# Arqiva Limited

## Registered number 02487597

# 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 (28 October 2025):

**Board of Directors**
Patrick Tillieux (appointed 24th April 2025; Chair)
Shuja Khan
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)
Alastair Cochran (appointed 13th October 2025)

**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**
02487597

# 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 Company 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 Company, 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 Company 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 Company operates, which may impact the ability of the Company 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 Company operates; and
- the ability of the Company 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 Company to develop, expand and maintain its Media & Broadcast (M&B) and Smart Utilities Network (SUN) Infrastructure; and
- the ability of the Company to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects; and
- the Company's dependency on only a limited number of key customers for a large percentage of it's 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 Company' refer to Arqiva Limited ('AL') and its subsidiaries and markets as the context may require. References to the 'Company' refer to the results and performance of Arqiva Limited as a standalone entity. References to the 'Group' or the 'Parent Group' refer to Arqiva Group Limited and its subsidiaries, with Arqiva Group Limited being the ultimate parent 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 Company 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 Company 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 Company 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

| | |
|---|---|
| **Arqiva Ltd Revenue £590.9m 0.3% increase year on year** | **Arqiva Ltd EBITDA[1] £279.6m 2.0% increase year on year** |
| **Operating Profit £156.8m (12.1% decrease)** | **Awarded 5 new water contracts, including 3 new customers** |
| **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 footnote referenced above.*

# Strategic Report

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# 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 Company 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 Company'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, including most recently Gems HD (High Definition) and TNT Sports Venue HD channels launching in 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 Company'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 Company's revenue increased by 0.3% to £590.9m
- The Company's EBITDA increased by 2.0% to £279.6m
- 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

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 £970.5m 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 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 Company's capabilities to support recently secured contracts.

### Media and Broadcast at Arqiva

The Company 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 Company 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 Company 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 Company'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 Company 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 Company 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 Company 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 Company is also the service provider for the BBC national digital radio multiplex. The Company 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 Company'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 Company provides services to c.24% of fully managed channels for UK DTH. The Company 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 Company to provide customers with a comprehensive range of services to deliver their data, broadcast content and media services internationally. In addition, the Company provides encryption, multiplexing, up linking and satellite space to channel operators through its global media distribution offering. The Company 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 Company 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.

## 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 support 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 Company 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 Company supports smart metering through contracts with a growing number of water companies who are investing in Advanced Metering Infrastructure ("AMI"). The Company 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 Company has 2.5 million meters connected daily to the Company'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 Company is delivering against new contracts and requirements for Anglian Water, Thames Water, United Utilities, Affinity Water and Portsmouth Water. The Company 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 Company 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 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 Company'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 Company'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: Arqiva'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 Company 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 disputed Ofwat's final determinations - namely Anglian Water, Northumbrian Water, South East Water, Southern Water and Wessex Water. These cases were referred to the Competition and Markets Authority (CMA) for redetermination. In October 2025, the CMA group of experts provisionally found

in favour of the water companies meaning that the water companies can increase consumer bills further and generate incremental revenue over the next five year period. Thames Water may also dispute its final determination and has been granted an extension to the deadline for dispute given their individual circumstances.

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 Company 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 August 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 Company 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 11 days reported thus far in calendar year 2025.

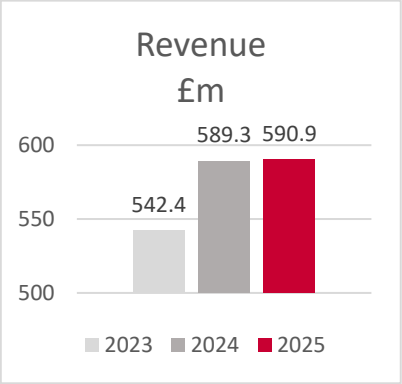
# Financial review

## 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 24.

### Financial KPI: Revenue:

For the year ended 30 June 2025, revenue for the Company was £590.9m, an increase of 0.3% from £589.3m in the prior year.




Total Media and Broadcast revenue has decreased by 0.4% year on year, from £432.0m down to £430.4m. 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.

The SUN function has seen a 2.0% increase in revenue year on year, rising from £157.3m to £160.5m. 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 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[1]:

Total EBITDA[1] was £279.6m, an increase of 2.0% compared to the prior year of £274.2m.

Media and Broadcast EBITDA has increased by 1.4%, from £291.1m to £295.1m. This is primarily driven by the drivers increasing M&B revenue, RPI linked inflationary increases, as well as the Company'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. These have been partially offset by market pricing pressures within DTT and DTH channel renewals and loss of high margin DTT channel customers.

EBITDA for the SUN function has decreased by 2.9% from £65.4m to £63.5m. 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.

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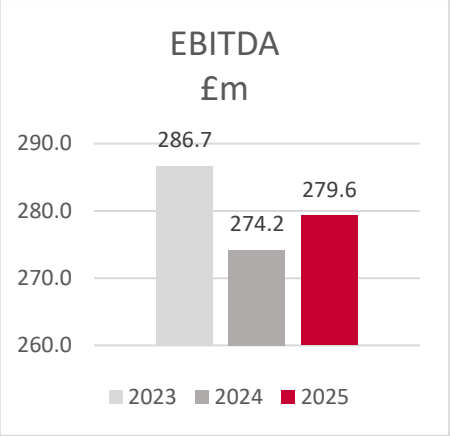
*[1] Definition: EBITDA is a non-GAAP measure and refers to 'earnings before interest, tax, depreciation and amortisation' and includes add-backs for certain items charged to operating profit that do not reflect the underlying business performance. See page 22 for its reconciliation to operating profit.*

The other functions are non-revenue generating functions of the business:




EBITDA from the Operations function has improved by 11.2% from a loss of £24.1m in the prior year, to a loss of £21.4m for this year. This is primarily 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 to align it with the latest cost forecast review.

The Technology function has seen costs rise 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. This has driven a 6.7% increase in expense for the function, resulting in a loss of £40.0m for the year, up from £37.5m in the prior year.

The Corporate function improved, benefiting 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. EBITDA for this function improved by 15.0%, reducing from a loss of £20.7m to £17.6m.

Other administrative expenses have decreased by £1.6m 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 with a number of one-off programmes to support our corporate IT capability and network circuits upgrades being completed in prior year. The Bilsdale restoration project nears completion, with restoration activities continuing in the year. These costs are presented within exceptional operating expenses.

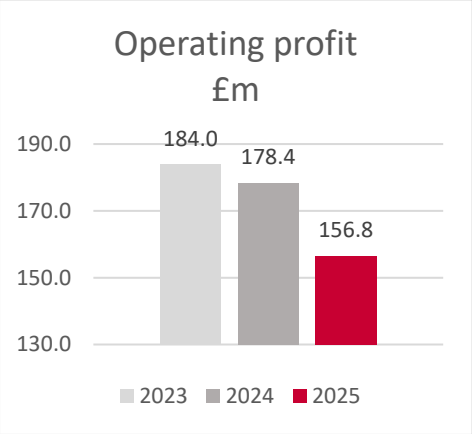
There has been increased spend on CSPN (Communications Service Provider North) internal change Business Support System and hardware refresh activity plus Telecoms Security Act compliance spend in the current year. Growth capital expenditure has seen a year on year increase most notably within SUN due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

In the year, depreciation has increased by £20.6m (2025: £110.2m; 2024: £89.6m). The increase in depreciation is primarily driven by a larger asset base due to increased additions in recent periods, as the Company 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 £5.6m, from £19.4m to £13.8m. 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 £7.9m to £5.8m 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 12.1% from £178.4m in 2024 to £156.8m 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 £2.1m 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 | 156.8 | 178.4 |
| Exceptional items charged to operating profit | 4.6 | 7.9 |
| Exceptional service credits | - | 2.8 |
| Depreciation | 110.2 | 89.6 |
| Amortisation | 13.8 | 19.4 |
| Other Income | (5.8) | (7.9) |
| Exceptional Other Income | - | (16.0) |
| **Total EBITDA** | **279.6** | **274.2** |

## Finance Costs

Finance income was £507.3m, an increase of 13.1% from £448.4m in 2024. The increase is driven primarily by the compounding effect of interest on amounts owed from group undertakings. Finance expense increased by 10.1% from £150.3m to £165.5m, primarily due to the compounding effect of interest on amounts owed to group undertakings.

