group meets our day-to-day working capital and financing requirements through the net cash generated from our 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 scenarios e.g. inflation, vacant channels, potential new business and delivery delays. The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund our current operations, including our contractual and commercial commitments both in terms of capital programmes and financing as they fall due.

There remains £5,201.5m of accrued interest on the shareholder loan notes. The repayment of interest on these notes can be deferred at the option of the group and will not be paid if this were to threaten the financial stability of the business; the group has deferred the interest payments on the shareholder loan notes since 2009 and anticipates continuing to do so. Shareholder loan notes since Junior re-finance on 03 July 2025 now mature between July 2031 and July 2032, well beyond the review period through December 2026. Significant work has been undertaken by the group, together with our legal advisors to successfully demonstrate, in particular to the rating agencies, that the shareholder loan notes are thought of as pseudo equity and not debt. The shareholder loan notes are subordinated to all other creditor balances, which in turn are subordinated to the junior high yield bond, and finally all amounts are subordinated to the senior debt.

The Capital Structure Committee regularly reviews the debt position of the group to ensure it is appropriate and has concluded it has sufficient cash to service its debt structure obligations.

This is further supported by the debt facilities available to the Group, which have been utilized in the year, with a £20.0m drawdown balance at year end, see note 25 for further information.

Following the end of the financial year and ahead of signing the annual 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, post signing of the accounts. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

Future Developments

The Group plans to continue in its commercial and operational business in accordance with its strategy. Further detail is contained within the Strategic report on page 18.

Ownership and Directors

A description of the ownership of the Group and the Board of Directors holding office during the year and up to the date of signing of the financial statements can be found on page 50.

For details on the background of the Board of Directors and the Executive Committee please refer to page 51-56.

Details of the statutory directors of the Company are shown on page 49.

Directors Indemnities

The Company has provided an indemnity for its Directors and the Company Secretary, which is a qualifying third-party indemnity for the purposes of the Companies Act 2006. The indemnity was in force during the full financial year and up to the date of approval of the financial statements.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under Company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently,
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

On behalf of the Board

Scott Longhurst
Director
30 September 2025

Independent auditors' report to the members of Arqiva Group Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Arqiva Group Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2025 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 30 June 2025; the Consolidated statement of profit or loss and other comprehensive income, Consolidated and Company statements of changes in equity and Consolidated cash flow statement for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- For the Group Financial Statements we performed an audit of the complete financial information of three entities and the consolidation. We also conducted audit procedures on specific line items for entities within the Group to ensure sufficient coverage. The audit work performed achieved coverage of 81% of revenue and 96% of adjusted

EBITDA (consisting of loss before tax, finance income, finance costs, other gains and losses and exceptional income and expenses). All entities have been audited by the Group audit team and hence no component auditor has been involved in the audit of the Consolidated financial statements.

Key audit matters

- Carrying value of goodwill (group)
- Recognition and recoverability of deferred tax assets (group)
- Recoverability of intercompany receivable balances (parent)

Materiality

- Overall group materiality: £10,900,000 (2024: £10,300,000) based on 3.5% of adjusted EBITDA.
- Overall company materiality: £285,361 (2024: £276,400) based on 2% of net liabilities.
- Performance materiality: £8,175,000 (2024: £7,725,000) (group) and £214,6:21 (2024: £207,350) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Valuation of defined benefit pension scheme obligation (group), which was a key audit matter last year, is no longer included because of the buy-in arrangement the Group entered into with an insurance company to mitigate risks associated with its defined benefit plan obligation. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Carrying value of goodwill (group) IAS 36 'Impairment of assets' requires management to perform annual impairment assessments of goodwill. The Group's goodwill is material, amounting to £1,339.6m (£1,339.6m allocated to 'Media Distribution' and £nil allocated to 'Smart Utilities Networks'). The impairment assessments performed over goodwill includes a number of assumptions which are subject to management judgement and estimation and therefore this is considered a key audit matter. Refer to note 5 - critical accounting judgements and key sources of estimation uncertainty –impairment of goodwill and note 18 – goodwill in the consolidated financial statements.	We obtained an understanding of the allocation of goodwill and assets to cash generating units in management's impairment model and assessed its appropriateness. We tested the impairment model, assessing its mathematical accuracy, the accuracy of inputs to the model and challenging the reasonableness of the assumptions applied by management in assessing the recoverable amount for each cash generating unit. These included the assumptions for revenue and cost growth, capital expenditure, discount rate and terminal growth rate used. We tested the cash flows and agreed these to the Board approved long term plan, and also performed a look back test to assess accuracy of historical forecasting. We involved our PwC valuations experts to assist the audit team in evaluating the discount rate and the terminal growth rate used to calculate the present value of the cash flows and confirmed these were calculated using an

	acceptable methodology and concluded that the discount rate and terminal growth rate is materially in line with what we would expect. We assessed management's sensitivity analysis and performed our own sensitivity analysis considering various reasonably possible scenarios impacting key assumptions, including forecast cash flows, terminal growth rate and discount rates. We have reviewed the reasonableness of management's disclosure in relation to our sensitivities in accordance with the requirement of IAS 36. Based on this testing, we considered whether the carrying value of the goodwill balances were adequately supported by the value-in-use impairment model prepared by management, and found there to be sufficient headroom.
Recognition and recoverability of deferred tax assets (group) The Group has recognised deferred tax assets of £260.7m (2024: £269.3m) with a further £562.5m (2024: £525.1m) of potential deferred tax assets not recognised on the basis that they are not considered to be recoverable. There is judgement involved in the measurement of deferred tax assets as well as in their recognition, which is only appropriate if the asset is accessible (based on applicable tax legislation and the Group's capital structure) and if there are sufficient probable forecast taxable profits. Refer to note 5 - critical accounting judgements and key sources of estimation uncertainty – deferred tax and note 14 –tax (expense)/credit in the consolidated financial statements.	We obtained management's calculation and assessment of the deferred tax asset, including support for judgements taken on measurement and recognition. We utilised tax specialists to assist the audit team to review and challenge management's assessment, in particular in relation to the accessibility of tax losses. We obtained management's forecast of taxable profits and agreed their consistency to the Board approved long term plan and forecasts utilised in management's goodwill impairment assessment. The calculations of the forecast taxable profits were reviewed, and an analysis of the sensitivity of the utilisation horizon to variations in EBITDA was considered. We further assessed the potential deferred tax assets not recognised and concluded that only assets that are expected to be available to the Group have been recognised. Judgement relating to the unrecognised assets will remain under review and reassessed as the Group's circumstances and relevant tax legislation evolves. We have reviewed the disclosure over the critical accounting judgement in respect of deferred tax assets and we concur with the disclosures made. We reviewed correspondence with relevant tax authorities and with the Group's tax advisors, assessing management's judgements in relation to the measurement of tax benefits. As a result of our work performed no material errors were noted in respect of the amount of deferred tax asset recognised in the consolidated financial statements at 30 June 2025.
Recoverability of intercompany receivable balances (parent) The Company has balances receivable from intercompany counterparties amounting to £5.0m (2024: £4.9m) as at 30 June 2025. This is considered a key audit matter as there is judgement in the assessment of the recoverability of the receivable balances. Refer to note 7 - debtors in the Company's financial statements.	We evaluated management's assessment of the recoverability of intercompany receivables, including compliance with the requirements of IFRS 9 and expected credit loss methodology, and reviewed and independently tested an assessment of the ability of other Group companies to repay by comparing the receivable to net assets of the counterparties. As the net asset values did not support the recoverability of the intercompany receivables, we considered the assets held and confirmed that by taking into account the liquidity of assets held that the intercompany receivables are considered to be recoverable. Our work performed identified no material adjustments to the recoverability of intercompany receivable balances.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

Arqiva Group Limited's business is carried out through a single principal trading subsidiary, aligned into two customer-facing business units; Media Distribution and Smart Utilities Networks, supported by the Group's Operations, Technology and Transformation and Corporate functions. In addition, there are a number of entities which provide financing to the operations.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	**Financial statements - company**
Overall materiality	£10,900,000 (2024: £10,300,000).	£285,361 (2024: £276,400).
How we determined it	3.5% of adjusted EBITDA	2% of net liabilities
Rationale for benchmark applied	Based on our professional judgement, adjusted EBITDA is an appropriate adjusted measure to assess the performance of the Group, which focuses on the underlying trading results.	Based on our professional judgement, net liabilities is an appropriate measure to assess the performance of the Company and is a generally accepted auditing benchmark. A rule of thumb of approximately 2% is appropriate given that the entity itself is not a Public Interest Entity ('PIE').

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £9,800 and £10,350,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £8,175,000 (2024: £7,725,000) for the group financial statements and £214,6:21 (2024: £207,350) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £545,000 (group audit) (2024: £515,000) and £14,268 (company audit) (2024: £13,800) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework

and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Communications Act 2003, the Companies Act 2006 and the UK Tax law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management's manipulation of key performance measures such as adjusted EBITDA (consisting of loss before tax, finance income, finance costs, other gains and losses and exceptional income and expenses). We have determined adjusted EBITDA is the key metric for stakeholders, such as the Group's ultimate shareholders and lenders. It is considered that the most likely risk of management manipulation of this metric is through the posting of manual journals and management bias in significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance, and the entity's in-house legal team around actual and potential litigation, claims, and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and testing accounting estimates (because of the risk of management bias);
- As required by ISA 240, incorporating an element of unpredictability into our audit testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andy Grimbly (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
30 September 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 £m	*2024 £m*
Revenue	6	**675.3**	*679.9*
Cost of sales		**(257.4)**	*(263.7)*
Gross profit		**417.9**	*416.2*
Depreciation	16	**(124.8)**	*(88.3)*
Amortisation	17	**(13.5)**	*(19.7)*
Administrative expenses		**(105.5)**	*(108.4)*
Other income		**7.8**	*9.9*
Exceptional operating expenses	9	**(4.6)**	*(7.9)*
Exceptional other income	9	**-**	*16.0*
Operating profit		**177.3**	*217.8*
Finance income	12	**3.3**	*5.9*
Finance expense	12	**(1,030.8)**	*(926.0)*
Other gains/(losses)	13	**11.6**	*(11.8)*
Loss before tax		**(838.6)**	*(714.1)*
Tax (expense)/credit	14	**(8.7)**	*13.0*
Loss for the year		**(847.3)**	*(701.1)*
Other comprehensive expense:			
Items that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit pension schemes	31	**(0.2)**	*(44.3)*
Movement on deferred tax relating to pension schemes	14	**0.1**	*11.1*
		(0.1)	*(33.2)*
Items that will or may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(0.2)**	*(0.1)*
		(0.2)	*(0.1)*
Other comprehensive expense for the year, net of tax		**(0.3)**	*(33.3)*
Total comprehensive expense		**(847.6)**	*(734.4)*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 £m	*2024 £m*
Loss for the year attributable to:			
Owners of the parent		**(847.6)**	*(701.4)*
Non-controlling interests	29	**0.3**	*0.3*
		(847.3)	*(701.1)*
Total comprehensive expense attributable to:			
Owners of the parent		**(847.9)**	*(734.7)*
Non-controlling interests	29	**0.3**	*0.3*
		(847.6)	*(734.4)*

The notes on pages 105 to 186 form part of these financial statements.

All items of total comprehensive expense relate to continuing operations. Further comments on consolidated statement of profit or loss and other comprehensive income line items are presented in the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	30 June 2025 £m	*As restated Note 40 30 June 2024 £m*	*As restated Note 40 1 July 2023 £m*
Assets				
Non-current assets				
Property, plant and equipment	16	**1,145.8**	*1,179.9*	*1,228.6*
Other intangible assets	17	**68.2**	*74.4*	*55.3*
Goodwill	18	**1,339.6**	*1,339.6*	*1,339.6*
Interest in associates and joint ventures	19	**0.1**	*0.1*	*0.1*
Financial assets at fair value through profit or loss	20	**0.2**	-	-
Derivative financial assets	32	**13.8**	*15.7*	*33.5*
Employee benefit assets	31	**6.9**	*9.3*	*51.2*
Deferred tax assets	14	**260.7**	*269.3*	*245.2*
		2,835.3	*2,888.3*	*2,953.5*
Current assets				
Contract assets	22	**24.4**	*26.3*	*33.3*
Trade and other receivables	21	**106.3**	*116.2*	*150.7*
Cash and cash equivalents	37	**33.4**	*35.2*	*43.5*
		164.1	*177.7*	*227.5*
Total assets		**2,999.4**	*3,066.0*	*3,181.0*
Liabilities				
Non-current liabilities				
Contract liabilities	24	**270.7**	*315.0*	*332.5*
Borrowings	25	**3,457.5**	*3,545.7*	*3,350.4*
Derivative financial liabilities	32	**122.8**	*178.2*	*237.7*
Provisions	26	**102.8**	*78.9*	*78.9*
		3,953.8	*4,117.8*	*3,999.5*
Current liabilities				
Trade and other liabilities	23	**143.6**	*137.2*	*125.8*
Contract liabilities	24	**108.1**	*94.0*	*120.4*
Borrowings	25	**5,327.0**	*4,402.6*	*3,886.8*
Provisions	26	**3.8**	*3.6*	*3.2*
		5,582.5	*4,637.4*	*4,136.2*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2025

	Note	30 June 2025 £m	*As restated Note 40 30 June 2024 £m*	*As restated Note 40 1 July 2023 £m*
Total liabilities		**9,536.3**	*8,755.2*	*8,135.7*
Net liabilities		**(6,536.9)**	*(5,689.2)*	*(4,954.7)*
Issued capital and reserves attributable to owners of the parent				
Share capital	27	**653.9**	*653.9*	*653.9*
Share premium reserve	28	**315.6**	*315.6*	*315.6*
Capital redemption reserve	28	**4.7**	*4.7*	*4.7*
Translation reserve	28	**(0.9)**	*(0.7)*	*(0.6)*
Accumulated losses	28	**(7,512.4)**	*(6,664.7)*	*(5,930.1)*
Equity attributable to owners of the parent		**(6,539.1)**	*(5,691.2)*	*(4,956.5)*
Non-controlling interest	29	**2.2**	*2.0*	*1.8*
Total equity		**(6,536.9)**	*(5,689.2)*	*(4,954.7)*

See note 40 for details on the restatement of the prior periods in the Consolidated Statement of Financial Position.

