INVESTOR REPORT FOR ARQIVA GROUP PARENT LIMITED

SCHEDULE 7

3 Month Period ending 30 June 2026

Date: 27 October 2026

QUARTERLY INVESTOR REPORT

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

GENERAL OVERVIEW

Arqiva is the UK's leading enabler of digital connected solutions across the Media Distribution and Utilities markets. It generates more predictable earnings, supported by strong market positions, diverse revenue streams, long-life assets and long-term inflation linked contracts. The Group had a contracted orderbook of £2.9 billion as at 30 June 2026 on a real basis.

REGULATORY AND BUSINESS UPDATE (INCLUDING HISTORIC BUSINESS DEVELOPMENTS)

Media and Broadcast

DTT Multiplexes

Digital Terrestrial Television (DTT) platform capacity utilisation was 94% at the end of the three-month period ended 30 June 2026, with two new channels launching in the first half of the financial year ending 30 June 2027.

Radio

Arqiva has secured further long-term commitments for FM service in the three month period to 30 June 2026, extending well into the next decade, reinforcing the stability and resilience of our broadcast revenue base.

Both national DAB multiplexes remain fully occupied with 80% of Digital 1 ("D1") multiplex capacity being contracted until 2035 and 100% of Sound Digital's multiplex capacity fully contracted until at least 2028.

Demand for Arqiva's 25 local DAB multiplexes remains strong and all major broadcasters have contracted capacity out to 2030, providing stability across both the national and local platforms. Investment in the DAB platform provides further opportunities to launch new services using improved compression techniques.

Direct to Home (DTH)

The DTH satellite platform remains at close to full capacity, supported by renewals rates and Arqiva winning a high proportion of channels new to market.

Managed Media Services

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

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

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

Position, Navigation and Timing (PNT) Services

Demand for assured and interference-resilient PNT is increasing across defence, national security, critical infrastructure and transport and Arqiva is working closely with partners, leveraging its national infrastructure and specialist engineering capability, to support the delivery of a resilient PNT solution for the UK. Our current focus is on eLoran, an independent and resilient terrestrial system that complements and provides an assured alternative to satellite-based PNT such as GPS and GNSS.

Defence and National Resilience – growing opportunities

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

Government and regulatory update

The Government published its Media Green Paper "Watch this Space: A New Strategic Direction for UK Media" in June 2026. This Green Paper opened a 10-week public consultation on the future of television distribution and the long-term sustainability of public service media. The Green Paper outlines two possible scenarios for the future of Digital Terrestrial Television beyond the current licence period; either a full DTT switch off in 2034, or a fixed term extension to 2044. The Green Paper is seeking views on the conditions required for any transition to internet-delivered television, with Arqiva planning to submit a comprehensive response.

Arqiva has continued to work closely with DCMS officials, ministers, parliamentarians, and Broadcast 2040+ stakeholders. Our engagement has focused on ensuring that future policy decisions support universal access to trusted public service content, while recognising the strategic importance of resilient and secure broadcast infrastructure.

Arqiva also continued to engage with the DCMS radio review, launched in February 2026, which is looking at the ongoing development of the sector, including DAB services and the long-term future of FM radio.

Arqiva continued to support the Office of the Adjudicator – Broadcast Transmission Services' (OTA) work programme, which is currently focused on regulatory accounts disclosures and a review of the cost and pricing models that Arqiva uses to generate reference offers. The OTA also plans to commence a review of the regulatory weighted cost of capital (WACC) and indexation as part of its 2027 work programme set out in its annual budget agreed with Ofcom.

Smart Utilities Networks

Water sector

The Group continued to focus on expanding and deepening its role in the UK water sector, including delivering and accelerating AMP8 smart metering programmes. Arqiva is launching a new managed sensors product as of June 2026 in recognition of increased requirements for monitoring and reporting of both clean (water quality) and waste (sewer level monitors) water. This allows water companies to leverage smart networks deployed by Arqiva by connecting data from meters and sensors to build deeper insight into a water company's overall water and wastewater systems.

Anglian Water: the Group deployed 1.1 million meters during the 2020-2025 (AMP7) regulatory period since the award of the Anglian Water contract in June 2020. Our performance to date contributed to Anglian Water awarding Arqiva a 20-year contract for the current regulatory period (AMP8, 2025-2030) to rollout an additional 1.1 million meters with associated network, of which 0.4 million devices have been delivered to date in AMP8 (inclusive of the accelerated programme). Anglian Water have increased their focus on adding sensors to the network, with trial sewer level monitoring developed this year and a successful water quality sensors trial concluded which connected sensors as part of Arqiva's managed sensor product development.