The Profit before tax for the company was £498.6m, an increase of £22.1m from the prior year of £476.5m. The profit before tax is reported after non-cash charges of £133.7m (2024: £112.4m) as shown below:

| Reconciliation between profit before tax and non-cash charges/(gains) | Year ended 30 June 2025 £m | Year ended 30 June 2024 £m |
|---|---|---|
| Profit before tax | 498.6 | 476.5 |
| | | |
| Depreciation | *110.2* | *89.6* |
| Amortisation | *13.8* | *19.4* |
| Loss/(gain) on disposal of fixed assets (other income) | *0.2* | *(1.9)* |
| Other non-cash financing costs[2] | *9.5* | *5.3* |
| ***Total non-cash charges*** | ***133.7*** | ***112.4*** |
| | | |
| **Adjusted profit before tax and non-cash charges** | **632.3** | **588.9** |

[2] *Includes amortisation of debt issues costs, unwinding of discount on provisions, imputed interest and interest on lease liabilities.*

## Financial Position

Net assets were £4,048.3, representing an increase of 10.6% from £3,658.8m (restated) in the prior year. The increase is primarily driven by the trading profits and increased amounts receivable from other group entities.

## Restatement: Impairment of assets

During Arqiva 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.

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. The impaired other intangible and PPE assets are owned by Arqiva Ltd and as a result, Arqiva Ltd's asset base has been impaired as a result of the Group's goodwill impairment test. As a result, the following misstatement has been recognized in these financial statements:

- £11.9m has been impaired from June 2023. This has been recognised against the SUN other intangible assets reducing them by £1.7m, and SUN Cash Generating Unit PPE assets reducing them by £10.2m

- The Company has restated the Accumulated losses reserve lines in the 1 July 2023 and 30 June 2024 statement of financial position, to reflect that the 'Exceptional operating expenses' line in the year ended 30 June 2023 would have included the £11.9m impairment expense

- The Company has restated the Other intangible assets, and Property, plant and equipment lines in the 1 July 2023 and 30 June 2024 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 Income statement has not been restated. The 2024 and 2025 reduction to depreciation and amortization have been taken through the Income statement in the year ended 30 June 2025

## Restatement: Finance income and Finance expense

In the prior year financial statements, intercompany interest receivable and payable with group companies had been incorrectly presented on a net basis within finance income. In accordance with IAS 1, income and expenses should be presented gross unless permitted by an IFRS standard. The prior year figures have been restated accordingly. This correction has no impact on the reported profit for the prior year, as the net effect remains £nil. The 2025 financial statements reflect the corrected gross presentation.

## Going Concern

The Directors are confident that the Company 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 Company'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

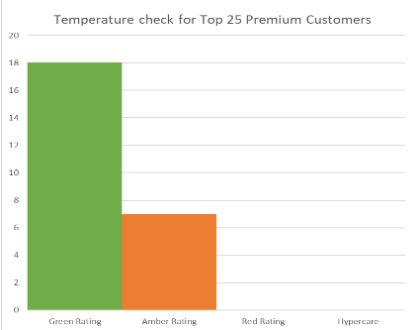
Utility Products

- 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 54.

## 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 Company 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**<br>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**<br>**Secure your present**<br>Achieve your self-care basics brilliantly | | **FY26**<br>**Active & Embed**<br>Reaching everyone | **FY25**<br>**Transform your future**<br>Embrace your opportunities and reduce your risk | |
| **Our five wellbeing pillars** | **Physical wellbeing**<br>*'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**<br>*'My mental health at work is protected and supported so that I am able to thrive'* | **Professional wellbeing**<br>*'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**<br>*'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**<br>*'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<br>• **Embed** proactive MSK healthcare | • **Activate** mental wellbeing & work demand mitigation within business functions<br>• **Embed** MHFA operating levels & engagement | • **Activate & embed** resilience for a high-performance culture | • **Activate** more team/site based social collaboration<br>• **Embed** the value of face-to-face collaboration & visual connection in the virtual world | • **Activate** increased uptake & use of benefits that support financial wellbeing<br>• **Embed** support to help colleagues make confident money decisions 1 |

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## 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 Company'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 Company during the year was 1,307 (2024: 1,313). 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 / 10% | 9 / 90% |
| **Executive Committee** | 2 / 25% | 6 / 75% | 2 / 25% | 6 / 75% |
| **Company 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 Company'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 Company's employee forums provide an effective additional channel for communication and collective consultation across the Company. They play an important role in enabling employees to help the Company 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 Company's intranet, 'The Hub', makes information available to employees on all matters including performance, growth, and issues affecting the industry. The Company 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 parent Group i.e. the parent 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 parent Group during the longer-term. As with the annual bonus scheme, the parent 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 parent 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 Company 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 Company 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:
https://arqiva-dev.dotcms.cloud/dA/2a5c722655/Modern%20Slavery%20Statement%20-%20June%202025.pdf?language_id=1.

## 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 Company 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 Company'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 Company'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 Company, 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 Arqiva's approach to tax is to ensure compliance with all legal and statutory obligations. Arqiva 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 Company and employees, totalled £59.0m for the financial year (2024: £52.9m).

Arqiva is a primarily UK based infrastructure company. 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 Company's UK profits or revenues by transferring revenue or profit out of the UK. Arqiva'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<br>Business Update<br>Directors' Report - Wates<br>Corporate Responsibility<br>Principal risks and Uncertainties | *14*<br>*15-19*<br>*59*<br>*25*<br>*45* |
| Interests of employees | Strategic Overview<br>Employee Engagement<br>Supporting our people<br>Supporting Diversity & Inclusion<br>Whistleblowing policy and speak up<br>Corporate Responsibility | *33-34*<br>*24*<br>*27-31 (Corporate Responsibility)* |
| Fostering relationships with suppliers, customers and others | Stakeholder Engagement<br>Business Update | *33*<br>*15-19* |
| Impact of operations on the community and the environment | Environmental Sustainability<br><br>Streamlined Energy and Carbon Reporting (SECR)<br>Climate Related Risks and Opportunities (Non-Financial Sustainability Information Statement)<br>Supporting Charities | *26 (Corporate Responsibility) & 52-53*<br><br>*54-57*<br><br>*58*<br>*26 (Corporate Responsibility) & 69* |
| Maintaining a high standard of business conduct | Governance<br>Directors' Report - Wates<br>Corporate Governance Statement<br>Health & Safety<br>Human Rights and Modern Slavery<br>Anti-financial crime<br><br>Whistleblowing policy and speak up | *37*<br>*59-61*<br>*59*<br>*28 (Corporate Responsibility)*<br>*Modern Slavery Statement & Supplier Code of Conduct available at www.arqiva.com*<br><br>*31* |
| Acting fairly between members | Stakeholder Engagement<br>Accountability | *33-36*<br>*62* |

### 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 25) 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 15-19). |
| **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.<br><br>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 Company'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 26). 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 29).

3. *Involvement*
   Employees participate in annual bonus schemes (see Supporting Diversity & Inclusion - Employees (pages 29-30) which are based upon performance of the business throughout the year, encouraging employees to contribute to the sustainable success of the business. The Company'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.

**Health & Safety and Sustainability Framework Reviews:** the Board also regularly considers the impact of the Companies 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 Company 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 15 October 2025 and signed on its behalf by:**

**Scott Longhurst**
**28 October 2025**

# Governance

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# Board of Directors and Executive Committee

**Ownership**

The ultimate parent 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. 48.0%), Macquarie European Infrastructure Fund II (via MEIF II Luxembourg Communications S.a.r.l.) (c. 25.0%), 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 ultimate parent company, by virtue of significant influence due to the level of shareholding in the ultimate parent company:

- D9 Wireless OpCo 2 Limited (c.48.0%), 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.25.0%), 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**

Arqiva's Board of Directors consists of ten Directors representing our shareholder consortium (with two alternates) as well as two members of the 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**

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**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**

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**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.