The consolidated financial statements on pages 94 to 186 were approved and authorised for issue by the board of directors on 30 September 2025 and were signed on its behalf by:

Scott Longhurst
Director

The notes on pages 105 to 186 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Share capital	Share premium	Capital redemption reserve	Translation reserve	Accumulated losses (restated)	Total attributable to equity holders of parent (restated)	Non-controlling interest	Total equity (restated)
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 July 2023 (as previously stated)	653.9	315.6	4.7	(0.6)	(5,800.4)	(4,826.8)	1.8	(4,825.0)
Prior year adjustment - correction of error	-	-	-	-	(129.7)	(129.7)	-	(129.7)
At 1 July 2023 (as restated)	653.9	315.6	4.7	(0.6)	(5,930.1)	(4,956.5)	1.8	(4,954.7)
(Loss)/profit for the year	-	-	-	-	(701.4)	(701.4)	0.3	(701.1)
Other comprehensive expense	-	-	-	(0.1)	(33.2)	(33.3)	-	(33.3)
Total comprehensive (expense)/income for the year	-	-	-	(0.1)	(734.6)	(734.7)	0.3	(734.4)
Dividends	-	-	-	-	-	-	(0.1)	(0.1)
Total contributions by and distributions to owners	-	-	-	-	-	-	(0.1)	(0.1)
At 30 June 2024 (as restated)	**653.9**	**315.6**	**4.7**	**(0.7)**	**(6,664.7)**	**(5,691.2)**	**2.0**	**(5,689.2)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2025

	Share capital	Share premium	Capital redemption reserve	Translation reserve	Accumulated losses (restated)	Total attributable to equity holders of parent (restated)	Non-controlling interest	Total equity (restated)
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 July 2024	653.9	315.6	4.7	(0.7)	(6,664.7)	(5,691.2)	2.0	(5,689.2)
(Loss)/profit for the year	-	-	-	-	(847.6)	(847.6)	0.3	(847.3)
Other comprehensive expense	-	-	-	(0.2)	(0.1)	(0.3)	-	(0.3)
Total comprehensive (expense)/income for the year	-	-	-	(0.2)	(847.7)	(847.9)	0.3	(847.6)
Dividends	-	-	-	-	-	-	(0.1)	(0.1)
Total contributions by and distributions to owners	-	-	-	-	-	-	(0.1)	(0.1)
At 30 June 2025	**653.9**	**315.6**	**4.7**	**(0.9)**	**(7,512.4)**	**(6,539.1)**	**2.2**	**(6,536.9)**

The notes on pages 105 to 186 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 £m	*2024 £m*
Cash flows from operating activities			
Loss for the year		**(847.3)**	*(701.1)*
Adjustments for			
Depreciation of property, plant and equipment	16	**124.8**	*88.3*
Amortisation of intangible fixed assets	17	**13.5**	*19.7*
Finance income	12	**(3.3)**	*(5.9)*
Finance expense	12	**1,030.8**	*926.0*
Non-refundable deposit on conditional sale		**-**	*(0.2)*
Gain on lease modifications		**2.4**	*(1.0)*
Loss/(gain) on sale of property, plant and equipment		**0.2**	*(0.5)*
Gain on leaseback of sold assets		**-**	*(1.9)*
Net (gain)/loss arising on financial liabilities designated as at fair value through profit or loss	13	**(11.6)**	*11.8*
Other income		**(7.8)**	*(8.0)*
Revenue service credits	9	**-**	*2.8*
Receipt of insurance stage payments	9	**-**	*(16.0)*
Income tax expense/(credit)	14	**8.7**	*(13.0)*
		310.4	*301.0*
Movements in working capital:			
Decrease in trade and other receivables		**20.4**	*40.7*
Decrease in trade and other payables		**(46.8)**	*(48.3)*
Increase in provisions and employee benefits		**2.4**	*1.4*
Cash generated from operations		**286.4**	*294.8*
Net cash from operating activities		**286.4**	*294.8*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2025

		2025 £m	*2024 £m*
Cash flows from investing activities			
Purchases of property, plant and equipment		**(64.2)**	*(71.4)*
Proceeds from disposal of property, plant and equipment		**-**	*5.3*
Payments to acquire financial assets	20	**(0.2)**	*-*
Receipt of insurance stage payments	9	**-**	*16.0*
Non-refundable deposit on conditional sale		**-**	*0.2*
Interest received		**1.9**	*2.4*
Net cash used in investing activities		**(62.5)**	*(47.5)*
Cash flows from financing activities			
Proceeds from external borrowings	25	**103.0**	*250.0*
Repayment of external borrowings	25	**(135.4)**	*(325.7)*
Interest paid		**(124.2)**	*(108.5)*
Repayment of capital element of lease rentals		**(21.4)**	*(20.7)*
Interest element of lease rentals		**(4.0)**	*(4.4)*
Cash settlement of principal accretion on inflation-linked swaps		**(43.3)**	*(53.4)*
Debt issue costs and facility arrangement fees		**(0.3)**	*(2.6)*
Settlement on close out of inflation linked swaps		**-**	*9.8*
Dividends paid to non-controlling interests	15	**(0.1)**	*(0.1)*
Net cash used in financing activities		**(225.7)**	*(255.6)*
Net decrease in cash and cash equivalents		**(1.8)**	*(8.3)*
Cash and cash equivalents at the beginning of year		**35.2**	*43.5*
Cash and cash equivalents at the end of the year	37	**33.4**	*35.2*

The notes on pages 105 to 186 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1. Reporting entity

ARQIVA GROUP LIMITED (the 'Company') is a private company limited by shares incorporated in England, in the United Kingdom (‘UK’) under the Companies Act 2006 under registration num 05254001. The Company's registered office is at Crawley Court, Winchester, Hampshire, SO21 2QA. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in the activities as detailed in the Strategic Report as set out on pages 15 to 20.

2. Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs) and the Companies Act 2006. The Company's individual financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. They were authorised for issue by the Company's board of directors on 30 September 2025.

Details of the Group's accounting policies, including changes during the year, are included in note 4. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Statement of comprehensive income in these consolidated financial statements.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 5.

2.1 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Net defined benefit asset	Fair value through other comprehensive income
Derivative financial instruments	Fair value through profit or loss

2.2 Changes in accounting policies

i) New and amended standards adopted by the Group

Amendment to IAS 1 **Non-current Liabilities with Covenants**

The amendment listed above did not have any material impact on the amounts recognised in prior years and is not expected to have a material impact on current or future periods.

2. Basis of preparation (continued)

ii) New standards, interpretations and amendments not yet effective

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

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.

Amendments IFRS 9 and IFRS 7 Regarding the classification and measurement of financial instruments

This amendment is effective for the Group annual reporting year beginning 1 July 2026.

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7. These amendments:

a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

Arqiva Group Limited does not expect these amendments to have a material impact on its operations or financial statements.

Amendment to IFRS 18 Presentation and Disclosures in Financial Statements

This amendment is effective for the Group annual reporting year beginning 1 July 2027.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). The Group will apply the new standard from its mandatory effective date of 1 January 2027, which for the Group will first apply for the period beginning 1 July 2027. Retrospective application is required, and so the comparative information for the financial year ending 30 June 2026 will be restated in accordance with IFRS 18. Management is currently assessing the detailed implications of applying the new standard on the Group’s consolidated financial statements.

2. Basis of preparation (continued)

ii) New standards, interpretations and amendments not yet effective (continued)

Amendment to IFRS 19 Subsidiaries without Public Accountability: Disclosures

This amendment is effective for the Group annual reporting year beginning 1 July 2027.

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Group does not expect this standard to have an impact on its operations or financial statements.

2.3 Going concern

The Group has reported losses and has a significant net liability position on the Statement of Financial Position, caused primarily by debt and the related financing costs. However, the Group has continued to generate operating cash flows.

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 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.

There remains £5,201.5m of accrued interest on the shareholder loan notes. The repayment of interest on these notes can be deferred at the option of the group and will not be paid if this were to threaten the financial stability of the business; the group has deferred the interest payments on the shareholder loan notes since 2009 and anticipates continuing to do so. Shareholder loan notes since Junior re-finance on 03 July 2025 now mature between July 2031 and July 2032, well beyond the review period through December 2026. Significant work has been undertaken by the group, together with our legal advisors to successfully demonstrate, in particular to the rating agencies, that the shareholder loan notes are thought of as pseudo equity and not debt. The shareholder loan notes are subordinated to all other creditor balances, which in turn are subordinated to the junior high yield bond, and finally all amounts are subordinated to the senior debt.

The Capital Structure Committee regularly reviews the debt position of the group to ensure it is appropriate and has concluded it has sufficient cash to service its debt structure obligations.

This is further supported by the debt facilities available to the Group, which have been utilized in the year, with a £20.0m drawdown balance at year end, see note 25 for further information.

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

3. Functional and presentation currency

These consolidated financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest 0.1million, unless otherwise indicated.

4. Summary of material accounting policies

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4. Summary of material accounting policies (continued)

4.2 Revenue

Revenue represents the gross inflow of economic benefit for services provided utilising Arqiva's communications infrastructure and the sale of communications equipment. Revenue is stated net of value added tax. Revenue is measured at the fair value of the consideration received or receivable.

On inception of a contract, performance obligations are identified for each of the distinct goods or services that have been promised to be provided to the customer. The consideration specified in the contract is allocated to each performance obligation identified based on their relative standalone selling prices and is recognised as revenue as they are satisfied. Determining the standalone selling price often requires judgement and may be derived from regulated prices, list prices, a cost-plus derived price, or the price of similar products when sold on a standalone basis by Arqiva or a competitor. In some cases it may be appropriate to use the contract price when this represents a bespoke price that would be the same for a similar customer in a similar circumstance.

Payment terms with customers vary by contract but would commonly be 30 to 60 days.

Cash received or invoices raised in advance that give right to an amount of consideration that is unconditional, are taken to deferred revenue and are taken to deferred revenue and recognised as contract liabilities, and subsequently recognised as revenue when the services are provided. Where consideration received in advance is discounted, reflecting a significant financing component, it is reflected within revenue and interest payable and similar charges on a gross basis.

Revenue recognised in advance of cash being received or an invoice being raised is recognised as accrued revenue within contract assets and subsequently reclassified to receivables when the right to consideration is unconditional. Invoices are issued in line with contract terms.

The Group recognises deferred revenue within contract liabilities which relates to cash received in relation to future services for the utilisation of broadcast sites for telecommunications equipment as a result of the sale of the Telecoms business. The contract liability associated with the utilisation of broadcast sites and equipment is expected to be released over the next 34 years.

The Group does not have any material obligations in respect of returns, refunds or warranties.

The following summarises the performance obligations we have identified and provides information on the timing of when they are satisfied and the related revenue recognition policy. The revenue expected to be recognised in future periods for contracts in place at 30 June 2025 that contain unsatisfied performance obligations is included in note 6.

Rendering of services
Performance obligations under contracts for the rendering of services, which includes network access rights and licence ownership, are identified for each distinct service or deliverable for which the customer has contracted and are considered to be satisfied over the time period that the services or deliverables are delivered. Revenue is recognised over time in line with the service provision over the contractual period and appropriately reflects the pattern by which the performance obligation is satisfied. Such revenues include television and radio transmission services, media services, and smart utility network connectivity.

For long-term services contracts revenue is recognised on a straight-line basis over the term of the contract. However, if the performance pattern is other than straight line, revenue is recognised as services are provided, usually on an output or network coverage basis. Such revenues include Smart metering network build and service operation.

4. Summary of material accounting policies (continued)

4.2 Revenue (continued)

Pre-contract costs relate to the Smart Utilities Network contracts and are incurred in the initial set up phase and deferred. These costs are then recognised in the income statement on a straight-line basis over the remaining contractual term, unless the pattern of service delivery indicates a different profile is appropriate. These costs are directly attributable to specific contracts, relate to future activity, will generate future economic benefits and are assessed for recoverability on a regular basis. Costs related to delivering services under long-term contractual arrangements are expensed as incurred.

The Group holds contracts which include a customer's right to receive credits in the event of service loss. Provisions for service credits are recognised through a reduction in revenue which reflects the expected value of any such service credits. The Group only recognises revenue to the extent that it is highly probable that there will not be a material reversal in the future.

Delivery of engineering projects
Arqiva provides support to its customers by undertaking various engineering projects. Contracts for the delivery of engineering projects are split into specific performance obligations. Performance obligations relating to services are satisfied over the time period that services are delivered, performance obligations relating to the provision of assets are satisfied at the point in time that control passes to the customer. Revenue from such projects, which are long-term (greater than 12 months) contractual arrangements, is recognised based on satisfaction of the identified performance obligations using the percentage of completion method. The stage of completion is based on the portion of costs incurred as a percentage of total costs. Profit is recognised, if the final outcome can be assessed with reasonable certainty, by including revenue and related costs in the income statement as contract activity progresses.

A loss on a fixed price contract is recognised immediately when it becomes probable that the contract cost will exceed the total contract revenue.

Sale of communications equipment
Performance obligations from the sale of communications equipment provided as part of customer contracts are satisfied and revenue is recognised at the point in time that control passes to the customer, which is typically upon delivery and acceptance by the customer. In some cases, payment is not received in full at the time of the sale, and a contract asset is recognised for the amount due from the customer that will be recovered over the contract period. Revenue to be recognised is calculated by reference to the relative standalone selling price of the equipment.

Installation of smart water meters
Performance obligations from the installation of smart water meter and communication equipment provided as part of customer contracts are satisfied and revenue is recognised at the point in time that control passes to the customer, which is typically once installation is complete with acceptance by the customer. In some cases, payment is not received in full at the time of the sale, and a contract asset is recognised for the amount due from the customer that will be recovered over the contract period. Revenue to be recognised is calculated by reference to the relative standalone selling price of the equipment.

4. Summary of material accounting policies (continued)

4.3 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Other income in the consolidated statement of profit or loss and comprehensive income on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

4.4 Operating profit and exceptional items

Operating profit is stated after exceptional items, including restructuring costs, impairment and after the share of results of associates but before finance income and finance costs.

Exceptional items are those that are considered to be one-off, non-recurring in nature or material, either by magnitude or nature, that the Directors believe require separate disclosure to avoid the distortion of underlying performance, for example one-off impairments, redundancy programmes, restructuring and costs related to significant corporate finance activities. The Directors believe the resulting EBITDA represents underlying performance, excluding significant one-off and non-recurring events, that more fairly represents the on-going trading performance of the business. These items are presented separately on the face of the income statement.

EBITDA is an alternative performance measure defined as operating profit before depreciation, amortisation, profits/(losses) on disposal of fixed assets, impairment of assets, other income, and exceptional items. A reconciliation between operating profit and EBITDA is provided in note 6.

4.5 Taxation

Income tax expense/credit represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. Summary of material accounting policies (continued)

4.5 Taxation (continued)

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. Summary of material accounting policies (continued)

4.6 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Freehold property	20	-	80	years
Leasehold buildings	20	-	80	years (dependent on the length of the lease)
Plant and machinery:				
- Communications infrastructure network	8	-	80	years
- Network computer equipment	3	-	20	years
- Motor vehicles	3	-	5	years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss and comprehensive income.

4.7 Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Development expenditure	10 years
Access rights	Length of the agreement (no more than 20 years)
Licences	Length of the licence period (no more than 20 years)
Computer software	5 - 10 years

4. Summary of material accounting policies (continued)

4.7 Intangible assets (continued)

(ii) Internally-generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4. Summary of material accounting policies (continued)

4.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease (see note 4.6).

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase (see note 4.6).

4.9 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 4.10.

4. Summary of material accounting policies (continued)

4.10 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested fir impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint ventures are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

4. Summary of material accounting policies (continued)

4.11 Impairment of non-financial assets (excluding investment properties and deferred taxation assets)

At each reporting period date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life, such as goodwill, is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss unless the impairment relates to goodwill, in which case it cannot be reversed.

4. Summary of material accounting policies (continued)

4.12 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The group determines its incremental borrowing rate by reference to its portfolio of loans and borrowings.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

The lease liability is included in the 'Loans and borrowings' line in the Consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

4. Summary of material accounting policies (continued)

4.12 Leasing (continued)

The Group as a lessee (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Property, Plant and Equipment' and 'Investment Property' lines, as applicable, in the Consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 4.6.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the 'other expenses' line item in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

4.13 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4. Summary of material accounting policies (continued)

4.14 Financial assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group's financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ('FVTPL'), 'measured at amortised cost' or 'measured at fair value through other comprehensive income' ('FVOCI'). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets measured at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents:

Trade receivables
Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Impairment of irrecoverable amounts is based on an expected credit loss model. In addition to the expected credit loss model, the Group's policy is to also consider specific provisions for trade receivables outstanding for more than 30 days beyond the agreed terms, or where the business environment indicates a specific risk. Management makes an assessment of the level of provision required and adjustments to the calculated level of provision are made accordingly.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

4. Summary of material accounting policies (continued)

4.15 Financial liabilities

Financial liabilities
The Group's financial liabilities are classified as either financial liabilities 'at FVTPL' or financial liabilities 'at amortised cost' according to the substance of the contractual arrangements entered into.

Borrowings
Interest-bearing bank loans and overdrafts are initially recorded at fair value, calculated as the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, and direct issue costs are accounted for on an accruals basis to the income statement using the effective interest method, and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables
Trade and other payables are not interest bearing and are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method. They are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are classified as non-current liabilities.

4.16 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 33.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

4.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. Summary of material accounting policies (continued)

4.18 Employee benefits

(i) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item employees benefit expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(ii) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

4.19 Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

4. Summary of material accounting policies (continued)

4.20 Defined benefit schemes

Defined benefit scheme surpluses and deficits are measured at:

- the fair value of plan assets at the reporting date; less
- plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- unrecognised past service costs; less
- the effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

- actuarial gains and losses
- return on plan assets (interest exclusive)
- any asset ceiling effects (interest exclusive)

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

4.21 Dividends

A liability to pay dividends is recognised when the legal obligation to settle arise. The liability is extinguished when settled.

4.22 Capital contributions

Capital contribution is additional equity without the issue of shares. Capital contribution is recognised when the amount of contribution is received or becomes receivable. Capital contributions are derecognised when a distribution is made against such contribution.

4. Summary of material accounting policies (continued)

4.23 Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into pounds using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

5. Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are described in note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these judgements, estimates and assumptions.

The judgements, estimates and underlying assumptions are reviewed on an on-going basis. Revisions are recognised in the period in which the estimate is revised.

Critical judgements and key sources of estimation uncertainty in applying the Group's accounting policies
The following are the critical judgements and those involving estimations that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements and could reasonably be expected to change materially in the next 12 months.

Judgements

Deferred tax
As disclosed in note 14, the Group has significant recognised and unrecognised deferred tax assets. Judgement is required in determining whether these assets can be accessed considering the restrictions of relevant tax legislation and expectations of future profits within particular group entities.

Only assets that are expected to be available to the Group have been recognised. Judgements relating to recognition/non-recognition remain under annual review and are reassessed as the Group's circumstances and relevant tax legislation evolves.

The Group was engaged with the UK tax authorities (HMRC) in respect of an uncertainty related to the tax treatment of interest expenses for the year ended 30 June 2021. The uncertainty arose from the interaction of the UK's Corporate Interest Restriction legislation and the sale of the Telecoms business in that period. In August 2023, HMRC published expanded guidance in this area. Taking this into account, but noting alternative outcomes remained possible, the Directors revised their judgement regarding the application of this legislation. This revision resulted in a £14.7m tax credit included within 'Adjustments in respect of prior periods' in note 12 in the year ended 30 June 2023, reflecting the guidance from HMRC. The HMRC expanded guidance continued to leave areas of ambiguity, therefore the Group submitted an amended corporation tax return in respect of the treatment of the CIR adjustments arising from the sale; HMRC advised that they had reviewed and accepted the information provided and subsequently the general time limits for HMRC to enquire into the period have passed. As a result the Group has recognised an additional £31.8m of deferred tax resulting in a tax credit of £31.8m in the year ended 30 June 2024. Full disclosure of the uncertainty was provided to HMRC in respect of the position taken in the resubmitted tax computation. The position has not changed during the period ended 30 June 2025 and the statute of limitations for enquiry have now elapsed.

Key estimates and assumptions

Impairment of goodwill
The carrying amount of the Group's goodwill is reviewed at each statement of financial position date to determine whether there is any indication of impairment, in compliance with the Group's accounting policies. An assessment of impairment is performed each year as detailed in note 18.

Actuarial assumptions used to determine the carrying amount of the Group's defined benefit plan obligation
Estimates are used in determining the present value of the scheme liabilities, which depend on such factors as the life expectancy of the members, price inflation and the discount rates applied in determining the defined benefit plan liabilities.

Management has considered the estimated impact of adjusting the assumptions used to determine the present value of the scheme liabilities, which are summarised in note 31.

Useful lives for property, plant and equipment and intangibles
Depreciation or amortisation is charged to the income statement based upon the useful lives selected. This assessment requires estimation of the period over which the Group will derive benefit from these assets.

Management monitors and assess the appropriateness of useful economic lives, such lives may also be impacted by external market changes. In the event that such a change were to result in a revision of useful economic lives this could result in a change to the annual depreciation charge going forwards. In the theoretical scenario whereby medium and long term useful economic lives of property, plant and equipment were to be reduced by one year the estimated impact on the depreciation charge for the year is approximately £16m (2024: approximately £16m), with a reduction in depreciation in later years.

The Group manages its property, plant and equipment on a portfolio basis through a central estates team. This team contains qualified surveyors who have a wealth of experience working for the Group and within the industry as a whole.

The carrying values of intangibles are disclosed in note 17, and those for property, plant and equipment are disclosed in note 16.

Provisions
Estimates have been made in respect of the probable future obligations of the Group. These estimates are reviewed annually to reflect current economic conditions and strategic plans.

The decommissioning provisions are reviewed annually and are calculated based upon expected costs and past costs incurred on similar sites as determined by site and project management, as well as assessments made by internal experts (see note 26).

Management is also required to make estimates in relation to the discount rates applied in the calculations.

6. Revenue

The following is an analysis of the Group's revenue for the year from continuing operations:

	2025 £m	*2024 £m*
Sale of goods	**64.0**	*77.5*
Rendering of services	**611.3**	*602.4*
	675.3	*679.9*

Revenue from the sale of goods comprises of £nil (2024: £nil) for the Media & Broadcast CGU and £64.0m (2024: £77.5m) for the Smart Utilities Networks CGU. Revenue from the rendering of services comprises of £477.3m (2024: £481.2m) for the Media & Broadcast CGU and £134.0m (2024: £121.2m) for the Smart Utilities Networks CGU. These CGUs are discussed in more detail in note 6.1.

Revenue is not recognised for the portion of services that are subject to service credits, see note 9 for detail.

Analysis of revenue by country of destination:

	2025 £m	*2024 £m*
United Kingdom	**670.3**	*674.4*
Rest of European Economic Area (EEA)	**4.4**	*4.8*
Rest of the world	**0.6**	*0.7*
	675.3	*679.9*

Timing of revenue recognition:

	2025 £m	*2024 £m*
Goods and services transferred at a point in time	**64.0**	*77.5*
Goods and services transferred over time	**611.3**	*602.4*
	675.3	*679.9*

Information about major customers

Included in the revenues arising from Media & Broadcast are revenues of £167.9m (2024: £165.1m) which arose from sales to a major customer, and Smart Utilities Networks revenues include £114.2m (2024: £112.1m) from a major customer.

No other single customers contributed 10% or more to the Group’s revenue in the aforementioned financial years.

Remaining performance obligations

Revenue expected to be recognised in future periods, included in our order book, for performance obligations that are unsatisfied (or partially unsatisfied) at the year end is summarised as follows:

£m	<1 year	1-2 years	2-5 years	5-10 years	>10 years	Total
Sale of goods	25.3	25.3	38.0	-	-	**88.6**
Rendering of services	471.2	415.6	977.7	533.1	298.0	**2,695.6**
	496.5	**440.9**	**1,015.7**	**533.1**	**298.0**	**2,784.2**

As at 30 June 2024, the amount of revenue to be recognised in future periods on contracts when those remaining performance obligations will be satisfied is analysed as follows:

£m	<1 year	1-2 years	2-5 years	5-10 years	>10 years	Total
Sale of goods	22.5	24.5	49.0	12.3	-	**108.3**
Rendering of services	477.8	460.1	701.1	902.7	400.9	**2,942.6**
	500.3	**484.6**	**750.1**	**915.0**	**400.9**	**3,050.9**

6.1 Functional information

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

	Function revenue		Function EBITDA	
	2025 £m	*2024 £m*	**2025 £m**	*2024 £m*
Commercial				
Media & Broadcast	**477.3**	*481.2*	**337.3**	*341.3*
Smart Utilities Networks	**198.0**	*198.7*	**67.8**	*66.6*
Other				
Operations	**-**	*-*	**(22.6)**	*(25.1)*
Technology	**-**	*-*	**(40.1)**	*(37.1)*
Corporate	**-**	*-*	**(30.0)**	*(35.1)*
	675.3	*679.9*	**312.4**	*310.6*
Finance income			**3.3**	*5.9*
Finance costs			**(1,030.8)**	*(926.0)*
Other gains/(losses)			**11.6**	*(11.8)*
Depreciation and amortisation			**(138.3)**	*(108.0)*
Exceptional operating expenses			**(4.6)**	*(7.9)*
Other income			**7.8**	*9.9*
Exceptional other income			**-**	*16.0*
Exceptional service credits			**-**	*(2.8)*
Loss before tax			**(838.6)**	*(714.1)*

Function revenue reported above represents revenue generated from external customers. There were no inter-function sales in the current year (*2024 - £ nil*).

The accounting policies of the reportable functions are the same as the Group's accounting policies described in note 4. 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.

EBITDA is a non-GAAP measure and refers to 'earnings before interest, tax, depreciation and amortisation' and includes add-backs for certain items charged to operating profit that do not reflect the underlying business performance. EBITDA is a key measure of the Group's financial performance. A reconciliation of the reported EBITDA to the operating profit is provided below:

		2025 £m	*2024 £m*
Operating profit		**177.3**	*217.8*
Depreciation	16	**124.8**	*88.3*
Amortisation	17	**13.5**	*19.7*
Exceptional operating expenses	9	**4.6**	*7.9*
Other income		**(7.8)**	*(9.9)*
Exceptional other income	9	**-**	*(16.0)*
Exceptional service credits	9	**-**	*2.8*
EBITDA		**312.4**	*310.6*

7. Expenses by nature

		2025 £m	*2024 £m*
Depreciation of property, plant and equipment	16	**124.8**	*88.3*
Amortisation of intangible assets	17	**13.5**	*19.7*
Net foreign exchange loss		**-**	*0.3*
Research and development costs		**2.6**	*2.4*
Net gain on disposal and sale and leaseback transaction		**-**	*(2.0)*
Grant income		**(8.5)**	*(9.3)*
Employee costs	10	**89.8**	*88.8*
Exceptional operating expenses	9	**4.6**	*7.9*
Exceptional other income	9	**-**	*(16.0)*
Exceptional service credits	9	**-**	*2.8*

8. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors and their associates:

	2025 £m	*2024 £m*
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	**0.1**	*0.1*
Fees payable to the Company's auditors and their associates in respect of:		
The auditing of accounts of associates of the Group	**0.7**	*0.5*
Audit-related assurance services	**0.1**	*0.1*
All assurance services not included above	**0.5**	*-*

9. Exceptional items

The Group recognises exceptional items which are one-off and non-recurring in nature or material items which the Directors believe require disclosure by virtue of their size or incidence for the financial statements to give a true and fair view of the underlying performance of the business. Further information is provided in note 4.

Loss before tax is stated after (charging)/crediting:

	2025 £m	*2024 £m*
Revenue:		
Exceptional service credits	**-**	*(2.8)*
	-	*(2.8)*
Operating expenses:		
Reorganisation and severance	**(1.7)**	*(2.7)*
Pension buy-in	**-**	*(1.7)*
Restoration costs	**(0.9)**	*(3.5)*
Pension surplus sharing agreement	**(2.0)**	*-*
	(4.6)	*(7.9)*
Other exceptional items:		
Other income	**-**	*16.0*
	-	*16.0*
Total exceptional items	**(4.6)**	*5.3*

Reorganisation and severance
Reorganisation and severance expenses relate to a one-off restructure and reorganisation of the technology business unit. It is reorganising 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.

Pension buy-in
In April 2024, an insurer backed pension buy-in was completed whereby the plan assets were exchanged for a bulk annuity agreement, allowing cover to the Plan's liabilities by third party insurers while retaining management responsibility within the scheme. The Pension buy-in is intended to manage the Plan's exposure to market volatility in relation to its assets and enhance its funding resilience on future pension payments.

Pension surplus sharing arrangement
Following the Plan's insurer backed buy-in transaction that completed in April 2024, in February 2025 an agreement was reached between the Trustees and Sponsoring Employer Arqiva Limited in relation to the sharing of any potential funding surplus upon scheme wind up. It has been agreed that the members will receive a proportion of any residual net surplus, up to a maximum of £2m, with the remainder of the surplus being returned to the Company. Any surplus funds made available to members will be used to provide enhanced pensions.

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 and include £0.9m (2024: £3.5m) of predominantly community support activities. 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 operating from the restored main Bilsdale mast.

Costs recognised are those which have been incurred in the year end and include customer service credits deducted from revenue (2025: £nil, 2024: £2.8m).

Exceptional other income for 2024 relates to a £16.0m stage payment received from insurance claims related to the Bilsdale transmitter site fire. This bought the total settlement to date to £41.0m. No insurance payments were received in 2025.

To date the Group has incurred total rectification costs of £55.8m (2024: £54.9m) including £37.1m (2024: £37.1m) in capital expenditure for the rebuild of the mast and a further £18.7m (2024: £17.8m) of exceptional operating expenses in respect of community support activities and restoration costs. The site rebuild programme is approaching completion. Non-significant expenses are budgeted to complete the final activities.

The overall financial impact of the fire at Bilsdale is summarised as follows:

	2025 £m	*2024 £m*
Profit and loss impact:		
Restoration costs - within exceptional operating expenses	**0.9**	*3.5*
Insurance stage payments - within exceptional other income	**-**	*(16.0)*
Revenue service credits - within exceptional revenue	**-**	*2.8*
Total	**0.9**	*(9.7)*
Balance sheet impact:		
Capital expenditure	**-**	*5.9*
Total	**-**	*5.9*

10. Employee benefit expenses

	2025 £m	*2024 £m*
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**96.1**	*95.7*
Social security contributions and similar taxes	**10.8**	*10.0*
Defined contribution pension cost	**6.8**	*6.5*
Other long-term employee benefits	**-**	*0.3*
Capitalised staff costs	**(23.9)**	*(23.7)*
	89.8	*88.8*

10. Employee benefit expenses (continued)

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company listed on pages 50-53, and the Financial Controller of the Company.

	2025 £m	*2024 £m*
Short-term employee benefits	**5.2**	*6.2*
Post-employment benefits	**0.2**	*0.2*
Termination benefits	**-**	*0.2*
	5.4	*6.6*

There are no members of the Directors and key management personnel (2024: none) who are a member of the Group's defined benefit pension scheme (ii) (see note 31).

The members of the Directors and key management personnel had no material transactions with the Group during the year, other than in connection with their service agreements.

The monthly average number of persons, including the directors, employed by the Group during the year was as follows:

	2025 No.	*2024 No.*
Media & Broadcast	**47**	*39*
Smart Utilities Networks	**35**	*29*
Operations	**571**	*551*
Technology	**475**	*493*
Corporate	**190**	*207*
	1,318	*1,319*

11. Directors' remuneration

	2025 £m	*2024 £m*
Directors' emoluments	**0.4**	*0.7*
Amounts receivable under long-term incentive schemes (excluding shares)	**-**	*0.3*
Group contributions to pension schemes	**-**	*-*
	0.4	*1.0*

The highest paid director's emoluments were as follows:

	2025 £m	*2024 £m*
Total emoluments and amounts receivable under long-term incentive schemes (excluding shares)	**0.1**	*0.2*
	0.1	*0.2*

12. Finance income and expense

Recognised in profit or loss

	2025 £m	*2024 £m*
Finance income		
Interest on bank deposits	**2.0**	*2.4*
Other finance income	**1.3**	*3.5*
Total finance income	**3.3**	*5.9*
Finance expense		
Interest on bank overdrafts and loans	**11.9**	*6.7*
Interest on lease liabilities	**4.0**	*4.4*
Unwinding of discount on provisions	**5.7**	*5.6*
Shareholder loan note interest	**887.2**	*783.1*
Other loan interest payable	**100.7**	*107.1*
Other interest payable	**16.8**	*19.2*
Amortisation of debt issue costs	**4.5**	*4.4*
Revaluation of decommissioning provision	**-**	*(4.5)*
Total finance expense	**1,030.8**	*926.0*

Other finance income includes £0.5m (2024: £2.4m) in relation to net finance income on the defined benefit pension scheme.