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**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**

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**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**

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|---|---|
| **Drummond Clark, alternative Director** | Drummond joined the Board as an alternative to David Stirton in February 2025.<br><br>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. |
| **Shuja Khan, Director** | Shuja was appointed to the Board in June 2022. He is also a member of the Executive Committee and so his biography is contained below. |
| **Alastair Cochran, Director** | Alastair was appointed to the Board in October 2025. He is also a member of the Executive Committee and so his biography is contained below. |

### Board Members who stepped down in FY25

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|---|---|
| **Nathan Hodge** | was appointed to the Board 31 March 2025 and stepped down 13 October 2025 |
| **Paul Donovan** | stepped down from the Board on 31 August 2025 |
| **Sean West** | stepped down from the Board on 31 March 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 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

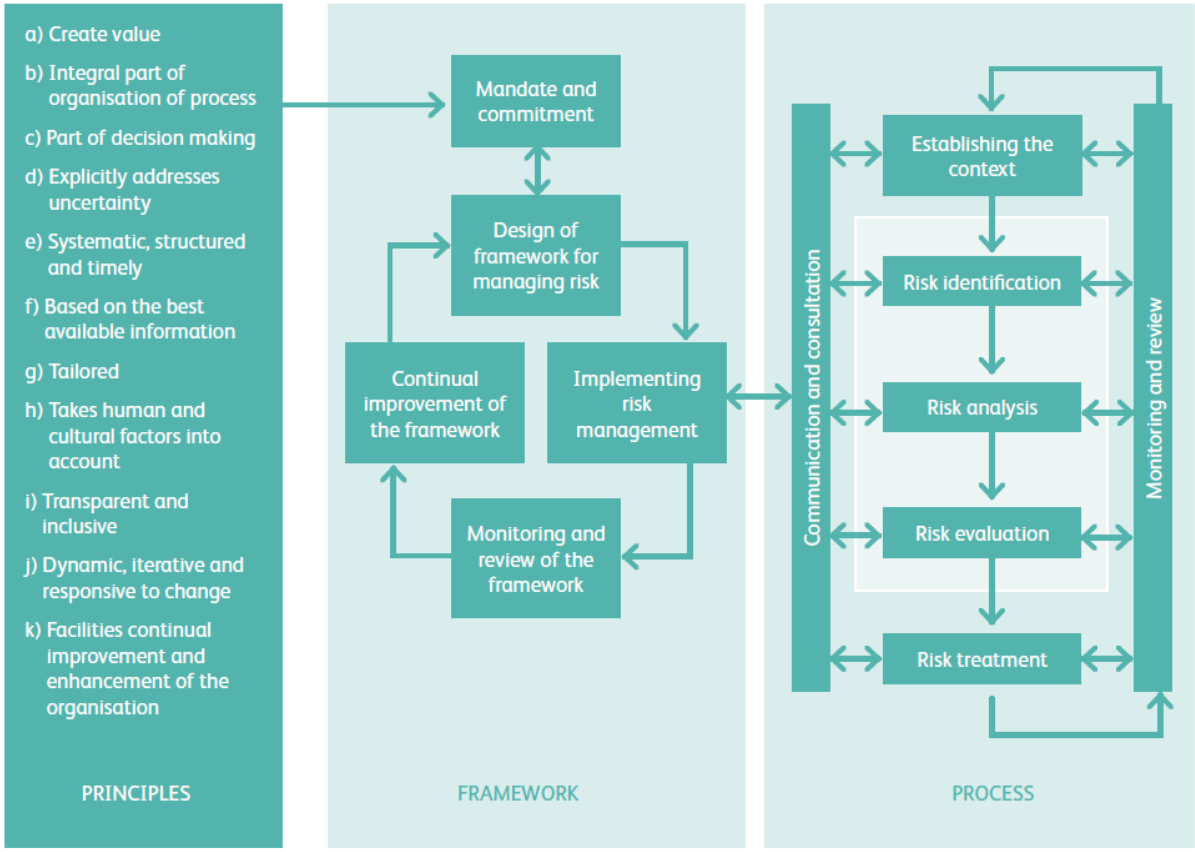
# Principal Risks and Uncertainties

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 Company'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 Company, 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. |

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| | channels resulting in lower cash flows for the Company | 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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>The strategic priorities of the Company 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. |

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| | 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.<br><br>Our approach is to take a balanced but focused approach on asset quality and maintenance.<br>• Combining an Asset Lifecyle Management approach with an established strategic risk framework to prioritise our maintenance strategy<br>• System owner reviews of platform health assessed against RAG status for systems & component assets.<br>• Risks identified from reviews are assessed through Risk Management process assigning risk score & mitigation.<br>• Mitigation requiring a Capex investment are prioritised within the Capex budget envelope.<br>• Capex investment could result in full mitigation for a defined period of time or maintain asset condition at an acceptable risk level.<br>• 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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>Arqiva supports the Broadcast 2040+ campaign and coalition which seeks to safeguard the terrestrial TV and radio broadcast services Arqiva delivers for the nation. |

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| | | | 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.<br><br>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.<br><br>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:<br>- A major event or incident impacting our services,<br>- Untimely delivery on major projects,<br>- Repeated unexpected service outages,<br>- Security breach or cyber-attack on networks, or<br>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.<br><br>Through continuous measurement of operational KPIs and addressing shortfalls in performance through process excellence the risk around service reliability is carefully managed.<br><br>The Company 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.<br><br>Cyber-attacks and trends in this area are continually monitored.<br><br>The Company continues to invest in our infrastructure and perform site inspections and maintenance. | The Company was re certified in 2025 with the ISO27001 regarding information security and holds periodic reviews of the security environment and training for employees.<br><br>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.<br><br>There has been continued capital expenditure in the year to improve infrastructure. The Company has continued with our digital transformation programme with the programme largely complete with new systems launched. |

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| **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.<br><br>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 Company 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.<br><br>System monitoring and scanning are maintained as well as threat and vulnerability management.<br><br>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 Company's approach to disaster recovery and operational resilience.<br><br>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.<br><br>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.<br><br>Arqiva continues to monitor endpoint security user access to manage who has access to our systems.<br><br>Site inspections are completed with a focus on older sites and structural maintenance plans have been implemented.<br><br>There is a strengthened inspection regime for sites and structural maintenance plans are in place.<br><br>The Company'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.<br><br>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 Company 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 Company operates a competitive annual bonus plan for employees and a long-term incentive plan for our leadership team. Additionally, the Company operates formal retention and succession planning in knowledge-critical areas of the business.<br>The Company 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.<br><br>Arqiva continues to invest in its people with new graduates and apprentices starting in the year. Digital learning tools are available for all employees. |

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| | The risk that the Company 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.<br><br>The culture transformation programme continues to be embedded, driving the 3 culture goals to support the achievement of our strategy.<br><br>Each function has a workforce plan and the skills management roll out will increase insights of skill gaps pan-Arqiva.<br><br>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.<br><br>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.<br><br>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 Company 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.<br><br>The Company 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.<br><br>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 66-67 | | |
| **Climate** | See Environmental Sustainability section page 52 | | |

# 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 compiled for Arqiva Group. It is impractical to disaggregate the information below for individual entities within the Group, especially given the close interlinks between Group entities. This information is compiled in line with reporting obligations under SECR and covers the company's FY25 reporting period, from 01 July 2024 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 Company'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. Refer to pages 69-72 of the Arqiva Group Limited financial statements for the detail of the Non-Financial Sustainability Information Statement.

# Directors' Report

The Directors of Arqiva Limited, registered company number 02487597, (the "Company") submit the annual report and audited financial statements ("the financial statements") in respect of the year ended 30 June 2025.

The Company is a trading company.

## 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 Company for shareholders and other stakeholders. The Board and Executive Committee continue to progress the strategy to build a sustainable future for the Company 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 Company continues to build on the Vision 2031 work in "***Enabling a Switched on World to flow***".<br><br>The purpose and cultural values underpin the Company'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 14).<br><br>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's capital structure to ensure its suitability for the business needs. The Group's senior debt continues to be rated BBB+/BBB by S&P/Fitch respectively. This year, the Board oversaw the refinancing of the parent Group's junior debt, the extension of the Senior Revolving Credit Facility (RCF) and renewal of loan facilities. 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 Company 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[3]. 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 27-30).<br><br>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.<br><br>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:<br>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<br>2) to positively enhance the environments we operate in<br>3) to optimise the use of natural resources.<br><br>Details of our environmental sustainability strategy can be found on pages 52-53 of the annual report. Streamlined Energy and Carbon Reporting including details of our greenhouse gas emissions can be found on pages 54-57 of the annual report. Climate related risks and opportunities have also been assessed, see page 58 for further information. |

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

| | |
|---|---|
| | The Board continues to oversee further development of the Company's sustainability programme via the Operational Resilience Committee.<br><br>Arqiva also notes the Sustainability Development Goals of Reduced Inequalities and Peace, Justice and Strong Institutions. The Company'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.<br><br>We maintain an ongoing commitment to gender pay gap reporting and promote colleague led community-based volunteering and charity support.<br><br>The Company 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 25-32 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 Company'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 Company'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 Company'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 Company, 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 Company. 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 29 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 30 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 Fund II, 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 Company. 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 38-44 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 Company 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 67-68 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 Company 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 Company 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 Company to build relationships and gain direct access to those dealing with the day-to-day business of the Company.

**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 Company's Board maintains a focus on how the Company 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 Company has a well-developed risk management process in place throughout the business (which is described on pages 45-46 of the Annual report). The Company'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 55-51 of the Annual Report.

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

- The Company'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 45 of the Company'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 30 of the Company'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 Company'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 Company's objectives).

**Policies**
The Company 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 Company's wider workforce when making recommendations in relation to Executive pay.