The shareholder loan notes carry fixed interest rates of between 13.0% and 14.0%, payment of which can be deferred at the option of the Group subject to certain conditions, qualification of which are subject to bi-annual review (see note 25).

13. Other gains/(losses)

	2025 £m	*2024 £m*
Fair value gain/(loss) on derivative financial instruments	**4.3**	*(11.8)*
Foreign exchange loss on financing	**7.3**	*-*
	11.6	*(11.8)*

14. Tax (expense)/credit

14.1 Income tax recognised in profit or loss

	2025 £m	*2024 £m*
Deferred tax expense/(credit)		
Origination and reversal of timing differences	**13.2**	*18.4*
Adjustments to tax charge in respect of prior periods (b)	**(4.5)**	*(31.4)*
Total deferred tax	**8.7**	*(13.0)*
	8.7	*(13.0)*

The reasons for the difference between the actual tax charge/(credit) for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2025 £m	*2024 £m*
Loss for the year	**(847.3)**	*(701.1)*
Income tax expense/(credit) (including income tax on associate, joint venture and discontinued operations)	**8.7**	*(13.0)*
Loss before income taxes	**(838.6)**	*(714.1)*
Tax using the Company's domestic tax rate of 25% (2024: 25%)	**(209.7)**	*(178.5)*
Tax effect of expenses that are not deductible in determining taxable loss (a)	**185.7**	*161.6*
Adjustments to tax charge in respect of prior periods (b)	**(4.5)**	*(31.4)*
Change in unrecognised deferred tax assets - deferred interest expenses (c)	**37.2**	*35.3*
Total tax expense/(credit)	**8.7**	*(13.0)*

a) Expenses that are not deductible in determining taxable loss principally relate to interest payable on shareholder loan notes.
b) The adjustment in respect of prior years in the year ended 30 June 2024 relates to refinements of estimates of taxable profits arising from the completion of the compliance process. This relates to the change in judgement as set out in note 5.
c) Change in unrecognised deferred tax asset principally relates to deferred interest expenses.

14. Tax (expense)/credit (continued)

14.1 Income tax recognised in profit or loss (continued)

Changes in tax rates and factors affecting the future tax charges

In December 2021, the Organisation for Economic Cooperation and Development (OECD) released model rules for a new global minimum corporate tax framework applicable to multinational enterprise groups with global revenues of over €750 million ("Pillar Two" rules). The UK substantively enacted legislation implementing these rules on 20 June 2023 and the rules apply to the Group as of 1 July 2024. An assessment undertaken shows that Pillar Two income taxes 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. The Group has applied the temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two rules.

Estimates and assumptions

No material uncertain tax positions exist as at 30 June 2025. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

14.2 Income tax recognised in other comprehensive expense

	2025 £m	*2024 £m*
Deferred tax		
Remeasurement of defined benefit obligation	**0.1**	*11.1*
	0.1	*11.1*
	0.1	*11.1*

14.3 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2025 £m	*2024 £m*
Deferred tax assets	**260.7**	*269.3*
	260.7	*269.3*

14. Tax (expense)/credit (continued)

14.3 Deferred tax balances (continued)

2025 Deferred tax assets/(liabilities) in relation to:	Opening balance £m	Recognised in profit or loss £m	Recognised in other comprehensive expense £m	Closing balance £m
Fixed asset temporary differences	91.1	5.3	-	96.4
Derivatives	47.3	(16.5)	-	30.8
Defined benefit obligations	(2.3)	0.5	0.1	(1.7)
Other temporary differences	42.2	4.3	-	46.5
Tax losses carried forward	91.0	(2.3)	-	88.7
	269.3	(8.7)	0.1	260.7

Other temporary differences are comprised primarily of timing differences relating to deferred income and provisions that are tax deductible as utilised. Temporary differences arising in connection with unremitted earnings of overseas subsidiaries and interests in associates are insignificant.

2024 Deferred tax assets/(liabilities) in relation to:	Opening balance *£m*	Recognised in profit or loss *£m*	Recognised in other comprehensive expense *£m*	Closing balance *£m*
Fixed asset temporary differences	66.5	24.6	-	91.1
Derivatives	54.1	(6.8)	-	47.3
Defined benefit obligations	(12.8)	(0.6)	11.1	(2.3)
Other temporary differences	45.4	(3.2)	-	42.2
Tax losses carried forward	92.0	(1.0)	-	91.0
	245.2	13.0	11.1	269.3

14. Tax (expense)/credit (continued)

14.4 Unrecognised deferred tax assets

	2025 £m	*2024 £m*
- tax losses (revenue in nature)	**40.4**	*40.5*
- deferred interest expenses	**522.1**	*484.6*
Total unrecognised deferred tax assets	**562.5**	*525.1*

These deferred tax assets may be carried forward indefinitely. These assets have not been recognised since it is not probable that these assets will be able to be utilised against future taxable profits of the Group.

The Group continues to recognise its deferred tax assets as supported by the same long-term group profit forecasts that are used for goodwill impairment testing (see note 18). No attributes have a time expiry and these forecasts show the deferred tax assets reversing to a net liability position by 30 June 2036. Due to the long-term stable nature of the business, with significant long term contracts, the recognised deferred tax asset is not considered to be materially exposed to the performance of the Group based on reasonably possible trading forecasts.

15. Dividends

	2025 £m	*2024 £m*
Now Digital (East Midlands) Limited - £40.00 per share	**0.1**	*0.1*
Total dividends payable to minority interests	**0.1**	*0.1*

The above amounts represent dividends declared to non-controlling interest shareholders by companies within the AGL Group.

No dividends were declared or paid to AGL shareholders during the year (2024: £nil).

16. Property, plant and equipment

	Freehold property £m	Leasehold buildings £m	Plant and machinery £m	Assets under construction £m	Total £m
Cost					
At 1 July 2023 (as previously stated)	270.9	167.9	1,919.3	99.7	2,457.8
Prior year adjustment (see note 40)	-	-	(10.2)	-	(10.2)
At 1 July 2023 (as restated)	270.9	167.9	1,909.1	99.7	2,447.6
Additions	-	7.8	5.5	69.6	82.9
Transfers to intangibles	-	-	-	(38.8)	(38.8)
Disposals	(0.2)	(3.3)	(16.3)	-	(19.8)
Transfers between classes	1.2	0.5	38.3	(40.0)	-
Adjustments through PPE for provisions	-	0.1	(2.2)	-	(2.1)
At 30 June 2024 (as restated)	271.9	173.0	1,934.4	90.5	2,469.8
Additions	-	5.3	10.7	66.6	82.6
Transfers to intangibles	-	-	2.2	(9.5)	(7.3)
Disposals	(0.1)	(5.6)	(20.8)	-	(26.5)
Transfers between classes	1.4	-	54.8	(56.2)	-
Adjustments through PPE for provisions	-	0.2	18.4	-	18.6
At 30 June 2025	**273.2**	**172.9**	**1,999.7**	**91.4**	**2,537.2**

16. Property, plant and equipment (continued)

	Freehold property £m	Leasehold buildings £m	Plant and machinery £m	Assets under construction £m	Total £m
Accumulated depreciation and impairment					
At 1 July 2023	14.4	97.4	1,107.2	-	1,219.0
Charge owned for the year	5.7	2.7	61.1	-	69.5
Charged financed for the year	-	9.8	9.0	-	18.8
Disposals	-	(1.8)	(15.6)	-	(17.4)
At 30 June 2024	20.1	108.1	1,161.7	-	1,289.9
Charge owned for the year	5.5	2.7	97.8	-	106.0
Charged financed for the year	-	9.4	9.4	-	18.8
Disposals	-	(3.0)	(20.3)	-	(23.3)
At 30 June 2025	**25.6**	**117.2**	**1,248.6**	**-**	**1,391.4**
Net book value					
At 1 July 2023 (as restated)	256.5	70.5	801.9	99.7	1,228.6
At 30 June 2024 (as restated)	251.8	64.9	772.7	90.5	1,179.9
At 30 June 2025	247.6	55.7	751.1	91.4	1,145.8

Freehold land included above but not depreciated amounts to £155.0m (2024: £155.0m).

At 30 June 2025, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £10.3m (2024: £9.1m) – see note 38 for further details.

16.1. Assets held under leases

The net book value of owned and leased assets included as "Property, plant and equipment" in the Consolidated statement of financial position is as follows:

	30 June 2025 £m	*30 June 2024 £m*
Property, plant and equipment owned	**1,100.0**	*1,127.0*
Right-of-use assets	**45.8**	*52.9*
	1,145.8	*1,179.9*

16. Property, plant and equipment (continued)

16.1 Assets held under leases (continued)

Information about right-of-use assets is summarised below:

Net book value

	30 June 2025 £m	*30 June 2024 £m*
Leasehold buildings	**35.6**	*42.5*
Plant and machinery	**10.2**	*10.4*
	45.8	*52.9*

Depreciation charge for the year ended

	30 June 2025 £m	*30 June 2024 £m*
Leasehold buildings	**9.4**	*9.8*
Plant and machinery	**9.4**	*9.0*
	18.8	*18.8*

Additions to right-of-use assets

	30 June 2025 £m	*30 June 2024 £m*
Additions to right-of-use assets	**6.0**	*3.3*

Information regarding the lease liabilities arising on the right-of-use assets disclosed above can be found in note 30.

16.2 Assets pledged as security

The Group's current and non-current assets have been pledged as security under the terms of the Group's external debt facilities (see note 25). In addition, the Group's lease obligations (see note 30) are secured by the lessors' title of the leased assets, which have a carrying amount of £2.6m (2024: £2.8m) included within leasehold buildings.

17. Other intangible assets

	Development expenditure £m	Access rights £m	Licences £m	Software £m	Assets under construction £m	Total £m
Cost						
At 1 July 2023 (as previously stated)	22.7	4.3	6.8	74.5	7.5	115.8
Prior year adjustment (see note 40)	(0.2)	-	(0.1)	(1.4)	-	(1.7)
At 1 July 2023 (as restated)	22.5	4.3	6.7	73.1	7.5	114.1
Transfers from Property, Plant and Equipment	1.8	-	-	37.0	-	38.8
Reclassifications	-	-	-	7.5	(7.5)	-
At 30 June 2024 (as restated)	24.3	4.3	6.7	117.6	-	152.9
Additions	-	-	-	-	13.3	13.3
Transfers from Property, Plant and Equipment	0.1	-	0.1	9.2	-	9.4
Disposals	-	-	-	(0.1)	-	(0.1)
Reclassifications	(2.1)	-	-	-	(13.3)	(15.4)
At 30 June 2025	**22.3**	**4.3**	**6.8**	**126.7**	**-**	**160.1**

17. Other intangible assets (continued)

	Development expenditure £m	Access rights £m	Licences £m	Software £m	Assets under construction £m	Total £m
Accumulated amortisation and impairment						
At 1 July 2023	12.7	4.3	5.5	36.3	-	58.8
Charge for the year - owned	0.9	-	0.4	18.4	-	19.7
At 30 June 2024	13.6	4.3	5.9	54.7	-	78.5
Charge for the year - owned	0.4	-	0.4	12.7	-	13.5
Disposals	-	-	-	(0.1)	-	(0.1)
At 30 June 2025	**14.0**	**4.3**	**6.3**	**67.3**	**-**	**91.9**
Net book value						
At 1 July 2023 (as restated)	9.8	-	1.2	36.8	7.5	55.3
At 30 June 2024 (as restated)	10.7	-	0.8	62.9	-	74.4
At 30 June 2025	8.3	-	0.5	59.4	-	68.2

. Other intangible assets (continued)

Development costs in respect of products and services that are being developed by the Group are being capitalised in accordance with IAS 38. These are amortised over their expected useful life once the product or service has been commercially launched.

Development costs incurred to modify acquired assets in order to make them fit for purpose amounts to £11.8m (2024: £11.9m).

Under the terms of the Group's external debt facilities, the Group has provided security over substantially all of its assets by way of a Whole Business Securitisation structure.

Other intangible assets are recognised at cost and are amortised over their estimated useful lives.

At 30 June 2025, the Group had entered into contractual commitments for the acquisition of intangibles amounting to £1.6m (2024: £1.6m) – see note 38 for further details.

18. Goodwill

	2025 £m	*As restated 2024 £m*
Cost	**1,457.8**	*1,457.8*
Accumulated impairment	**(118.2)**	*(118.2)*
	1,339.6	*1,339.6*

	2025 £m	*2024 £m*
Cost		
At 1 July	**1,457.8**	*1,457.8*
At 30 June	**1,457.8**	*1,457.8*
Accumulated impairment		
At 1 July (as previously stated)	**118.2**	*0.4*
Prior year adjustment (see note 40)	**-**	*117.8*
At 1 July (as restated)	**118.2**	*118.2*
At 30 June	**118.2**	*118.2*

18.1 Allocation of goodwill to cash generating units

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:

	2025 £m	*2024 £m*
Media & Broadcast	**1,339.6**	*1,339.6*
Smart Utilities Networks	**-**	*-*
	1,339.6	*1,339.6*

18. Goodwill (continued)

18.1 Allocation of goodwill to cash generating units (continued)

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. 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.

Media & Broadcast

Projected cash flows and the 'recoverable amount'
The value in use of this CGU is determined from the cash flow forecasts derived from the most recent financial forecasts approved by the Board for the next nine years. They reflect management's expectations of revenue, EBITDA growth, capital expenditure and working capital based on past experience and future expectations of performance. IAS36 sets out the expectation of a five year period to be used when forecasting the recoverable amount of a CGU. Management has however elected to use a nine year forecast as this aligns with the Group's Long-Term Plan (LTP) which is a thorough forecast for future cash flows and Management consider this to be more appropriate as it enables the Group to better capture the long-term value creation from existing long-term contracts included in the Group's LTP, and better captures the full trajectory of strategic initiatives, investment cycles, and market developments that are expected to unfold over the longer term.

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 10.6% (2024: 8.8%).

This discount rate does not represent the weighted average cost of capital (WACC) for Arqiva, 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 is determined based on the long-term growth rates of the markets in which the CGU operates (2025: 2.0%; 2024: 1.9%). The growth rate has been benchmarked against externally available data. This rate does not exceed the average long-term growth rate for the relevant markets.

Sensitivities
The value in use exceeds the carrying value of the CGU by approximately £347.4m. The following changes to key assumptions (in isolation) would result in the value in use being equal to the carrying value:
- An increase in the discount rate to 12.6% (30 June 2024: No reasonable change in assumption would have led to an impairment).
- A reduction of 1.8% in the terminal growth assumption (30 June 2024: No reasonable change in assumption would have led to an impairment).

18. Goodwill (continued)

18.1 Allocation of goodwill to cash generating units (continued)

Smart Utilities Networks

Projected cash flows and the 'recoverable amount'
The value in use of this CGU is determined from the cash flow forecasts derived from the most recent financial forecasts approved by the Board for the next nine years. They reflect management's expectations of revenue, EBITDA growth, capital expenditure and working capital based on past experience and future expectations of performance. IAS36 sets out the expectation of a five year period to be used when forecasting the recoverable amount of a CGU. Management has however elected to use a nine year forecast as this aligns with the Group's Long-Term Plan (LTP) which is a thorough forecast for future cash flows and Management consider this to be more appropriate as it enables the Group to better capture the long-term value creation from existing long-term contracts included in the Group's LTP, and better captures the full trajectory of strategic initiatives, investment cycles, and market developments that are expected to unfold over the longer term.

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 SUN CGU is 10.3% (2024: 8.7%).

This discount rate does not represent the weighted average cost of capital (WACC) for Arqiva, 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 is determined based on the long-term growth rates of the markets in which the CGU operates (2025: 2.0%; 2024: 1.9%). The growth rate has been benchmarked against externally available data. This rate does not exceed the average long-term growth rate for the relevant markets.

Sensitivities
The value in use exceeds the carrying value of the CGU by approximately £32.7m. The following changes to key assumptions (in isolation) would result in the value in use being equal to the carrying value:
- An increase in the discount rate to 12.4% (30 June 2024: No reasonable change in assumption would have led to an impairment).
- A reduction of 1.3% in the terminal growth assumption (30 June 2024: No reasonable change in assumption would have led to an impairment).

19. Interest in associates and joint ventures

In addition to the subsidiary undertakings as detailed in the Company financial statements following these Group financial statements, the Group holds the following interests in associates and joint ventures:

Company name	Country of incorporation and principal place of business	Year end	Ordinary Share Holding	
Joint ventures				
Sound Digital Limited	United Kingdom	31-Dec	40.0	%
Associate undertakings				
Muxco Limited	United Kingdom	31-Dec	25.0	%
UK Digital Radio Limited	United Kingdom	30-Jun	10.0	%

The principal activities of Sound Digital Limited are that of the ownership and operation of the UK DAB radio multiplex licence. Its registered office is Media House Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA.

The principal activities of Muxco Limited are that of bidding for UK DAB digital radio multiplex licences. Its registered office is Greenworks Dog and Duck Yard, Princeton Street, London, England, WC1R 4BH.

The principal activities of UK Digital Radio Limited are that of support delivery of a digital future for radio. Its registered office is 15 Alfred Place, London, England, WC1E 7EB.

Share of results of associates and joint ventures was £nil (2024: £nil) for the year with the interest in associates and joint ventures being £0.1m (2024: £0.1m).

There are no other associates or joint ventures that are considered material, either individually or in aggregate, to the Group's position or performance.

The joint venture and associate's financial information that are not co-terminus with the Group's year end are adopted by the Group at their respective financial statement dates as the Group does not hold control over these subsidiary undertakings. The Group does not have a representation on the board of these subsidiaries and the Group has no influence over their operating decisions.

Although the Group owns over 20% of Sound Digital Limited and Muxco Limited, the Group does not have the rights to direct the activities of the investees.

The Directors consider the carrying value of the Group's investments on an annual basis, or more frequently should indicators arise, and believe that the carrying values of the investments are supported by the underlying trade and net assets.

Transactions with associates and joint ventures in the year are disclosed in note 35.

20. Financial assets at fair value through profit or loss

	2025 £m	*2024 £m*
Financial assets at fair value through profit or loss	**0.2**	-
	0.2	-

During the period the Group acquired preference shares in an insurance captive arrangement.

21. Trade and other receivables

	2025 £m	*2024 £m*
Current		
Trade receivables	**57.0**	*63.6*
Prepayments	**42.7**	*45.8*
Other receivables	**6.6**	*6.8*
Total current trade and other receivables	**106.3**	*116.2*

The ageing of the Group's net trade receivables which are past due but where no indication of non-recoverability has been identified is as follows:

	2025 £m	*2024 £m*
Up to 30 days overdue	**4.8**	*3.8*
Between 31 and 90 days overdue	**0.4**	*1.7*
Between 91 and 150 days overdue	**0.1**	*0.9*
More than 150 days overdue	**4.9**	*2.9*
	10.2	*9.3*

Trade receivables and contract assets are stated after deducting allowances for expected credit losses, as follows:

	2025 £m	*2024 £m*
Allowance at 1 July	**6.5**	*6.5*
Amounts utilised	**(1.5)**	*(0.5)*
Provided during the year	**0.8**	*0.5*
Allowance at 30 June	**5.8**	*6.5*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets.

To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced over the five year period prior to the period end. The historical loss rates are then considered for current and forward-looking information on macroeconomic factors affecting the Group's customers. No adjustments were made to the expected loss rates applied for the current year. The Group's expected loss rate for receivables is 0.4% (2024: 0.4%). At 30 June 2025 the lifetime expected loss provision for trade receivables and contract assets is as follows:

30 June 2025	**Current £m**	**<30 days overdue £m**	**31-90 days overdue £m**	**91-150 days overdue £m**	**>150 days overdue £m**	**Total £m**
Gross carrying amount						
- Trade receivables	**46.8**	**4.7**	**0.6**	**0.5**	**9.8**	**62.4**
- Contract assets	**24.4**	**-**	**-**	**-**	**-**	**24.4**
	71.2	**4.7**	**0.6**	**0.5**	**9.8**	**86.8**
Loss provision - Expected	**0.3**	**-**	**-**	**-**	**-**	**0.3**
Loss provision - Specific	**0.2**	**0.1**	**0.1**	**0.1**	**5.0**	**5.5**
	0.5	**0.1**	**0.1**	**0.1**	**5.0**	**5.8**

30 June 2024	Current £m	<30 days overdue £m	31-90 days overdue £m	91-150 days overdue £m	>150 days overdue £m	Total £m
Gross carrying amount						
- Trade receivables	**55.2**	**4.0**	**1.9**	**1.4**	**7.5**	**70.0**
- Contract assets	**26.4**	**-**	**-**	**-**	**-**	**26.4**
	81.6	**4.0**	**1.9**	**1.4**	**7.5**	**96.4**
Loss provision - Expected	**0.4**	**-**	**-**	**-**	**-**	**0.4**
Loss provision - Specific	**0.6**	**0.2**	**0.2**	**0.5**	**4.6**	**6.1**
	1.0	**0.2**	**0.2**	**0.5**	**4.6**	**6.5**

£0.1m (2024: £0.1m) of the £5.8m (2024: £6.5m) lifetime expected loss provision relates to the contract assets.

In addition to the expected credit loss model, the Group's policy is to also consider a specific provision for trade receivables outstanding for more than 30 days beyond the agreed terms, or where the business environment indicates a specific risk. Management will make an assessment of the level of provision based on the Group policy. Adjustments to the calculated level of provision will be made accordingly.

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality. For further information on how the Group manages credit risk see note 33.

22. Contract assets

	2025 £m	*2024 £m*
Balance at 1 July	**26.3**	*33.3*
Transfers from contract assets recognised at the beginning of the year to receivables	**(1.9)**	*(6.9)*
Impairment of a contract asset	**-**	*(0.1)*
Balance at 30 June	**24.4**	*26.3*

The decrease in contract assets in the year is driven principally by regular business as usual movements within accrued income. Other than business-as-usual movements there were no significant changes in contract asset balances during the year.

In addition to the contract balances disclosed above, the Group has also recognised an asset in relation to the prepayment of costs to fulfil a contract. This is presented within other receivables in the balance sheet and totalled £0.2m (2024: £0.5m). Amortisation recognised as a cost of providing services during the year was £0.1m (2024: £0.2m).

Ageing of these contract assets and their expected credit losses is included in note 21.

23. Trade and other liabilities

	2025 £m	*2024 £m*
Current		
Trade payables	**56.6**	*51.0*
Other payables	**11.6**	*5.1*
Accruals	**50.2**	*61.6*
Other payables - tax and social security payments	**25.2**	*19.5*
Total current trade and other liabilities	**143.6**	*137.2*

24. Contract liabilities

	2025 £m	*2024 £m*
Current	**108.1**	*94.0*
Non-current	**270.7**	*315.0*
	378.8	*409.0*

	2025 £m	*2024 £m*
Balance at 1 July	**409.0**	*452.9*
Revenue recognised that was included in the contract liability balance at the beginning of the year	**(61.7)**	*(115.7)*
Increases due to cash received, excluding amounts recognised as revenue during the year	**31.5**	*71.8*
Balance at 30 June	**378.8**	*409.0*

Other than business-as-usual movements there were no significant changes in contract liability balances during the year.

25. Borrowings

		2025 £m	2024 £m
Non-current			
Bank loans		**11.8**	*16.1*
Other loans		**1,260.0**	*1,337.7*
Shareholder loan notes		**2,148.1**	*2,148.1*
Lease liabilities	30	**37.6**	*43.8*
		3,457.5	*3,545.7*
Current			
Senior bonds, notes and private placements		**75.0**	*48.1*
Accrued interest on shareholder loan notes		**5,201.5**	*4,314.4*
Accrued interest on junior and senior financing		**13.2**	*23.1*
Bank facilities		**20.0**	*-*
Lease liabilities	30	**17.3**	*17.0*
		5,327.0	*4,402.6*
Total loans and borrowings		**8,784.5**	*7,948.3*

Interest payments on shareholder loan notes have been deferred as disclosed within section (h) below.

The currency profile of the Group's loans and borrowings is as follows:

	2025 £m	2024 £m
GBP Sterling	**8,698.3**	*7,855.0*
US Dollar	**86.2**	*93.3*
	8,784.5	*7,948.3*

Included within the £8,784.4m (2024: £7,948.3m) are debt issue costs of £14.9m (2024: £19.2m). Total borrowings excluding these amounts are £8,799.4m (2024: £7,967.5m), which comprise debt principal and interest, the maturity of which is included in the table below.

	2025 £m	*2024 £m*
Borrowings falling due within:		
One year	**5,327.0**	*4,402.6*
One to five years	**2,713.6**	*2,576.4*
More than five years	**758.8**	*988.5*
	8,799.4	*7,967.5*

At 30 June 2025 borrowings falling due within more than five years includes £655.2m (2024: £655.2m) of shareholder loan notes repayable between March 2029 and March 2030.

The weighted average interest rate of borrowings (excluding shareholder interest as described above) is 8.0% (2024: 8.0%).

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Bank loans form part of the Group's senior debt. Other loans comprise the Group's senior bonds and notes and junior loan. A summary of the movement in borrowings during the financial year is given below:

	Senior debt - institutional term loan (a) £m	Senior debt - European Investment Bank (b) £m	Project Debt (c) £m	Bank facilities (d) £m	Senior bonds, notes and US private placement (e) £m	Junior loan (f) £m	Total bank loans and private placements £m	Lease liabilities (g) £m	Share - holder loan notes (h) £m	Total borrowings excluding accrued interest £m
At 1 July 2023	90.0	172.0	19.7	15.0	750.4	450.0	1,497.1	69.0	2,148.1	3,714.2
Amounts drawn	-	-	-	-	250.0	-	250.0	-	-	250.0
Amounts repaid	(90.0)	(172.0)	(3.6)	(15.0)	(45.3)	-	(325.9)	-	-	(325.9)
Foreign currency adjustments	-	-	-	-	(0.1)	-	(0.1)	-	-	(0.1)
Lease movements	-	-	-	-	-	-	-	(8.2)	-	(8.2)
At 30 June 2024	-	-	16.1	-	955.0	450.0	1,421.1	60.8	2,148.1	3,630.0
Amounts drawn	-	-	-	103.0	-	-	103.0	-	-	103.0
Amounts repaid	-	-	(4.3)	(83.0)	(48.1)	-	(135.4)	-	-	(135.4)
Foreign currency adjustments	-	-	-	-	(7.2)	-	(7.2)	-	-	(7.2)
Lease movements	-	-	-	-	-	-	-	(5.9)	-	(5.9)
At 30 June 2025	-	-	11.8	20.0	899.7	450.0	1,381.5	54.9	2,148.1	3,584.5

The Group's borrowings outlined in the table above incorporate:

(a) an institutional term loan of £nil (2024: £nil), fully repaid in July 2023.

(b) a loan from the European Investment Bank of £nil (2024: £nil), fully repaid in July 2023.

(c) The Comms Hub Receivables Purchasing ('CHuRP') project debt reflects the amount outstanding under the original bank facility set up to fund the initial tranche of communications hubs purchases. At 30 June 2025, a balance outstanding was £11.8m (2024: £16.1m). This loan has floating interest rate of SONIA+2.53% and is expected to amortise over time with the final maturity in June 2028.

(d) The previous working capital facility was repaid in the prior year and a new facility was drawn during the current year. This facility is floating rate in nature with a margin over SONIA of 120 bps. Arqiva Financing No1 Limited ('AF1') is the borrower under all these arrangements. The Group has £265.0m (2024: £285.0m) of undrawn senior debt facilities available and £70.0m (2024: £70.0m) of undrawn junior debt facility available. These facilities are at floating interest rates. For further information on the Group's liquidity risk management, see note 33.

(e) a combination of publicly listed bonds and US private placement notes.

As at 30 June 2025, the Group has £613.9m (2024: £640.6m) sterling denominated bonds outstanding with fixed interest rates ranging between 4.88% and 7.21% (2024: 4.88% and 7.21%). These bonds are repayable between December 2024 and December 2032 and are listed on the London Stock Exchange. Arqiva Financing Plc is the issuer of all the Group's senior listed bonds.

The remaining senior notes relate to a number of US private placements issued in sterling and US dollars with floating interest rates. The Group has £199.7m (2024: £221.1m) of sterling denominated floating rate US private placements that are amortising in nature with repayments due between December 2024 and December 2029. These instruments have a margin over SONIA of between 238 and 248 bps.

In addition, the Group has £86.2m (2024: £93.3m) of US dollar denominated fixed rate US private placements. At the hedged rate these are valued at £95.1m (2024: £95.1m). These notes have fixed interest rates of 6.24% and have an amortising repayment profile commencing in December 2027 with a final maturity date of June 2031.

Arqiva PP Financing Plc ('APPF') is the issuer of all the Group's private placement notes.

The fair value of the quoted senior bonds based upon observable market prices (fair value hierarchy level 1) was £628.0m (2024: £646.3m) whilst their carrying value was £613.9m (2024: £640.6m).

The directors consider the fair value of all other unquoted borrowings to be a close approximate to their carrying amount.

(f) Junior loan of £450.0m represent amounts raised by Arqiva Financing No 2 Ltd.

The £450.0m junior debt comprises of £138.9m (2024: £138.9m) loan at an average fixed rate of 9.1% (2024: 9.1%) and £311.1m (2024: £311.1m) at floating rate with a margin of 5% over SONIA. Arqiva Financing No 2 Limited (a subsidiary of the Group) is the borrower of this arrangement.

The directors consider the fair value of the junior borrowings to be a close approximation of their carrying amount.

A refinancing of this facility has been completed post year end discussed in note 39

(g) Obligations under leases are as defined within note 30.

(h) Shareholder loan notes which are unsecured, are listed on The International Stock Exchange (formerly The Channel Islands Stock Exchange), are repayable between March 2029 and March 2030, and cannot be called upon early. The shareholder loan notes carry a fixed rate of interest ranging between 13% and 14% applicable to the capital and unpaid interest which can be deferred at the option of the Group subject to certain conditions, qualification of which are subject to bi-annual review. The Group has exercised this option to defer interest payments since 2009.

The Group's senior bonds and notes are structured within a Whole Business Securitisation package (WBS). These instruments have covenants attached, principally an interest and debt service cover ratio and a debt leverage ratio. The Group continues to comply with all covenant requirements.