The Company'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 Company 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 Company'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 Company 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 Company. The Commercial and Operations teams have put additional focus on customer relationships including an increased emphasis on customer feedback leading to action. Company'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 35 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 Company's People & Culture team monitors and regular reports to the Board on a range of employee metrics.

**External impacts**

The Company's Corporate Responsibility statement (page 25) sets out a description of the Company'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 33-36).

# Directors' Report

## Financial Risk Management

The principal risks and uncertainties of the Company have been outlined previously in this report (see pages 45-51). As a result of these, as well as the on-going business activities and strategy of the Company, 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 Company 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 | Increases in power costs are, in part, managed via pass-through arrangements with customers. The Company'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 Company to mitigate the risk of market price volatility through small incremental future power purchased up to 18 months in advance.<br><br>The total risks are minimised as a significant proportion of the Company's revenue contracts with customers within core TV and radio products are RPI-linked. |
| **Purchase price risk** | Energy is a major component of the Company's cost base and is subject to price volatility and significant pressure from energy price inflation. | The Company'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 Company to mitigate the risk of market price volatility through small incremental future power purchased up to 18 months in advance.<br>A proportion of this risk is managed via pass-through arrangements to customers.<br><br>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.<br><br>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.<br><br>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 Company is exposed to credit risk on customer receivables. | 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. |
| **Liquidity risk** | Ensuring the Company has sufficient available funds for working capital requirements and planned growth and funding for the Defined Benefit pension scheme. | The Company maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. As at 30 June 2025, the Company had £20.9m cash available. The parent Group has £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 | Intercompany loan balances held by the Company are at fixed interest rates. |
| **Foreign exchange risk** | The Company 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 Company'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. |

## Internal control over financial reporting

The Board of Directors review the effectiveness of the Arqiva's systems of internal control, including risk management systems and financial and operational controls (see page 45).

**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 Arqiva'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 Company'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 Company'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 Company'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 Company's risk management function, ensuring adequate resources and access to information for effective function, reviewing the appropriateness of the Company'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 Company.

Further responsibilities include reviewing the Company'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 Company-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 Company (including principles, policies and practices adopted in complying with all relevant legal standards and regulatory requirements affecting the activities of the Company) 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 parent Group's capital structure.

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 Company continues, and the appropriate training is arranged. It is the policy of the Company 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 27.

**Political Donations**

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

**Charitable donations**

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

**Research and development**

The Company 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 Company's accounting policy. The research costs expensed in the year were £2.6m (2024: £2.4m). In addition, the Company 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 Company's cash capital expenditure in the year was £64.2m (2024: £71.0m) and includes capitalised labour of £23.8m (2024: £23.1m). Other development costs are capitalised within intangible assets. In the year, new development costs capitalised total £3.9m (2024: £1.7m) with amortisation of £0.7m (2024: £0.9m) charged against such capitalised development costs.

**Overseas branches**

There are no overseas branches related to Arqiva 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 Company have not recommended a dividend in the year (2024: £nil).

The profit for the year of £389.6m (2024: profit of £393.4m) 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 Company. Notes 18 and 21 of the financial statements include information on the Companies cash and borrowings respectively; and financial risk management information presented within this report.

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 parent 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 downside scenarios.

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. The parent Group has provided a letter of support which confirms that Arqiva Group Limited will provide such financial assistance to all its wholly owned (directly and indirectly held) subsidiaries in order to meet liabilities as they fall due for a period of 12 months from the date of signing the 30 June 2025 financial statements.

The Company adopts the going concern basis in preparing its financial statements, based on the support from its ultimate parent undertaking, the future cash flow forecasts of the parent 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.

**Future Developments**

Arqiva plans to continue in its commercial and operational business in accordance with its strategy. Further detail is contained within the Strategic report on page 14.

**Ownership and Directors**

A description of the ownership of the ultimate parent 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 39.

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 38.

**Directors Indemnities**

The Company has provided an indemnity for its Directors, 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 Company 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 Company and of the profit or loss of the Company 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 Company 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 Company will continue in business.

The Directors are responsible for safeguarding the assets of the 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 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 Company's auditors are aware of that information.

On behalf of the Board

**Scott Longhurst**
Director
28 October 2025

# Independent auditors' report to the members of Arqiva Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Arqiva Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2025 and of its profit for the year then ended;
- 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
- 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 Statement of financial position as at 30 June 2025; the Income Statement; the Statement of Comprehensive income; and the Statement of changes in equity 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 company 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, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

### 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 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 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 Director's 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 Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's 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 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 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 company 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 profit before tax, finance income, finance expense, and exceptional operating expenses) and profit before tax. We have determined profit before tax is the key metric for the Company's stakeholders, and 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); and
- 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.

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.

### 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 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
28 October 2025

## INCOME STATEMENT
## FOR THE YEAR ENDED 30 JUNE 2025

| | Note | 2025 £m | As restated 2024 £m |
|---|---|---|---|
| Turnover | 4 | **590.9** | *589.3* |
| Cost of sales | | **(220.5)** | *(225.5)* |
| **Gross profit** | | **370.4** | *363.8* |
| Depreciation | 15 | **(110.2)** | *(89.6)* |
| Amortisation | 14 | **(13.8)** | *(19.4)* |
| Other administrative expenses | | **(90.8)** | *(92.4)* |
| Exceptional operating expenses | 6 | **(4.6)** | *(7.9)* |
| Other income | | **5.8** | *7.9* |
| Exceptional other income | 6 | **-** | *16.0* |
| **Operating profit** | 5 | **156.8** | *178.4* |
| Finance income | 10 | **507.3** | *448.4* |
| Finance expense | 11 | **(165.5)** | *(150.3)* |
| **Profit before tax** | | **498.6** | *476.5* |
| Tax on profit | 12 | **(109.0)** | *(83.1)* |
| **Profit for the financial year** | | **389.6** | *393.4* |

The notes on pages 81 to 121 form part of these financial statements.

Refer to note 33 for the details of the prior period restatement.

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2025

| | Note | 2025 £m | *2024 £m* |
|---|---|---|---|
| Profit for the financial year | | **389.6** | *393.4* |
| **Other comprehensive (expense)/income:** | | | |
| **Items that will not be reclassified to profit or loss:** | | | |
| Actuarial loss on defined benefit schemes | 28 | **(0.2)** | *(44.3)* |
| Movement of deferred tax relating to pension deficit | 12 | **0.1** | *11.1* |
| **Total other comprehensive expense for the year, net of tax** | | **(0.1)** | *(33.2)* |
| **Total comprehensive income for the year** | | **389.5** | *360.2* |

The notes on pages 81 to 121 form part of these financial statements.

**ARQIVA LIMITED**
**REGISTERED NUMBER: 02487597**

## STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2025

| | Note | 30 June 2025 £m | 30 June 2025 £m | *As restated 30 June 2024 £m* | *As restated 30 June 2024 £m* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Goodwill | 13 | | **43.5** | | *43.5* |
| Intangible assets | 14 | | **67.9** | | *74.4* |
| Tangible fixed assets | 15 | | **970.5** | | *990.1* |
| Fixed asset investments | 16 | | **66.5** | | *66.3* |
| | | | **1,148.4** | | *1,174.3* |
| **Current assets** | | | | | |
| Debtors: amounts falling due after more than one year | 17 | **5,402.7** | | *4,812.7* | |
| Debtors: amounts falling due within one year | 17 | **150.3** | | *141.3* | |
| Cash and cash equivalents | 18 | **20.9** | | *18.4* | |
| | | **5,573.9** | | *4,972.4* | |
| Creditors: amounts falling due within one year | 19 | **(2,270.7)** | | *(2,086.3)* | |
| **Net current assets** | | | **3,303.2** | | *2,886.1* |
| **Total assets less current liabilities** | | | **4,451.6** | | *4,060.4* |
| Creditors: amounts falling due after more than one year | 20 | | **(305.0)** | | *(329.7)* |
| | | | **4,146.6** | | *3,730.7* |
| **Provisions for liabilities** | | | | | |
| Provisions | 24 | **(105.2)** | | *(81.2)* | |
| | | | **(105.2)** | | *(81.2)* |
| **Net assets excluding pension asset** | | | **4,041.4** | | *3,649.5* |
| Pension asset | 28 | | **6.9** | | *9.3* |
| **Net assets** | | | **4,048.3** | | *3,658.8* |

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

| | Note | 2025 £m | 2025 £m | *As restated 2024 £m* | *As restated 2024 £m* |
|---|---|---|---|---|---|
| **Capital and reserves** | | | | | |
| Called up share capital | 25 | | **30.0** | | *30.0* |
| Share premium | 26 | | **90.8** | | *90.8* |
| Capital reserves | 26 | | **13.4** | | *13.4* |
| Other reserves | 26 | | **(4.5)** | | *(4.5)* |
| Profit and loss account | 26 | | **3,918.6** | | *3,529.1* |
| **Total equity** | | | **4,048.3** | | *3,658.8* |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 October 2025.