There have been no breaches of the terms of the loan agreements during the current or previous year.

The value of the interest deferred on the shareholder loan notes at 30 June 2025 was £5,201.5m (2024: £4,314.4m).

26. Provisions

	Decommissioning £m	Restructuring £m	Remediation £m	Other £m	Total £m
At 1 July 2024	70.6	0.3	4.6	7.0	82.5
Charged to profit or loss	0.3	-	-	0.9	1.2
Revaluation through PPE	18.6	-	-	-	18.6
Released during the year	(0.3)	-	(1.1)	-	(1.4)
Unwind of discount	5.3	-	0.4	-	5.7
At 30 June 2025	**94.5**	**0.3**	**3.9**	**7.9**	**106.6**
Due within one year or less	3.4	-	0.3	0.1	3.8
Due after more than one year	91.1	0.3	3.6	7.8	102.8
	94.5	**0.3**	**3.9**	**7.9**	**106.6**

Decommissioning

Provisions are made for decommissioning costs where the Group has an obligation to restore sites and the cost of restoration is not recoverable from third parties.

The decommissioning provisions are reviewed annually and calculated using expected costs as determined by site and project management. The provision is in relation to assets for which the remaining useful economic life ranges up to 20 years, with the majority of the provision relating to TV and Radio products for which there is no material decommissioning expected before 2040 assuming the assets will be in good operating order throughout their estimated useful lives. A discount rate of 8.0% (2024: 8.0%) has been applied in calculating the decommissioning provision based on the Group's weighted average cost of capital. This year we have an increased in PPE of £18.6m (2024: decrease of £2.1m) as disclosed in note 16. This increase is due to a combination of the discount rate increasing (2024: increase) and increases in budgeted costs to decommission a number of our sites, as a result of managements periodic review of the cost budgets.

Restructuring

The restructuring provision relates to the costs of exceptional activities to reorganise the Group.

Remediation

The remediation provision represents the cost of works identified as being required across a number of the Group's sites and is expected to be utilised over the next one to ten years.

Other

Other provisions represent a variety of smaller items which are expected to be utilised over the next one to ten years.

27. Share capital

Authorised

	2025 Number	2025 £m	*2024 Number*	*2024 £m*
Shares treated as equity				
Ordinary shares of £1.00 each	**653,928,000.0**	**653.9**	*653,928,000.0*	*653.9*
	653,928,000.0	**653.9**	*653,928,000.0*	*653.9*

Issued and fully paid

	2025 Number	2025 £m	*2024 Number*	*2024 £m*
Ordinary shares of £1.00 each				
At 1 July and 30 June	**653,928,000.0**	**653.9**	*653,928,000.0*	*653.9*

28. Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium

Amount subscribed for share capital in excess of nominal value.

Capital redemption reserve

Amounts transferred from share capital on redemption of issued shares.

Foreign exchange reserve

Gains/losses arising on retranslating the net assets of overseas operations into £.

Accumulated losses

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

29. Non-controlling interests

	2025 £m	*2024 £m*
Balance at beginning of the year	**2.0**	*1.8*
Share of profit for the year	**0.3**	*0.3*
Dividends paid	**(0.1)**	*(0.1)*
	2.2	*2.0*

30. Lease liabilities

(i) Leases as a lessee

The Group holds lease arrangements primarily relating to land and buildings, circuit contracts and vehicles.

Maturity analysis of the lease liabilities based on the remaining period at the consolidated statement of financial position date to the contractual maturity date are as follows:

	2025 £m	*2024 £m*
Within one year	**17.3**	*17.0*
Between one and two years	**10.6**	*12.1*
Between two and five years	**11.6**	*15.1*
After five years	**15.4**	*16.6*
	54.9	*60.8*
Lease liabilities included in the Consolidated statement of financial position at 30 June	**54.9**	*60.8*
Non-current	**37.6**	*43.8*
Current	**17.3**	*17.0*

The liquidity risk considerations are disclosed in note 33. Right-of-use assets are disclosed in note 16.

The following amounts in respect of leases have been recognised in profit or loss:

	2025 £m	*2024 £m*
Interest expense on lease liabilities	**4.0**	*4.4*
Expense relating to variable lease payments not included in the measurement of lease liabilities	**2.5**	*2.9*

The total cash outflow for leases in 2025 was £25.4m (2024: £25.1m).

31. Retirement benefits

Defined contribution scheme
The Group has operated a Defined Contribution Scheme during the year. Contributions payable in respect of this Scheme for the year were £6.8m (2024: £6.5m). The assets of the Scheme are held outside of the Group.

An amount of £1.1m (2024: £1.0m) is included in accruals being the outstanding contributions to the Defined Contribution Scheme.

(i) Defined benefit scheme characteristics and funding

In the year to 30 June 2025, the Group operated one Defined Benefit Plan, sponsored by Arqiva Limited. The Defined Benefit Plan is administered by a separate entity that is legally separated from the Group, and therefore the Plan assets are held separately from those of Arqiva Limited. The Trustees of the Plan are required by law to act in the interests of the Plan and of all relevant stakeholders in the Plan. The Trustees are responsible for the investment policy with regards to the assets of the Plan.

On 5 April 2024, a Pension buy-in was completed whereby the Plan assets were exchanged for a bulk annuity agreement, allowing cover to the Plan's liabilities by third party insurers while retaining management responsibility within the scheme. The Pension buy-in was intended to manage the Plan's exposure to market volatility in relation to its assets and enhance its funding resilience on future pension payments.

Plan assets held in the fund are governed by local regulations and practice in the United Kingdom. Responsibility for the governance of the plan including investment decisions and contribution schedules lies jointly with the company and the board of trustees of the fund.

The Plan typically exposes the Group to risks such as: investment risk, interest rate risk, longevity risk, and salary risk. However, following the insurance buy-in in 2024, these risks have been largely mitigated as changes in the IAS19 liability are offset by changes in the IAS19 value of the buy-in.

The schemes are exposed to a number of risks, including:

Investment risk
The present value of the defined benefit Plan liability for IAS19 purposes is calculated using a discount rate determined by reference to high quality corporate bond yields, which is different to how the Plan assets are invested. Following the buy-in transaction, the Plan's primary asset is the insurance policy. The terms of the policy provide a low investment risk, as the insurer makes regular payments to the Plan broadly equal to the benefit payments due to all members. Under accounting regulation IAS19.115, where the income received from a buy-in insurance contract matches exactly the benefit payments due to the members, the value attributable to the contract to be recognised as an asset is the IAS19 value of the corresponding liabilities. Noting that the Trustee secured some additional benefits as part of the transaction and some enhanced benefits are not covered in the policy, these have also been reflected in the value of the asset.

Interest risk
A decrease in the bond interest rate will increase the valuation of the Plan’s IAS19 liability but this will be partially offset by an increase in the value of the Plan’s government bond investments.

Longevity risk
The present value of the defined benefit Plan liability is calculated by reference to a best estimate of the mortality of Plan participants both during and after their retirement. An increase in the life expectancy of the Plan participants will increase the Plan’s assessed liability.

31. Retirement benefits (continued)

(i) Defined benefit scheme characteristics and funding (continued)

Salary risk
The present value of the defined benefit Plan liability is calculated by reference to the future salaries of Plan participants. As such, an increase in the salary of the Plan participants will increase the Plan's liability.

The Plan closed to the future accrual of benefits on 31 January 2016. The weighted average duration of the expected benefit payments from the Plan is around 15 years.

The triennial valuation carried out as at 30 June 2023, has been used for the present value measurement of the defined benefit liability. This was carried out by an independent firm of consulting actuaries. The present value of the IAS19 defined benefit liability, and the related current service cost and past service cost, have been measured using the projected unit credit method based on roll-forward updates to the latest triennial valuation figures.

(ii) Reconciliation of defined benefit obligation and fair value of scheme assets

All defined benefit schemes are exposed to materially the same risks and therefore the reconciliation below is presented in aggregate.

31. Retirement benefits (continued)

	Defined benefit obligation		Fair value of scheme assets		Net defined scheme liability	
	2025 £m	*2024 £m*	**2025 £m**	*2024 £m*	**2025 £m**	*2024 £m*
Balance at 1 July	**165.6**	*158.9*	**(174.9)**	*(210.1)*	**(9.3)**	*(51.2)*
Service cost - past	**2.0**	*(0.1)*	**0.8**	*0.1*	**2.8**	*-*
Interest income/(expense)	**8.4**	*8.2*	**(8.9)**	*(10.6)*	**(0.5)**	*(2.4)*
Included in profit or loss	**176.0**	*167.0*	**(183.0)**	*(220.6)*	**2.3**	*(2.4)*
Remeasurement loss Actuarial (loss)/gain from:						
- Demographic assumptions	**(0.7)**	*(1.7)*	**-**	*-*	**(0.7)**	*(1.7)*
- Financial assumptions	**(12.3)**	*(1.3)*	**-**	*-*	**(12.3)**	*(1.3)*
- Adjustments ((income)/expense)	**(0.1)**	*8.7*	**-**	*-*	**(0.1)**	*8.7*
Return on plan assets (excluding interest)	**-**	*-*	**13.3**	*38.6*	**13.3**	*38.6*
Included in other comprehensive expense	**(13.1)**	*5.7*	**13.3**	*38.6*	**0.2**	*44.3*
Employer contributions	**-**	*-*	**(0.1)**	*-*	**(0.1)**	*-*
Benefits paid	**(6.9)**	*(7.1)*	**6.9**	*7.1*	**-**	*-*
Other movements	**(6.9)**	*(7.1)*	**6.8**	*7.1*	**(0.1)**	*-*
Balance at 30 June	**156.0**	*165.6*	**(162.9)**	*(174.9)*	**(6.9)**	*(9.3)*

31. Retirement benefits (continued)

Represented by:

Arqiva Defined Benefit Pension Plan

Composition of plan assets:

	Quoted £m	**Unquoted £m**	**2025 Total £m**	*Quoted £m*	*Unquoted £m*	*2024 Total £m*
Government bonds	2.0	-	2.0	8.0	-	8.0
Cash and cash equivalents	6.0	-	6.0	0.3	-	0.3
Insurance policies	-	154.9	154.9	-	166.6	166.6
Total plan assets	8.0	154.9	162.9	8.3	166.6	174.9

31. Retirement benefits (continued)

As of 30 June 2025, the Plan's assets comprise predominantly of the insurance policy as a result of the Pension buy-in which was completed in April 2024. As at 30 June 2025, none of the Plan's bonds were unquoted. The government bonds have quoted prices in active markets.

No amounts within the fair value of the Plan assets are in respect of the Group's own financial instruments or any property occupied by, or assets used by, the Group.

The triennial valuation carried out as at 30 June 2023, and was approved and signed in November 2024. This valuation has been used for the purposes of measuring the plan assets and the present value of the defined benefit liability. This was carried out by an independent firm of consulting actuaries. The present value of the IAS19 defined benefit liability, and the related current service cost and past service cost, have been measured using the projected unit credit method based on roll-forward updates to the latest triennial valuation figures. Following completion of the valuation as at 30 June 2023, the Plan has now agreed to take on (and pay/reimburse) all fees of the Plan. The costs incurred will no longer be costs of Arqiva Ltd.

An amount of £7m was placed in an escrow account in September 2023 intended to settle any remaining obligations becoming due under the previous agreement to pay deficit contributions. During the year the escrow requirement was relinquished and the funds returned to the company with no residual escrow arrangement. Following the Pension buy-in and the remeasurement exercise, it was determined that a surplus of £4m remains with the Plan after considering prudent provisions on future payments. Such amount is included in the cash balance of the Plan assets.

Virgin Media Case
In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate necessary. The High Court's decision has wide ranging implications, affecting other schemes that were contracted-out on a salary-related basis, and made amendments between April 1997 and April 2016.

The Arqiva Defined Benefit Pension Plan was contracted out until 31 January 2016 and it has been identified that two minor corrective amendments were made during the relevant period that could be impacted by this.

The Court of Appeal upheld the 2023 High Court ruling in July 2024 and there are plans to progress investigations into any potential impact for the Plan. The UK Government stated in June 2025, that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. This is expected to limit potential impacts from the court ruling.

As detailed investigations are yet to be progressed, the Group considers that the amount of any potential impact on the Defined Benefit Obligation cannot be confirmed and/or measured with sufficient reliability at the 30 June 2025 year end. The potential impact on the Group continues to be assessed and will be reviewed again at the 30 June 2026 year end when we expect further clarity to be available.

31. Retirement benefits (continued)

Actuarial assumption

The principal actuarial assumptions used in the determining calculating the present value of the defined benefit obligation (weighted average) include:

	2025	*2024*
Discount rate	**5.60 %**	*5.20 %*
Increase in inflation - RPI	**2.90 %**	*3.20 %*
Increase in inflation - CPI	**2.40 %**	*2.60 %*
Longevity at retirement age (current pensioners)		
- Males	**25.6 years**	*25.6 years*
- Females	**28.6 years**	*28.5 years*
Longevity at retirement age (future pensioners)		
- Males	**27.5 years**	*27.4 years*
- Females	**30.3 years**	*30.2 years*

The weighted-average duration of the defined benefit obligation at *30 June* 2025 was 15.0 years (*2024*: *15* years).

. Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below:

	2025 £m	*2024 £m*
Increase in defined benefit obligation:		
Discount rate -0.10%	**1.9**	*2.3*
Inflation (RPI and CPI) +0.10%	**1.3**	*1.4*
CPI +0.10%	**0.1**	*0.1*
Nil commutation	**0.7**	*0.4*
Life Expectancy +1 year	**4.2**	*5.5*

This sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

32. Derivative financial instruments

	2025 £m	*2024 £m*
Derivative financial assets		
Interest rate swaps - cash flow hedges	**13.8**	*15.7*
Total derivative financial assets	**13.8**	*15.7*
Non-current	**13.8**	*15.7*
Total derivative financial assets	**13.8**	*15.7*

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the Consolidated Statement of financial position.

	2025 £m	*2024 £m*
Derivative financial liabilities		
Forward foreign exchange contracts	**(0.8)**	*6.2*
Interest rate swaps - fair value hedges	**123.6**	*172.0*
Total derivative financial liabilities	**122.8**	*178.2*
Non-current	**122.8**	*178.2*
Total derivative financial liabilities	**122.8**	*178.2*

33. Financial instruments - fair values and risk management

33.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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).

		Carrying amount			Fair value	
30 June 2025	Note	Fair value - hedging instruments	Amortised cost	Total	Level 2	Total
		£m	£m	£m	£m	£m
Financial assets measured at fair value						
Interest rate swaps used for hedging	32	13.8	-	13.8	13.8	13.8
		13.8	-	13.8		
Financial assets not measured at fair value						
Trade and other receivables	21	-	57.0	57.0	-	-
Cash and cash equivalents	37	-	33.4	33.4	-	-
		-	90.4	90.4		
Financial liabilities measured at fair value						
Interest rate swaps used for hedging	32	123.6	-	123.6	123.6	123.6
Forward exchange contracts used for hedging	32	(0.8)	-	(0.8)	(0.8)	(0.8)
		122.8	-	122.8		

33. Financial instruments - fair values and risk management (continued)

33.1 Accounting classifications and fair values (continued)

		Carrying amount			Fair value	
30 June 2025	Note	Fair value - hedging instruments	Amortised cost	Total	Level 2	Total
		£m	£m	£m	£m	£m
Financial liabilities not measured at fair value						
Borrowings	25	-	3,529.8	3,529.8	-	-
Interest on borrowings	25	-	13.2	13.2	-	-
Interest on shareholder loan notes	25	-	5,201.5	5,201.5	-	-
Financial lease liabilities	30	-	54.9	54.9	-	-
Trade and other liabilities	23	-	143.6	143.6	-	-
		-	8,943.0	8,943.0		

33. Financial instruments - fair values and risk management (continued)

33.1 Accounting classifications and fair values (continued)

		Carrying amount			Fair value	
30 June 2024	Note	Fair value - hedging instruments	Amortised cost	Total	Level 2	Total
		£m	£m	£m	£m	£m
Financial assets measured at fair value						
Interest rate swaps used for hedging	32	15.7	-	15.7	15.7	15.7
		15.7	-	15.7		
Financial assets not measured at fair value						
Trade and other receivables	21	-	63.6	63.6	-	-
Cash and cash equivalents	37	-	35.2	35.2	-	-
		-	98.8	98.8		
Financial liabilities measured at fair value						
Interest rate swaps used for hedging	32	172.0	-	172.0	172.0	172.0
Forward exchange contracts used for hedging	32	6.2	-	6.2	6.2	6.2
		178.2	-	178.2		
Financial liabilities not measured at fair value						
Borrowings	25	-	3,569.2	3,569.2	-	-
Interest on borrowings	25	-	23.1	23.1	-	-
Interest on shareholder loan notes	25	-	4,314.4	4,314.4	-	-
Financial lease liabilities	30	-	60.8	60.8	-	-
Trade and other liabilities	23	-	137.2	137.2	-	-
		-	8,104.7	8,104.7		

33. Financial instruments - fair values and risk management (continued)

33.2 Financial risk management objectives

The Group's treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group using financial instruments wherever it is appropriate to do so.

The treasury function reports into the Chief Financial Officer and the Group's Board of Directors and the Audit and Risk Committee, an independent function with a scope that includes monitoring the risks and policies implemented to mitigate risk exposures. The main risks addressed by financial instruments are interest rate risk and foreign currency exchange risk. The Group's policies in respect of these risks remain unchanged throughout the year.

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency and interest rate risk, including:
- Interest rate swaps, including inflation-linked swaps, to mitigate the risk of movement in interest rates; and
- Cross currency swaps to mitigate the risk of currency exposures on foreign denominated borrowings; and
- Forward foreign exchange contracts to manage exchange risks arising from transactional foreign exchange exposures.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

33. Financial instruments - fair values and risk management (continued)

33.3 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	2025	*2024*	**2025**	*2024*
	£m	*£m*	**£m**	*£m*
US Dollar	**7.6**	*8.0*	**0.9**	*1.2*
Euro	**3.5**	*2.9*	**5.2**	*9.8*
Others	**-**	*-*	**-**	*0.1*
	11.1	*10.9*	**6.1**	*11.1*

Foreign currency exchange risk can be subdivided into two components, translation risk and transactional risk.

Translation risk
The Group translates overseas results and net assets in accordance with the accounting policy in note 4. Given the Group predominantly operates in the UK, there is a relatively small exposure with overseas entities accounting for only 0.1% (2024: 0.0%) of operating profit and 0.2% (2024: 0.2%) of total assets for the Group

Transactional risk
The Group's policy is to hedge material transactional currency exposures via the use of forward foreign exchange contracts. The measurement and control of this risk is monitored on a Group–wide basis.

The Group holds cross currency swaps (nominal value 2025: USD 118.0m; 2024: USD 118.0m) to fix the exchange rate to $1.241/£1 in relation to US dollar denominated senior notes (nominal value 2025: USD 118.0m; 2024: USD 118.0m). This provides an effective economic hedge of the foreign currency impact on the Sterling cost of future interest and capital repayment obligations.

After taking into account our hedging activities, management does not consider there to be a material residual exposure to exchange rates. Accordingly no sensitivity analysis has been presented.

33. Financial instruments - fair values and risk management (continued)

33.4 Interest rate risk management

The Group has variable rate bank and US private placement debt and uses interest rate swaps ('IRS') and inflation-linked swaps ('ILS') to hedge its exposure to rising interest rates. The Group maintains a hedging policy to manage interest rate risk and to ensure the certainty of future interest cash flows. The Group has fixed rate hedging, split between IRS and ILS. IRS convert variable rate interest costs to fixed rate interest costs while ILS convert fixed or variable rate interest costs to RPI-linked costs, which fluctuate in line with the RPI index as do a portion of the Group's revenue contracts. These swaps are entered into on terms (including maturity) that mirror the debt instrument they hedge, and therefore act as an effective economic hedge.

As the Group uses hedging to maintain fixed interest rates on the majority of its material borrowings (excluding revolving facilities), there is minimal exposure on the interest expense to interest rate movements. A rise or fall in interest rates would therefore not materially impact the interest expense payable by the Group.

33.5 Credit risk management

The Group carefully manages the counterparty credit risk on liquid funds and derivative financial instruments with balances currently spread across a range of major financial institutions, which have credit ratings not lower than A - assigned by international credit rating agencies. The levels of credit risk are monitored through the Group's ongoing risk management processes, which include a regular review of counterparty credit ratings. Risk in this area is limited further by setting a maximum level and term for deposits with any single counterparty.

The Group is exposed to credit risk on customer receivables, which is managed through credit-checking procedures prior to taking on new customers and higher risk customers paying in advance of services being provided. Performance is closely monitored to ensure agreed service levels are maintained, reducing the level of queried payments and mitigating the risk of uncollectible debts. Expected impairment for trade receivables are calculated based on historical default rates. Details of this provision are shown in note 21.

33. Financial instruments - fair values and risk management (continued)

33.6 Liquidity risk management

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

30 June 2025	Carrying amount £m	Total £m	Less than 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
Borrowings	3,529.7	3,529.7	95.0	55.5	2,635.8	743.4
Interest on borrowings	13.2	270.1	80.9	74.5	108.6	6.1
Interest on shareholder loan notes	5,201.5	5,201.5	5,201.5	-	-	-
Finance lease liabilities	54.9	54.9	17.3	10.6	11.6	15.4
Trade and other liabilities	143.6	143.6	143.6	-	-	-
	8,942.9	9,199.8	5,538.3	140.6	2,756.0	764.9

33. Financial instruments - fair values and risk management (continued)

33.6 Liquidity risk management (continued)

30 June 2024	Carrying amount £m	Total £m	Less than 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
Borrowings	3,569.2	3,569.2	48.1	75.0	2,474.1	972.0
Interest on borrowings	23.1	369.1	94.4	82.4	170.5	21.8
Interest on shareholder loan notes	4,314.4	4,314.4	4,314.4	-	-	-
Finance lease liabilities	60.8	60.8	17.0	12.1	15.1	16.6
Trade and other liabilities	137.2	137.2	137.2	-	-	-
	8,104.7	8,450.7	4,611.1	169.5	2,659.7	1,010.4

The difference in the carrying amount of interest on borrowings and its ageing profile is amounts of interest to be incurred in future periods of £255.8m (2024: £346.0m).

Repayment of interest on shareholder loan notes has been deferred since 2009 as detailed in note 25.

33. Financial instruments - fair values and risk management (continued)

33.6 Liquidity risk management (continued)

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

	Less than 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
30 June 2025				
Net settled:				
- interest rate swaps	(2.1)	(1.5)	(4.5)	-
- inflation linked interest rate swaps	117.1	50.9	-	-
- currency swaps	1.2	1.2	8.8	2.3
	116.2	50.6	4.3	2.3

33. Financial instruments - fair values and risk management (continued)

33.6 Liquidity risk management (continued)

	Less than 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
30 June 2024				
Net settled:				
- interest rate swaps	(6.5)	(2.9)	(6.5)	(0.1)
- inflation linked interest rate swaps	74.4	64.9	55.9	-
- currency swaps	0.7	0.8	3.3	2.0
	68.6	62.8	52.7	1.9

The difference between the carrying amount of interest rate swaps asset of £13.8m (2024: £15.7m) and its ageing profile balance of £8.1m (2024: £16.0m) arises entirely due to the effect of discounting.

The difference between the carrying amount of inflation linked interest rate swaps liabilities of £123.6m (2024: £172.0m) and its ageing profile balance of £168.0m (2024: £195.2m) arises entirely due to the effect of discounting.

The difference between the carrying amount of cross-currency swaps assets of £0.8m (2024: liabilities of £6.2m) and its ageing profile balance of £13.4m (2024: £6.8m) arises entirely due to the effect of discounting.

33. Financial instruments - fair values and risk management (continued)

33.6 Liquidity risk management (continued)

Financing facilities

	2025 £m	*2024 £m*
Secured loan facility:		
- amount used	**20.0**	-
- amount unused	**335.0**	*355.0*
	355.0	*355.0*

33.7 Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and liabilities.

Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/liabilities	**Fair value at year end**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
	2025 £m	*2024 £m*		
Interest rate swaps	14	16	Level 2	The fair value is calculated using a risk-adjusted discount rate.
Inflation linked interest rate swaps	(124)	(172)	Level 2	The fair value is calculated using a risk-adjusted discount rate.
Cross-currency swaps	1	(6)	Level 2	The fair value is calculated using a risk-adjusted discount rate.

33. Financial instruments - fair values and risk management (continued)

33.7 Fair value measurements (continued)

Fair value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value. For details of the fair value hierarchy and valuation techniques related to determining the fair value of loans and borrowings refer to note 25.

34. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Levels of debt are maintained on an ongoing basis to ensure that no breaches occur to our covenant levels and repayments can be and are made as necessary with refinancing carried out as required.

As at 30 June 2025, the Group had senior debt borrowings classified as non-current liabilities. These facilities include covenants which the Group must comply with within 12 months of the reporting date, i.e. by 30 June 2026.

The covenants include the following ratios that are assessed every 6 months:

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

The Group is required to comply with these covenants based on financial results for the year ending 30 June 2026.

The carrying amount of the related liabilities is £974.6m.

Based on current forecasts, the Group expects to remain compliant.

As at 30 June 2025, the Group held a junior loan facility that was subject to financial covenants. This facility was refinanced in July 2025, and as a result, the covenants associated with the original loan will no longer apply to the Group during the 12-month period following the reporting date.

The group has complied with these requirements throughout the year ended 30 June 2025.

35. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Transactions with the Group's pension scheme are disclosed in note 31.

The disclosure of transactions with related parties reflects the periods in which the related party relationships exist. The disclosure of amounts outstanding to/from related parties at the reporting date reflects related party relationships at that date.

35.1 Trading transactions

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

	Sales of goods		Purchases of goods	
	2025	*2024*	**2025**	*2024*
	£m	*£m*	**£m**	*£m*
Entities under common influence	**22.7**	*37.3*	**-**	*-*
Associates	**0.1**	*0.2*	**-**	*-*
Joint ventures	**5.5**	*5.3*	**2.0**	*2.6*
	28.3	*42.8*	**2.0**	*2.6*

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

	Amounts owed by related parties		Amounts owed to related parties	
	2025	*2024*	**2025**	*2024*
	£m	*£m*	**£m**	*£m*
Entities under common influence	**5.5**	*4.6*	**-**	*-*
Associates	**-**	*-*	**-**	*-*
Joint ventures	**-**	*-*	**0.2**	*0.2*
	5.5	*4.6*	**0.2**	*0.2*

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.

35.2 Other related party transactions

There are two investor companies, Digital 9 Infrastructure ('D9') and Macquarie European Infrastructure Fund II ('MEIF II'), which are related parties with the Group in accordance with IAS 24, by virtue of significant shareholding in the Group, and another two Companies, Macquarie Global Infrastructure Funds II ('MGIF II') and Macquarie Prism who are related parties by virtue of common influence.

35. Related party transactions (continued)

35.2 Other related party transactions (continued)

Other related party transactions are as follows:

Related party	Type of transaction	Transaction amount 2025 £m	Transaction amount *2024 £m*	Balance owed 2025 £m	Balance owed *2024 £m*
MGIF II	Shareholder loan notes	**-**	-	**12.8**	*12.8*
MGIF II	Interest payable on loan notes	**4.4**	*3.9*	**24.5**	*20.1*
MEIF II	Shareholder loan notes	**-**	-	**626.6**	*626.6*
MEIF II	Interest payable on loan notes	**226.0**	*199.2*	**1,244.1**	*1,018.1*
Macquarie Prism	Shareholder loan notes	**-**	-	**9.3**	*9.3*
Macquarie Prism	Interest payable on loan notes	**7.7**	*6.8*	**54.5**	*46.8*
D9	Shareholder loan notes	**-**	-	**1,208.4**	*1,208.4*
D9	Interest payable on loan notes	**436.1**	*384.3*	**2,400.2**	*1,964.1*

36. Controlling parties

The Company is owned by a consortium of shareholders including Digital 9 Infrastructure, Macquarie European Infrastructure Fund II, other Macquarie managed funds and minorities.

The largest and smallest group in which the results of the Company are consolidated is that headed by Arqiva Group Limited.

37. Notes supporting statement of cash flows

	2025 £m	*2024 £m*
Cash at bank available on demand	**11.3**	*23.3*
Short-term deposits	**22.1**	*11.9*
Cash and cash equivalents	**33.4**	*35.2*

Included within cash and cash equivalents is:

£nil (2024: £7.0m) cash in an escrow account which is restricted and represents the amount intended to settle any remaining retirement obligations becoming due under a previous agreement to pay deficit contributions for the defined benefit retirement plan as discussed in note 31.

37. Notes supporting statement of cash flows (continued)

Significant non-cash transactions were as follows:

	2025 £m	*2024 £m*
Investing activities		
PPE purchased but not yet paid at year end	**11.9**	*10.7*

Financing activities

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

	Non-current loans and borrowings Note 25 **£m**	**Current loans and borrowings** Note 25 **£m**	**Accrued interest on shareholder loan notes** Note 25 **£m**	**Accrued interest on other borrowings** Note 25 **£m**	**Derivative financial instrument liabilities** Note 32 **£m**	**Total £m**
At 1 July 2024	**3,564.9**	**65.1**	**4,314.4**	**23.1**	**162.5**	**8,130.0**
Cash flows	**-**	**(32.5)**	**-**	**(124.1)**	**(43.3)**	**(199.9)**
Non-cash flows:						
Effects of foreign exchange	**(7.3)**	**-**	**-**	**-**	**-**	**(7.3)**
Changes in fair value	**-**	**-**	**-**	**-**	**(4.3)**	**(4.3)**
Other changes including accrued interest	**(85.2)**	**79.7**	**887.1**	**114.2**	**(5.9)**	**989.9**
At 30 June 2025	**3,472.4**	**112.3**	**5,201.5**	**13.2**	**109.0**	**8,908.4**

	Non-current loans and borrowings Note 25 £m	Current loans and borrowings Note 25 £m	Accrued interest on shareholder loan notes Note 25 £m	Accrued interest on other borrowings Note 25 £m	Derivative financial instrument liabilities Note 32 £m	Total £m
At 1 July 2023	**3,373.7**	**340.5**	**3,532.4**	**14.3**	**204.2**	**7,465.1**
Cash flows	**250.0**	**(350.8)**	**-**	**(108.5)**	**(53.4)**	**(262.7)**
Non-cash flows:						
Effects of foreign exchange	**(0.1)**	**-**	**-**	**-**	**0.1**	**-**
Changes in fair value	**-**	**-**	**-**	**-**	**11.8**	**11.8**
Other changes including accrued interest	**(58.7)**	**75.4**	**782.0**	**117.3**	**(0.2)**	**915.8**
At 30 June 2024	**3,564.9**	**65.1**	**4,314.4**	**23.1**	**162.5**	**8,130.0**

The movements above do not include issue costs associated with entering the borrowing arrangements (see note 25).