**Scott Longhurst**
Director

The notes on pages 81 to 121 form part of these financial statements.

Refer to note 33 for the details of the prior period restatement.

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

| | Called up share capital | Share premium account | Capital reserves | Other reserves | Profit and loss account | Total equity |
|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m |
| **At 1 July 2023 (as previously stated)** | **30.0** | **90.8** | **13.4** | **(4.5)** | **3,180.8** | **3,310.5** |
| Prior year adjustment - correction of error | - | - | - | - | **(11.9)** | **(11.9)** |
| **At 1 July 2023 (as restated)** | **30.0** | **90.8** | **13.4** | **(4.5)** | **3,168.9** | **3,298.6** |
| Profit for the year | - | - | - | - | **393.4** | **393.4** |
| Actuarial losses on pension scheme | - | - | - | - | **(33.2)** | **(33.2)** |
| **Total comprehensive income for the year** | - | - | - | - | **360.2** | **360.2** |
| **At 1 July 2024** | **30.0** | **90.8** | **13.4** | **(4.5)** | **3,529.1** | **3,658.8** |
| Profit for the year | - | - | - | - | **389.6** | **389.6** |
| Actuarial losses on pension scheme | - | - | - | - | **(0.1)** | **(0.1)** |
| **Total comprehensive income for the year** | - | - | - | - | **389.5** | **389.5** |
| **At 30 June 2025** | **30.0** | **90.8** | **13.4** | **(4.5)** | **3,918.6** | **4,048.3** |

The notes on pages 81 to 121 form part of these financial statements.

Refer to note 33 for the details of the prior period restatement.

## 1. General information

Arqiva Limited (the 'Company') is a private Company limited by shares and incorporated in England, United Kingdom ("UK") under the Companies Act under registration number 02487597. The address of the registered office is Crawley Court, Winchester, Hampshire, SO21 2QA.

The nature of the Company's operations and its principal activities are set out in the Strategic report on page 8.

## 2. Summary of material accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' 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).

The following principal accounting policies have been applied:

### 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 IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- 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
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of Arqiva Group Limited as at 30 June 2025 and these financial statements may be obtained from the Group's registered office.

## 2. Summary of material accounting policies (continued)

### 2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

### 2.4 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 Company. Notes 18 and 21 respectively of the consolidated financial statements include information on the Company's cash, borrowings and derivatives respectively; and financial risk management information presented within this report.

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 Group has provided a letter of support which confirms that Arqiva Group Limited will provide such financial assistance to all its wholly owned (directly and indirectly held) subsidiaries in order to meet liabilities as they fall due for a period of 12 months from the date of signing the 30 June 2025 financial statements.

The Company adopts the going concern basis in preparing its financial statements, based on the support from its ultimate parent undertaking, 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.

### 2.5 Impact of new international reporting standards, amendments and interpretations

**New and amended standards adopted by the Company**

*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.

**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
- Amendments IFRS 9 and IFRS 7 - Regarding the classification and measurement of financial instruments
- Amendment to IFRS 18 - Presentation and Disclosures in Financial Statements

The new and revised standards not yet effective are not expected to have a material impact on the Company.

## 2. Summary of material accounting policies (continued)

### 2.6 Revenue recognition

Revenue represents the gross inflow of economic benefit for services provided utilising Arqiva's communications infrastructure, completion of significant engineering projects 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 days to 60 days.

Cash received or invoices raised in advance 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 Company 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 Company 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 20.

*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 machine-to-machine 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.

## 2. Summary of material accounting policies (continued)

### 2.6 Revenue recognition (continued)

The Company 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 Company only recognises revenue to the extent that it is highly probable that there will not be a material reversal in the future.

Pre-contract costs incurred in the initial set up phase of a contract are 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.

*Delivery of engineering projects*
The Company 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 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.

## 2. Summary of material accounting policies (continued)

### 2.7 Exceptional items

Exceptional items are those that are considered to be one-off, non-recurring in nature or so material that the Directors believe that they require separate disclosure to avoid the distortion of underlying performance. Underlying performance is the reported 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.

### 2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 2.9 Finance income

Interest income is recognised in profit or loss using the effective interest method.

### 2.10 Finance expenses

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## 2. Summary of material accounting policies (continued)

### 2.11 Pensions

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**Defined benefit pension plan**

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the IFRS fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

## 2. Summary of material accounting policies (continued)

### 2.12 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

### 2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The estimated useful lives range as follows:

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

### 2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## 2. Summary of material accounting policies (continued)

### 2.14 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

| | | | | |
|---|---|---|---|---|
| Freehold property | - | 20 | - 80 | years |
| Long-term leasehold property | - | 20 | - 80 | years (over 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 |

Communications infrastructure network assets, network computer equipment assets, and motor vehicles assets are included within plant and machinery in note 15.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.15 Leases

**The Company as a lessee**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company 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 Company 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 Company 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 'Creditors' on the Statement of financial position.

## 2. Summary of material accounting policies (continued)

### 2.15 Leases (continued)

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 Company 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 Company 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.

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 Company 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 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.14.

Variable rents that do not depend on an index or rate are not included in the measurement 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 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 Company has used this practical expedient.

### 2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

## 2. Summary of material accounting policies (continued)

### 2.17 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.

### 2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.19 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.

### 2.20 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

### 2.21 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

## 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, 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 Company's accounting policies**
The following are the critical judgements, and those involving estimations, that the Directors have made in the process of applying the Company'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 23, the Company has a significant 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 Company 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.

**Key estimates and assumptions**

*Impairment of goodwill*
The carrying amount of the Company's goodwill and the Company's investments is reviewed at each statement of financial position date to determine whether there is any indication of impairment, in compliance with the Company's accounting policies. An assessment of impairment is performed each year.

*Actuarial assumptions used to determine the carrying amount of the Company's defined benefit plan liabilities*
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 28.

## 3. Judgements in applying accounting policies (continued)

### Key estimates and assumptions (continued)

*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 Company will derive benefit from these assets.

Management monitor 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.

The Company 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 Company and within the industry as a whole.

The carrying values of intangibles are disclosed in note 14, and those for property, plant and equipment are disclosed in note 15.

*Provisions*
Estimates have been made in respect of the probable future obligations of the Company. 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 24).

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

## 4. Turnover

An analysis of turnover by class of business is as follows:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Rendering of services | **545.3** | *538.4* |
| Sale of goods | **45.6** | *50.9* |
| | **590.9** | *589.3* |

All turnover arose within the United Kingdom.

## 5. Operating profit

The operating profit is stated after (crediting)/charging:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Management recharge to fellow group undertakings | **(12.4)** | *(13.9)* |
| Depreciation of tangible fixed assets | **110.2** | *89.6* |
| Amortisation of intangible assets, including goodwill | **13.8** | *19.4* |
| Defined contribution pension cost | **6.6** | *6.3* |

The Company has levied a management recharge, in respect of various staff costs and central facilities and support costs, to other trading entities within the Group. The management recharge to fellow group undertakings is charged to operating profit within the Income Statement.

## 6. Exceptional items

The Company 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 2.

Profit 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)* |
| Restoration costs | **(0.9)** | *(3.5)* |
| Pension surplus sharing agreement | **(2.0)** | - |
| Pension buy-in | **-** | *(1.7)* |
| | **(4.6)** | *(7.9)* |
| **Other exceptional items:** | | |
| Other income | **-** | *16.0* |
| | **-** | *16.0* |
| **Total exceptional items** | **(4.6)** | *5.3* |

## 6. Exceptional items (continued)

*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 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.

*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.

*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.

## 6. Exceptional items (continued)

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* |

## 7. Auditors' remuneration

During the year, the Company 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 Company's financial statements | **0.1** | *0.1* |

Additional fees payable to the Company's auditors and their associates totalling £0.6m (2024: £0.4m) are in relation to the audits of other group companies and these amounts were not recharged.

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

## 8. Employees

Staff costs were as follows:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Wages and salaries | **94.8** | *94.3* |
| Social security costs | **10.4** | *9.6* |
| Cost of defined contribution scheme | **6.6** | *6.3* |
| Capitalised labour costs | **(23.4)** | *(23.1)* |
| | **88.4** | *87.1* |

The average monthly number of employees, including the directors, during the year was as follows:

| | **2025 No.** | *2024 No.* |
|---|---|---|
| Media & Broadcast | **45.0** | *38.0* |
| Smart Utilities Networks | **37.0** | *29.0* |
| Operations | **563.0** | *545.0* |
| Technology | **477.0** | *507.0* |
| Corporate | **185.0** | *194.0* |
| | **1,307.0** | *1,313.0* |

## 9. Directors' remuneration

Certain Directors were representatives of the ultimate parent company's shareholders and their individual remuneration reflects the services they provide to the Company and other Group undertakings.