38. Commitments and contingent liabilities

Contingent liabilities

There is a contingent liability relating to Arqiva's Defined Benefit Pension Scheme as a result of a June 2023 High Court ruling in relation to Virgin Media's scheme. For further details see note 31.

Financing commitments

Under the terms of the Group's external debt facilities, the Group has provided security over substantially all of its assets by way of a Whole Business Securitisation structure.

Capital commitments

Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as a liability are payable as follows:

	2025 £m	*2024 £m*
Within one year	**4.0**	*4.7*
Within two to five years	**7.9**	*6.0*
More than five years	**-**	*-*
Total capital commitments	**11.9**	*10.7*

39. Events after the reporting date

Post year end in July 2025, 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 of 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.

40. Correction of material errors in prior periods

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. For the impairment assessment only 5 years were considered instead of extending the period beyond 2029 due to this known DCC contract change.

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 for the periods adjusted and note it to be immaterial. Management has considered the effect the adjustment to property, plant and equipment has to the depreciation charge for the periods adjusted and note it to be immaterial. Therefore, no restatement has been made to adjust reported depreciation charges and this will be subsequently corrected in year end June 2025 financial statements.

	30 June 2023 (Reported) £m	Impairment of assets £m	1 July 2023 (Restated) £m
Property, plant and equipment	**1,238.8**	**(10.2)**	**1,228.6**
Other intangible assets	**57.0**	**(1.7)**	**55.3**
Goodwill	**1,457.4**	**(117.8)**	**1,339.6**
Accumulated losses	**(5,800.4)**	**(129.7)**	**(5,930.1)**

ARQIVA GROUP LIMITED
REGISTERED NUMBER:05254001

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note		2025 £m		*2024 £m*
Current assets					
Debtors: amounts falling due after more than one year	7	**3.7**		*3.6*	
Debtors: amounts falling due within one year	7	**1.3**		*1.3*	
		5.0		*4.9*	
Creditors: amounts falling due within one year	8	**(20.4)**		*(19.2)*	
Net current liabilities			**(15.4)**		*(14.3)*
Total assets less current liabilities			**(15.4)**		*(14.3)*
Net liabilities			**(15.4)**		*(14.3)*
Capital and reserves					
Called up share capital	9		**653.9**		*653.9*
Share premium account	10		**315.6**		*315.6*
Capital redemption reserve	10		**4.7**		*4.7*
Profit and loss account	10		**(989.6)**		*(988.5)*
Total shareholders' deficit			**(15.4)**		*(14.3)*

The result for the financial year for the Company was a loss of £1.1m (2024: £1.1m).

The financial statements on pages 187 - 196 were approved and authorised for issue by the board and were signed on its behalf on 30 September 2025.

Scott Longhurst
Director

The notes on pages 189 to 196 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total shareholders' deficit
	£m	£m	£m	£m	£m
At 1 July 2023	**653.9**	**315.6**	**4.7**	**(987.4)**	**(13.2)**
Loss for the year	**-**	**-**	**-**	**(1.1)**	**(1.1)**
At 1 July 2024	**653.9**	**315.6**	**4.7**	**(988.5)**	**(14.3)**
Loss for the year	**-**	**-**	**-**	**(1.1)**	**(1.1)**
At 30 June 2025	**653.9**	**315.6**	**4.7**	**(989.6)**	**(15.4)**

The notes on pages 189 to 196 form part of these financial statements.

1. General information

As used in these financial statements and associated notes, the term ‘Company’ refers to Arqiva Group Limited.

Arqiva Group Limited is a private company limited by shares incorporated in the United Kingdom. The registered address of the Company is Crawley Court, Winchester, Hampshire, SO21 2QA.

2. Summary of material accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

New and revised Standards and Interpretations have been adopted in the current year, a list of which can be found in note 2 of the Group consolidated financial statements. Adopted standards had no material impact on the Company during the period.

The following disclosure exemptions, as permitted by paragraph 8 of FRS 101, have been taken in these Company financial statements and notes:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures

2.3 Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. 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 any severe but plausible scenarios.

The Company adopts the going concern basis in preparing its financial statements, based on the future cash flow forecasts of the Group and Company and available facilities, which lead the Directors of the Company to be confident that the Company will have adequate resources to continue in operational existence and continue to meet debt and interest payments as they fall due.

2. Summary of material accounting policies (continued)

2.4 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

No critical accounting estimates or judgements have been used in the preparation of these financial statements.

4. Auditors' remuneration

The audit fee in respect of the Company and fees payable to PricewaterhouseCoopers LLP for non-audit services were not specific to the Company and are disclosed in the notes to the Group financial statements (see note 8).

5. Employees

The Company had no employees during the year (2024: none). None of the Directors (2024: none) were remunerated by the Company.

Their individual remuneration reflects the services they provide to the Company, its subsidiaries and a number of other entities outside of the Group. It is therefore not possible to make an accurate apportionment of each Director’s remuneration in respect of their service to the Company except where sums are paid to third parties in respect of their services. There were no such sums paid in the year (2024: none).

6. Investments

The carrying value of investments is £nil (2024: £nil).

The Company's subsidiary investments (held indirectly unless stated) are shown below:

Company	Country of incorporation	Principal activities	Year end	Ordinary share holding
ABHL Digital Limited	United Kingdom	Holding company	30-Jun	100%
ABHL Digital Radio Limited	United Kingdom	Holding company	30-Jun	100%
ABHL Multiplex Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Muxco Limited	United Kingdom	Transmission services	30-Jun	100%
Arqiva (Scotland) Limited	United Kingdom	Transmission services	30-Jun	100%
Arqiva Broadcast Finance Plc	United Kingdom	Financing vehicle	30-Jun	100%
Arqiva Broadcast Intermediate Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Broadcast Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Broadcast Parent Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Communications Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Defined Benefit Pension Plan Trustees Limited	United Kingdom	Pension company	30-Jun	100%
Arqiva Digital Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Finance Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Financing No. 1 Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Financing No. 2 Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Financing No. 3 Plc	United Kingdom	Holding company	30-Jun	99.99%*
Arqiva Financing Plc	United Kingdom	Financing vehicle	30-Jun	100%
Arqiva Group Holdings Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Group Intermediate Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Group Parent Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Holdings Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Inc.	USA	Satellite transmission services	30-Jun	100%
Arqiva International Holdings Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Intermediate Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Limited	United Kingdom	Transmission services	30-Jun	100%
Arqiva (Ireland) Limited	Ireland	Transmission services	30-Jun	100%
Arqiva Media Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Mobile Broadcast Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Mobile Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Mobile TV Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva No. 10 Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva No. 11 Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Pension Trust Limited	United Kingdom	Dormant company	31-Mar	100%
Arqiva PP Financing Plc	United Kingdom	Financing vehicle	30-Jun	100%
Arqiva Pte Limited	Singapore	Satellite transmission services	30-Jun	100%
Arqiva Public Safety Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva SAS	France	Satellite transmission services	30-Jun	100%
Arqiva Satellite Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Senior Finance Limited	United Kingdom	Financing vehicle	30-Jun	100%
Arqiva Smart Financing Limited	United Kingdom	Financing vehicle	30-Jun	100%
Arqiva Smart Holdings Limited	United Kingdom	Holding company	30-Jun	100%

Arqiva Smart Metering Limited	United Kingdom	Smart metering communications	30-Jun	100%
Arqiva Smart Parent Limited	United Kingdom	Holding company	30-Jun	100%

Company	Country of incorporation	Principal activities	Year end	Ordinary share holding
Arqiva SRL	Italy	Satellite transmission services	30-Jun	100%
Arqiva Swing Limited	United Kingdom	Dormant company	30-Jun	100%*
Arqiva Telecoms Investment Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Transmission Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva UK Broadcast Holdings Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Wireless Limited	United Kingdom	Dormant company	30-Jun	100%
Capablue Limited	United Kingdom	Dormant company	30-Jun	100%
Cast Communications Limited	United Kingdom	Dormant company	30-Jun	100%
Connect TV (Scotland) Limited	United Kingdom	Dormant company	30-Jun	100%
Connect TV Limited	United Kingdom	Dormant company	30-Jun	100%
Digital One Limited	United Kingdom	Transmission services	30-Jun	100%
Inmedia Communications (Holdings) Limited	United Kingdom	Dormant company	30-Jun	100%
Inmedia Communications Group Limited	United Kingdom	Dormant company	30-Jun	100%
Inmedia Communications Limited	United Kingdom	Dormant company	30-Jun	100%
J F M G Limited	United Kingdom	Dormant company	30-Jun	100%
Macropolitan Limited	United Kingdom	Dormant company	30-Jun	100%
Now Digital (East Midlands) Limited	United Kingdom	Transmission services	30-Jun	80%
Now Digital (Oxford) Limited	United Kingdom	Dormant company	30-Jun	100%
Now Digital (Southern) Limited	United Kingdom	Transmission services	30-Jun	100%
Now Digital Limited	United Kingdom	Transmission services	30-Jun	100%
NWP Spectrum Holdings Limited	United Kingdom	Holding company	30-Jun	100%
Primrose No.1 Limited	United Kingdom	Dormant company	30-Jun	100%*
Scanners (Europe) Limited	United Kingdom	Dormant company	30-Jun	100%
Scanners Television Outside Broadcasts Limited	United Kingdom	Dormant company	30-Jun	100%
Selective Media Limited	United Kingdom	Dormant company	30-Jun	100%
South West Digital Radio Limited	United Kingdom	Transmission services	30-Jun	66.67%
Spectrum Interactive (UK) Limited	United Kingdom	Dormant company	30-Jun	100%
Spectrum Interactive GmbH	Germany	Dormant company	30-Jun	100%
Spectrum Interactive Limited	United Kingdom	Holding company	30-Jun	100%

*These investments are held directly by the Company.

With the following exceptions, the registered office of each of the subsidiary companies listed above was Crawley Court, Winchester, Hampshire, SO21 2QA:

Company	Registered office
Arqiva Inc.	c/o The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE19801, United States of America.

Company	Registered office
Arqiva Pte Limited	8 Marina Boulevard #05-02, Marina Bay Financial Centre, 018981, Singapore.
Arqiva SAS	Tour Vendome 204, Rond Point du Pont De Sevres, 92100, Boulogne, France.
Arqiva SRL	c/o Studio Bandini & Associati, Via Calabria 32, Rome, Italy.
Arqiva (Ireland) Limited	Unit 9 Willborough, Clonshaugh Industrial Estate, Dublin 17, Co. Dublin, Ireland.
Arqiva (Scotland) Limited	c/o Morton Fraser, Quartermile 2, 2 Lister Square, Edinburgh, EH3 9GL, Scotland.

In addition to the subsidiary undertakings the Company indirectly holds the following interests in associates and joint ventures:

Name	Country of incorporation	Principal activity	Registered office	Year end	Ordinary share holding
Joint ventures:					
Sound Digital Limited	United Kingdom	Ownership and operation of UK DAB radio multiplex licence	Media House Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA	31-Dec	40%
Associate undertakings:					
Muxco Limited	United Kingdom	Bidding for UK DAB digital radio multiplex licences	Greenworks Dog And Duck Yard, Princeton Street, London, England, WC1R 4BH	31-Dec	25%
UK Digital Radio Limited	United Kingdom	Support delivery of a digital future for radio	15 Alfred Place, London, England, WC1E 7EB	30-Jun	10%

The following companies within the Group will adopt the Department for Business, Energy and Industrial Strategy (BEIS) audit exemption for the year ended 30 June 2025. As the ultimate parent company, AGL has guaranteed the debts and liabilities held within these companies as required under section 479A of the Companies Act 2006.

Company	Company registration number
Arqiva Group Intermediate Limited	08126989
Arqiva Group Holdings Limited	08221064
Arqiva UK Broadcast Holdings Limited	05254048
Arqiva Telecoms Investment Limited	03696564
Arqiva Scotland Limited	SC365509
ABHL Digital Limited	03538787
ABHL Digital Radio Limited	03573732
Digital One Limited	03537636
Now Digital Limited	03546921
Now Digital (Southern) Limited	03654065
Arqiva Broadcast Finance Plc	08336342

Arqiva International Holdings Limited	08753024

Company	Company registration number
Arqiva Intermediate Limited	13776518
Arqiva Senior Finance Limited	08127157
Arqiva Smart Holdings Limited	08723422
Arqiva Smart Parent Limited	08723419
Arqiva Financing No. 1 Limited	06137924
Arqiva Broadcast Intermediate Limited	08085710

The following dormant companies within the Group will take the exemption from preparing and filing financial statements for the year ended 30 June 2025 (by virtue of s394A and s448A of Companies Act 2006 respectively). As the ultimate parent company, AGL has guaranteed the various debts and liabilities held within these companies as required under section 394C of the Companies Act 2006.

Company	Company registration number
ABHL Multiplex Limited	05138188
Arqiva Mobile TV Limited	04107732
Arqiva Public Safety Limited	03341257
Arqiva Communications Limited	02928653
Arqiva Media Limited	02826184
Arqiva No 10 Limited	05393073
Arqiva No 11 Limited	05393079
Arqiva Satellite Limited	02192952
Now Digital (Oxford) Limited	06314242
Arqiva Swing Limited	07140424
Arqiva Transmission Limited	03598122
Capablue Limited	06962172
Cast Communications Limited	05097626
Connect TV Limited	07403839
Connect TV (Scotland) Limited	SC403631
Inmedia Communications (Holdings) Limited	02755211
Inmedia Communications Group Limited	05097612
Inmedia Communications Limited	05097623
JFMG Limited	03297317
Macropolitan Limited	05401565
Primrose No.1 Limited	07046887
Scanners (Europe) Limited	02833712
Scanners Television Outside Broadcasts Limited	03391685
Selective Media Limited	06579687
Spectrum Interactive (UK) Limited	03500162
NWP Spectrum Holdings Limited	04412123
Spectrum Interactive Limited	04440500

7. Debtors

	2025 £m	*2024 £m*
Amounts falling due after more than one year		
Amounts owed by group undertakings	**3.7**	*3.6*
	3.7	*3.6*

	2025 £m	*2024 £m*
Amounts falling due within one year		
Amounts owed by group undertakings	**1.3**	*1.3*
	1.3	*1.3*

With the exception of a non-current balance of £1.2m (2024: £1.1m) due from Arqiva Holdings Limited which incurs interest at 9.5% per annum, all amounts receivable are due from other Group entities and are unsecured, interest-free, and repayable on demand.

8. Creditors: Amounts falling due within one year

	2025 £m	*2024 £m*
Amounts owed to group undertakings	**20.4**	*19.2*
	20.4	*19.2*

The Company has no payables falling due after more than one year. Amounts payable to other Group entities are unsecured, interest-free, and repayable on demand.

9. Called up share capital

	2025 £m	*2024 £m*
Allotted, called up and fully paid		
653,927,988 *(2024 - 653,927,988)* Ordinary shares of £1.00 each	**653.9**	*653.9*

10. Reserves

Share premium account

Amount subscribed for share capital in excess of nominal value.

Capital redemption reserve

Amounts transferred from share capital on redemption of issued shares.

Profit and loss account

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

11. Related party transactions

The Company has applied the provisions within FRS 101 to be exempt from the disclosure of transactions entered into, and balances outstanding, with a Group entity which is wholly-owned by another Group entity.

12. Controlling parties

The Company is owned by a consortium of shareholders including Digital 9 Infrastructure, Macquarie European Infrastructure Fund II, other Macquarie managed funds and minorities.

The largest and smallest group in which the results of the Company are consolidated is that headed by Arqiva Group Limited.