The aggregate of the amounts paid to Directors in respect of their services as a Director of the Company are set out below:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Directors' emoluments | **1.8** | *2.9* |
| Amounts receivable under long-term incentive schemes | **0.5** | *0.6* |
| Company contributions to money purchase pension schemes | **-** | *-* |
| | **2.3** | *3.5* |

During the year retirement benefits were accruing to 3 directors (2024 - 2) in respect of defined contribution pension schemes.

The highest paid director received aggregate remuneration of £1.5m (2024 - £1.3m).

## 10. Finance income

| | **2025 £m** | *As restated 2024 £m* |
|---|---|---|
| Interest receivable from group undertakings | **505.5** | *444.1* |
| Other interest receivable | **1.8** | *4.3* |
| | **507.3** | *448.4* |

Other interest receivable comprises of £0.5m (2024: £2.4m) in relation to net finance income on the defined benefit pension scheme, and £1.3m (2024: £1.9m) interest earned on bank deposits.

See note 33 for details of the prior year restatement.

## 11. Finance expense

| | 2025 £m | As restated 2024 £m |
|---|---|---|
| Other loan interest payable | **15.3** | *17.0* |
| Interest payable to group undertakings | **140.7** | *128.1* |
| Unwinding of discount on provisions | **5.7** | *5.6* |
| Revaluation of decommissioning provision | **-** | *(4.5)* |
| Interest on lease liabilities | **3.8** | *4.1* |
| | **165.5** | *150.3* |

See note 33 for details of the prior year restatement.

## 12. Taxation

| | 2025 £m | 2024 £m |
|---|---|---|
| **Corporation tax** | | |
| Current tax on profits for the year | **110.6** | *96.0* |
| Adjustments in respect of previous periods | **3.6** | *18.2* |
| | **114.2** | *114.2* |
| **Total current tax** | **114.2** | *114.2* |
| **Deferred tax** | | |
| Origination and reversal of timing differences | **(2.6)** | *10.0* |
| Adjustments in respect of previous periods | **(2.6)** | *(41.1)* |
| **Total deferred tax** | **(5.2)** | *(31.1)* |
| **Tax on profit** | **109.0** | *83.1* |

## 12. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2024 - lower than)* the standard rate of corporation tax in the UK of 25% *(2024 - 25%)*. The differences are explained below:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Profit on ordinary activities before tax | **498.6** | *476.5* |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%) | **124.6** | *119.1* |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | **0.8** | *0.6* |
| Deemed interest on inter-company balances (a) | **(17.4)** | *(13.7)* |
| Adjustments to tax charge in respect of prior periods (b) | **1.0** | *(22.9)* |
| **Total tax charge for the year** | **109.0** | *83.1* |

The current UK corporation tax charge (2024: charge) represents the payment made to (2024: payments made to) group undertakings for the provision of tax losses by way of group relief.

a) Deemed interest expense in respect of inter-company debt, deductible for corporation tax purposes.
b) The adjustment in respect of prior years in the period to June 2024 primarily relates to refinements of taxable profits arising from the completion of the tax compliance process; in the period to 30 June 2024 £31.8m relates to the position agreed with HMRC in respect of a prior uncertain tax position by another Company in the Group, resulting in a revised tax depreciation claim affecting the deferred tax position; this was partially offset by an increase in the payment received for the provision of group relief. In addition in the year ended 30 June 2024 there was a £8.2m tax credit in current tax as a result of the introduction by the Group of a revised interest charging policy for tax purposes.

### Tax in the Statement of Comprehensive Income

There is a tax credit of £0.1m (2024: credit of £11.1m) in respect of the actuarial loss of £0.2m (2024: £44.3m) in the Statement of Comprehensive Income.

### Factors that may affect future tax charges

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%; the implications of this upon the Company is set out in the Arqiva Group Limited consolidated financial statements. The Company 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.

## 13. Goodwill

| | £m |
|---|---|
| **Cost** | |
| At 1 July 2024 | **43.5** |
| At 30 June 2025 | **43.5** |
| **Net book value** | |
| At 30 June 2025 | **43.5** |
| *At 30 June 2024* | *43.5* |

## 14. Intangible assets

| | Licences £m | Development expenditure £m | Access rights £m | Computer software £m | AUC £m | Total £m |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 July 2024 (as previously stated) | **4.6** | **20.9** | **4.3** | **122.0** | **-** | **151.8** |
| Prior Year Adjustment (see note 33) | **(0.1)** | **(0.2)** | **-** | **(1.4)** | **-** | **(1.7)** |
| At 1 July 2024 (as restated) | **4.5** | **20.7** | **4.3** | **120.6** | **-** | **150.1** |
| Additions | **-** | **-** | **-** | **-** | **13.3** | **13.3** |
| Transfers from Tangible fixed assets | **-** | **(2.1)** | **-** | **-** | **(13.3)** | **(15.4)** |
| Disposals | **-** | **-** | **-** | **(0.1)** | **-** | **(0.1)** |
| Completion of AUC | **0.1** | **0.1** | **-** | **9.2** | **-** | **9.4** |
| At 30 June 2025 | **4.6** | **18.7** | **4.3** | **129.7** | **-** | **157.3** |
| **Accumulated amortisation** | | | | | | |
| At 1 July 2024 | **3.6** | **12.8** | **4.3** | **55.0** | **-** | **75.7** |
| Charge for the year | **0.4** | **0.4** | **-** | **13.0** | **-** | **13.8** |
| On disposals | **-** | **-** | **-** | **(0.1)** | **-** | **(0.1)** |
| At 30 June 2025 | **4.0** | **13.2** | **4.3** | **67.9** | **-** | **89.4** |
| **Net book value** | | | | | | |
| At 30 June 2025 | **0.6** | **5.5** | **-** | **61.8** | **-** | **67.9** |
| *At 30 June 2024 (as restated)* | *0.9* | *7.9* | *-* | *65.6* | *-* | *74.4* |

## 14. Intangible assets (continued)

Development costs in respect of products and services that are being developed by the Company 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.

Costs incurred to modify acquired assets in order to make them fit for purpose amounts to £11.8m (2024: £11.9m).

At 30 June 2025, the Company had entered into contractual commitments for the acquisition of intangibles amounting to £1.6m (2024: £1.6m) – see note 27 for further details.

Under the terms of Arqiva Group Limited's external debt facilities, Arqiva Group Limited has provided security over substantially all of its assets by way of a Whole Business Securitisation structure, the assets include those owned by the Company.

## 15. Tangible fixed assets

| | Freehold property £m | Long-term leasehold property £m | Plant and machinery £m | AUC £m | Total £m |
|---|---|---|---|---|---|
| **Cost or valuation** | | | | | |
| At 1 July 2024 (as previously stated) | **191.6** | **145.5** | **1,797.6** | **90.1** | **2,224.8** |
| Prior Year Adjustment (see note 33) | **-** | **-** | **(10.2)** | **-** | **(10.2)** |
| At 1 July 2024 (as restated) | **191.6** | **145.5** | **1,787.4** | **90.1** | **2,214.6** |
| Additions | **-** | **5.4** | **10.6** | **66.4** | **82.4** |
| Transfers to Intangible assets | **-** | **-** | **2.2** | **(9.5)** | **(7.3)** |
| Disposals | **(0.1)** | **(5.7)** | **(20.7)** | **-** | **(26.5)** |
| Adjustments for provisions | **-** | **0.2** | **18.4** | **-** | **18.6** |
| Completion of AUC | **1.4** | **-** | **54.5** | **(55.9)** | **-** |
| At 30 June 2025 | **192.9** | **145.4** | **1,852.4** | **91.1** | **2,281.8** |
| **Accumulated depreciation** | | | | | |
| At 1 July 2024 | **46.9** | **85.6** | **1,092.0** | **-** | **1,224.5** |
| Charge for the year on owned assets | **5.2** | **2.5** | **84.2** | **-** | **91.9** |
| Charge for the year on right-of-use assets | **-** | **9.4** | **8.9** | **-** | **18.3** |
| Disposals | **-** | **(3.0)** | **(20.4)** | **-** | **(23.4)** |
| At 30 June 2025 | **52.1** | **94.5** | **1,164.7** | **-** | **1,311.3** |
| **Net book value** | | | | | |
| At 30 June 2025 | **140.8** | **50.9** | **687.7** | **91.1** | **970.5** |
| *At 30 June 2024 (as restated)* | *144.7* | *59.9* | *695.4* | *90.1* | *990.1* |

Freehold land included above but not depreciated amounts to £67.9m (2024: £69.7m).

The Company's current and non-current assets have been pledged as security under the terms of the Group's external debt facilities (see note 29).

At 30 June 2025, the Company had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £10.3m (2024: £9.1m) – see note 27 for further details.

## 15. Tangible fixed assets (continued)

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of financial position is as follows:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Tangible fixed assets owned | **927.0** | *941.6* |
| Right-of-use tangible fixed assets | **43.5** | *48.5* |
| | **970.5** | *990.1* |

Information about right-of-use assets is summarised below:

**Net book value**

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Long-term leasehold property | **35.6** | *42.5* |
| Plant and machinery | **7.9** | *6.0* |
| | **43.5** | *48.5* |

**Depreciation charge for the year ended**

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Long-term leasehold property | **9.4** | *9.8* |
| Plant and machinery | **8.9** | *7.2* |
| | **18.3** | *17.0* |

**Additions to right-of-use assets**

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Additions to right-of-use assets | **7.2** | *3.3* |

The Company's lease obligations (see note 22) are secured by the lessors' title of the leased assets, which have a carrying amount of £2.6m (2024: £2.8m).

## 16. Fixed asset investments

| | Investments in subsidiary companies £m |
|---|---|
| **Cost or valuation** | |
| At 1 July 2024 | **122.5** |
| Additions | **0.2** |
| At 30 June 2025 | **122.7** |
| **Accumulated impairment** | |
| At 1 July 2024 | **56.2** |
| At 30 June 2025 | **56.2** |
| **Net book value** | |
| At 30 June 2025 | **66.5** |
| *At 30 June 2024* | *66.3* |

The Directors consider the carrying value of the Company's investments in its subsidiaries and joint ventures 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.

Impairments recognised relate to investments held by the Company in other group undertakings which are now dormant.

The impairments were identified following an assessment of recoverability by management when considering future cashflows and the value of assets held in subsidiaries.

## 16. Fixed asset investments (continued)

The Company's subsidiary investments (held indirectly unless stated) are shown below:

| Company | Country of incorporation | Principal activities | Year end | Ordinary share holding |
|---|---|---|---|---|
| ABHL Multiplex Limited | United Kingdom | Dormant company | 30-Jun | 100%* |
| Arqiva (Scotland) Limited | United Kingdom | Transmission services | 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 Inc. | USA | Satellite 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 No. 10 Limited | United Kingdom | Dormant company | 30-Jun | 100%* |
| Arqiva No. 11 Limited | United Kingdom | Dormant company | 30-Jun | 100%* |
| Arqiva Pte Limited | Singapore | Satellite transmission services | 30-Jun | 100%* |
| Arqiva SAS | France | Satellite transmission services | 30-Jun | 100%* |
| Arqiva SRL | Italy | Satellite transmission services | 30-Jun | 100%* |
| Arqiva Broadcast Limited | United Kingdom | Dormant 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 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 Public Safety Limited | United Kingdom | Dormant company | 30-Jun | 100% |
| Arqiva Satellite Limited | United Kingdom | Dormant company | 30-Jun | 100% |
| Arqiva Transmission Limited | United Kingdom | Dormant 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%* |
| 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%* |
| NWP Spectrum Holdings Limited | United Kingdom | Holding 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% |
| Spectrum Interactive (UK) Limited | United Kingdom | Dormant company | 30-Jun | 100% |
| Spectrum Interactive Limited | United Kingdom | Holding company | 30-Jun | 100%* |

*These investments are held directly by the Company.

**16. Fixed asset investments (continued)**

With the following exceptions, the registered office of each of the subsidiary companies listed above was Crawley Court, Winchester, Hampshire, SO21 2QA:

| Name | Registered office |
|---|---|
| Arqiva Inc. | c/o The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE19801, United States of America. |
| 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 above, the Company directly 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% |

During the period the Company acquired preference shares in an insurance captive arrangement. These are measured at fair value through profit or loss.

## 17. Debtors

| | | 2025 £m | *2024 £m* |
|---|---|---|---|
| **Due after more than one year** | | | |
| Amounts owed by group undertakings | | **5,211.8** | *4,627.1* |
| Deferred tax asset | 23 | **190.9** | *185.6* |
| | | **5,402.7** | *4,812.7* |

| | 2025 £m | *2024 £m* |
|---|---|---|
| **Due within one year** | | |
| Trade debtors | **51.5** | *58.8* |
| Amounts owed by group undertakings | **55.2** | *51.2* |
| Other debtors | **4.9** | *4.6* |
| Prepayments and accrued income | **29.8** | *20.4* |
| Contract assets | **8.9** | *6.3* |
| | **150.3** | *141.3* |

Amounts owed by group undertakings are unsecured and repayable on demand. Within amounts owed by group undertakings due after more than one year, interest has been charged on £5,729.2m (2024: £5,030.1m) at 9.5% in relation to structured loan balances with Arqiva Financing No1 Ltd. Balances with the same Group entity of £539.4m (2024: £424.8m), not related to structured loans, reduces amounts owed to group undertakings and have been charged at 0.0%. Balances with other group entities of £22.0m (2024: £21.8m) have been charged at 0.0%. The balance of amounts owed by group undertakings due within one year of £52.5m (2024: £51.2m) has been charged at 0.0% in relation to trading and working capital loan balances. Amounts owed by group undertaking are stated after deducting allowances for impairment of £7.7m (2024: £7.7m).

Trade receivables are stated after provisions for credit losses of £5.7m (2024: £6.4m).

The increase in contract assets in the year is driven principally by regular business as usual movements within accrued income. Contract assets are stated after provision for impairment of £0.1m (2024: £0.1m). 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).

## 18. Cash and cash equivalents

| | 2025 £m | *2024 £m* |
|---|---|---|
| Cash at bank and in hand | **20.9** | *18.4* |
| | **20.9** | *18.4* |

Included in cash at bank and in hand is cash in escrow of £nil (2024: £7.0m) 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 28.

## 19. Creditors: Amounts falling due within one year

| | | 2025 £m | *2024 £m* |
|---|---|---|---|
| Trade creditors | | **54.5** | *48.9* |
| Amounts owed to group undertakings | | **2,042.8** | *1,861.9* |
| Other taxation and social security | | **25.5** | *20.6* |
| Lease liabilities | 22 | **15.1** | *17.3* |
| Other creditors | | **2.9** | *2.8* |
| Accruals and deferred income | | **45.5** | *55.3* |
| Contract liabilities | | **84.4** | *79.5* |
| | | **2,270.7** | *2,086.3* |

Within amounts owed to group undertakings, interest has been charged on £1,554.7m (2024: £1,414.8m) at 9.5%. Amounts owed to other group undertakings of £488.1m (2024: £447.1m) are unsecured, interest free, and are repayable on demand have been charged at 0.0%.

## 20. Creditors: Amounts falling due after more than one year

| | | 2025 £m | *2024 £m* |
|---|---|---|---|
| Loans from group undertakings | 21 | **5.3** | *5.3* |
| Lease liabilities | 22 | **36.5** | *38.6* |
| Contract liabilities | | **263.2** | *285.8* |
| | | **305.0** | *329.7* |

The aggregate amount of liabilities repayable wholly or in part more than five years after the reporting date is:

| | 2025 £m | *2024 £m* |
|---|---|---|
| **Loans from group undertakings** | | |
| Repayable other than by instalments | **5.3** | *5.3* |
| | **5.3** | *5.3* |
| **Total amounts due after more than five years** | **5.3** | *5.3* |

Loans from group undertakings are unsecured, interest free and repayable in more than five years.

**Contract liabilities**

Prior year contract liabilities of £61.5m (2024: £85.1m) were realised as revenue during the year. Other than business-as-usual movements there were no significant changes in contract liability balances during the year.

## 21. Loans

Analysis of the maturity of loans is given below:

| | 2025 £m | *2024 £m* |
|---|---|---|
| **Amounts falling due after more than 5 years** | | |
| Loans from group undertakings | **5.3** | *5.3* |
| | **5.3** | *5.3* |
| | **5.3** | *5.3* |

All borrowings are sterling denominated.

## 22. Lease liabilities

### Company as a lessee

The company holds lease arrangements primarily relating to land and buildings, circuit contracts and vehicles.

Lease liabilities are due as follows:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Not later than one year | **15.1** | *17.3* |
| Between one year and five years | **22.6** | *21.6* |
| Later than five years | **13.9** | *17.0* |
| | **51.6** | *55.9* |

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Interest expense on lease liabilities | **3.8** | *4.1* |
| Variable lease payments not included in the measurement of lease liabilities | **2.5** | *2.9* |

The total cash outflow for leases during the year was £18.3m (2024: £22.6m).

## 23. Deferred taxation

| | 2025 £m |
|---|---|
| At beginning of year | **185.6** |
| Credited to profit or loss | **5.2** |
| Credited to other comprehensive income | **0.1** |
| **At end of year** | **190.9** |

The deferred tax asset is made up as follows:

| | 2025 £m | *2024 £m* |
|---|---|---|
| Fixed assets temporary differences | **142.0** | *142.8* |
| Other temporary differences | **50.6** | *45.1* |
| Defined benefit pension scheme | **(1.7)** | *(2.3)* |
| | **190.9** | *185.6* |

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.

Deferred tax assets are not recognised unless it is probable that there are sufficient taxable profits against which they will be realised. The Company continues to recognise the deferred tax asset based on forecast taxable profits that will arise based upon the long-term forecast results prepared for the Company. 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 Company based on reasonably possible trading forecasts.

## 24. Provisions

| | Decommissioning £m | Restructuring £m | Remediation and maintenance £m | Other £m | Total £m |
|---|---|---|---|---|---|
| At 1 July 2024 | **71.5** | **0.4** | **3.3** | **6.0** | **81.2** |
| (Released)/charged to profit and loss | **-** | **-** | **(1.1)** | **0.8** | **(0.3)** |
| Revaluation of decommissioning provision through Tangible fixed assets | **18.6** | **-** | **-** | **-** | **18.6** |
| Unwind of discount | **5.3** | **-** | **0.4** | **-** | **5.7** |
| **At 30 June 2025** | **95.4** | **0.4** | **2.6** | **6.8** | **105.2** |

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 increase in tangible fixed assets of £18.6m (2024: decrease of £2.1m) as disclosed in note 15. 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.

The restructuring provision relates to the costs of exceptional activities to reorganise Arqiva Group Limited.

The remediation provision represents the cost of works identified as being required across a number of the Company's sites and is expected to be utilised over the next one to ten years.

Other provisions represent a variety of smaller items which are expected to be utilised over the next one to ten years.

## 25. Called up share capital

| | **2025 £m** | *2024 £m* |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 30,000,201 *(2024 - 30,000,201)* Ordinary shares of £1.00 each | **30.0** | *30.0* |

## 26. Reserves

**Share premium account**

Amount subscribed for share capital in excess of nominal value.

**Capital reserves**

The result of a historic transfer of net assets to the Company on through business combinations.

**Other reserves**

The result of trade that has been hived up into the Company from subsidiary undertakings which are now dormant.

**Profit and loss account**

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

## 27. Capital commitments

At 30 June 2025 the Company had capital commitments 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* |

## 28. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £6.8m (2024: £6.5m). Contributions totalling £1.1m (2024: £1.0m) were payable to the fund at the reporting date and are included in creditors.

The Company operates a Defined benefit pension scheme.

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.

## 28. Pension commitments (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.

Reconciliation of present value of plan liabilities:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| **Reconciliation of present value of plan liabilities** | | |
| At the beginning of the year | **165.6** | *158.9* |
| Interest cost | **8.4** | *8.2* |
| Actuarial (gains)/losses | **(13.1)** | *5.7* |
| Benefits paid | **(6.9)** | *(7.1)* |
| Past service cost/(income) | **2.0** | *(0.1)* |
| **At the end of the year** | **156.0** | *165.6* |

Reconciliation of present value of plan assets:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| At the beginning of the year | **174.9** | *210.1* |
| Interest income | **8.9** | *10.6* |
| Actuarial losses | **(13.3)** | *(38.6)* |
| Contributions | **0.1** | - |
| Benefits paid | **(6.9)** | *(7.1)* |
| Past service cost | **(0.8)** | *(0.1)* |
| **At the end of the year** | **162.9** | *174.9* |

## 28. Pension commitments (continued)

Composition of plan assets:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Government bonds | **2.0** | *8.0* |
| Cash and cash equivalents | **6.0** | *0.3* |
| Insurance policies | **154.9** | *166.6* |
| **Total plan assets** | **162.9** | *174.9* |

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Fair value of plan assets | **162.9** | *174.9* |
| Present value of plan liabilities | **(156.0)** | *(165.6)* |
| **Net pension scheme asset** | **6.9** | *9.3* |

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.

## 28. Pension commitments (continued)

*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.

The amounts recognised in profit or loss are as follows:

| | **2025 £m** | *2024 £m* |
|---|---|---|
| Past service cost | **2.8** | - |
| Interest income | **(0.5)** | *(2.4)* |
| **Total** | **2.3** | *(2.4)* |

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was £0.2m *(2024 - £44.3m).*

## 28. Pension commitments (continued)

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| | **2025** | *2024* |
|---|---|---|
| | **%** | *%* |
| Discount rate | **5.6** | *5.2* |
| Inflation assumption - RPI | **2.9** | *3.2* |
| Inflation assumption - CPI | **2.4** | *2.6* |
| Mortality rates | | |
| - for a male aged 65 now | **25.6 years** | *25.6 years* |
| - at 65 for a male aged 45 now | **27.5 years** | *27.4 years* |
| - for a female aged 65 now | **28.6 years** | *28.5 years* |
| - at 65 for a female member aged 45 now | **30.3 years** | *30.2 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** | *2024* |
|---|---|---|
| | **£m** | *£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.

## 29. Other financial commitments

Under the terms of the Group's external debt facilities, the Company has provided security over substantially all of its tangible, intangible and other assets by way of a Whole Business Securitisation ('WBS') structure.

## 30. 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 and key management personnel.

There are 2 Group entities that are not wholly owned by another Group entity. These are: Now Digital East Midlands Limited, which is 80.0% owned by a Group entity; and South West Digital Radio Limited, which is 66.6% owned by a Group entity. Both are trading entities that use Arqiva Limited's media & broadcast services to deliver their respective radio services.

In line with IAS24 we have disclosed the amount of revenue transactions in the year and the receivables balances at the year end date between Arqiva Limited and these subsidiaries which are not wholly owned subsidiaries.

*Now Digital East Midlands Limited*
The total amount of revenue transactions during the year was £1.3m (2024: £1.4m) with an amount receivable at the year end of £18.1m (2024: £16.4m).

*South West Digital Radio Limited*
The total amount of revenue transactions during the year was £1.3m (2024: £1.3m) with an amount receivable at the year end of £11.4m (2024: £10.1m).

The amounts receivable are unsecured and non-interest bearing. They are repayable on demand, Arqiva Limited has no intention of recalling the amounts owed within the 12 month period following the year end.

There are no provisions for doubtful debts held for these amounts and £nil (2024: £nil) expense recognised during the year in respect of bad or doubtful debts due from related parties

## 31. Post balance sheet events

As at the reporting date, management was not aware of any 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.

## 32. Controlling parties

The Company's immediate parent undertaking is Arqiva Holdings Limited. The ultimate parent undertaking is Arqiva Group Limited, which is the parent undertaking of the largest group to consolidate these financial statements. The parent of the smallest group to consolidate these financial statements is Arqiva Group Parent Limited.

Copies of the Arqiva Group Limited and the Arqiva Group Parent Limited consolidated financial statements can be obtained from the Company Secretary of each Company at Crawley Court, Winchester, Hampshire, SO21 2QA.

The Company is owned by a consortium of shareholders including Digital 9 Infrastructure plc, Macquarie European Infrastructure Fund II, other Macquarie managed funds and minorities.

## 33. Prior year adjustment

*Intercompany interest income and expense*
In the prior year financial statements, intercompany interest income and expense with group companies had been incorrectly presented on a net basis within finance income and finance expense. In accordance with IAS 1, income and expenses should be presented gross unless permitted by an IFRS standard.

The prior year figures have been restated to present intercompany interest income and expense separately. This correction has no impact on the reported profit or loss for the prior year, as the net effect remains £nil. The 2025 financial statements reflect the corrected gross presentation.

*Impairment of fixed assets*
The ultimate parent company, Arqiva Group Limited (AGL), tests the Group's goodwill annually for impairment, or more frequently if there are indications that goodwill.

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 to 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 AGL's goodwill, intangible assets and, tangible fixed assets carrying value on the statement of financial position which had a continuing misstated effect on goodwill, intangible assets and tangible fixed assets carrying values and accumulated losses in subsequent periods of account. The impaired intangible and tangible fixed assets are owned by Arqiva Ltd and as a result, Arqiva Ltd's asset base has been impaired as a result of the Group's goodwill impairment test.

Management has considered the effect the adjustment to 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 tangible fixed assets 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 |
|---|---|---|---|
| Tangible fixed assets | **1,051.0** | **(10.2)** | **1,040.8** |
| Intangible assets | **56.7** | **(1.7)** | **55.0** |
| Profit and loss account | **3,180.8** | **(11.9)** | **3,168.9** |