United Utilities: United Utilities awarded Arqiva a contract in December 2024, of at least 15 years, to provide 1.1 million meters in support of their AMP8 smart meter rollout programme, of which 0.3 million meters have been delivered to date in AMP8. Arqiva is the primary contractor in a new-to-market configuration providing the communication network, meters and consumer side installation services. The network deployed will cover most of the United Utilities region in the Northwest of England and will offer the potential of a further growth opportunity of 2.0m meters during AMP9 and AMP10.

Affinity Water: Arqiva signed a 15-year contract with Affinity Water. Affinity has now installed 0.1 million smart water meters, which is 25% of its AMP8 commitment with an acceleration plan agreed for year two. The AMP8 contract with Arqiva includes provision of the communications network, managed service and meters for an initial 0.4 million meters. Affinity Water's overall programme for smart meters is 1.2 million, which will offer the potential for new growth opportunities during AMP9 (2030-2035) and AMP10 (2035-2040).

Thames Water: Since April 2015, Arqiva has delivered a smart metering network for Thames Water comprising 1.2 million meters. We deployed 0.16 million meters in year one of AMP8 in areas we already serve as well and have identified ways to support delivery of Thames' wider AMP8 programme.

Portsmouth Water: Arqiva signed a 20-year contract with Portsmouth Water in February 2025 to install over 320,000 meters (c.158,000 in AMP8 and the rest in AMP9) in support of their smart meter programme. Arqiva will provide the communications network, managed service and meters. To date we have delivered over 10,000 meters and have signed a variation to accelerate delivery of the Flexnet network to enable full coverage across the region in 2027. We are currently engaged in conversations with Portsmouth Water about deploying sensors to measure pressure on the network and have signed a contract to deploy NBIoT to support infill of the communication network.

Northumbrian Water: Arqiva currently provides service to 60,000 meters as part of an historic trial agreement in the Dagenham & Redbridge area (part of Northumbrian Water's Essex & Suffolk region). Arqiva is finalising a contract to agree a 15-year enduring service contract for an additional 50,000 meters, inclusive of meters already deployed, to ensure Northumbrian Water can drive down consumption and consumer side leakage in the region.

Energy sector

SGN Hybrid Connectivity

Since the original 5-year contract was awarded by SGN in 2024 to provide connectivity solutions for 230 of their sites, Arqiva has expanded this contract to serve an additional 174 sites. To date, we have installed the service at 119 sites in line with the customer programme timelines.

Smart energy metering rollout

The Group's smart metering communication network in the North of England and Scotland continues to deliver for over 4.3 million customers every day. All enhancement programmes remain on track with respective milestones being achieved. We are working closely with Smart DCC to identify and deliver opportunities for improved service as well as exploring a new, extended contract for our long-range radio solution.

Regulatory Environment - Water

Following publication of Defra's Water White Paper in 2025, Government has continued to develop plans for comprehensive reform of the water sector. Most significantly, the King's Speech in May 2026 confirmed the forthcoming Clean Water Bill, which is expected to provide the legislative framework for many of the structural reforms proposed by Defra, including the creation of a new integrated regulator and strengthened enforcement powers.

In parallel, Defra is progressing work on a 2026 transition plan to support implementation of the new regulatory model. Industry engagement has increasingly focused on the practical design of the proposed single regulator, the development of the Performance Improvement Regime, enhanced supervisory oversight of company performance, and the transition to more integrated long-term planning and investment frameworks.

Policy attention also remains focused on resilience, water security, infrastructure investment, leakage reduction and demand management, with reforms increasingly framed within a wider critical national infrastructure and economic resilience agenda.

Regulatory Environment - Energy

RIIO-3 is now in force following implementation in April 2026, with regulatory attention now focused on infrastructure delivery. The framework provides £28.1 billion of upfront funding for electricity transmission and gas networks within a wider investment pipeline of around £90 billion through to 2031, supporting network resilience, energy security and the delivery of the Government's Clean Power 2030 ambitions.

Digitalisation and whole-system coordination remain central to the RIIO-3 framework. New licence requirements require network companies to maintain Digitalisation Strategies and Action Plans, comply with data best-practice standards and improve the accessibility and usability of network data. These reforms are intended to support greater system visibility, enable flexibility markets, facilitate electrification and improve cross-sector coordination as the energy system becomes increasingly interconnected.

More broadly, Ofgem's regulatory approach is becoming increasingly aligned with wider government objectives around Clean Power 2030, network expansion and strategic infrastructure delivery. This focuses on transmission build-out, connection reform, resilience and the timely delivery of nationally significant energy projects.

In parallel, aspects of the RIIO-3 settlement remain subject to challenge. Five gas network operators (Cadent Gas Limited, Northern Gas Networks, Southern Gas Networks, Scotland Gas Networks and

Wales & West Utilities Limited) have appealed elements of Ofgem's licence modifications to the CMA, with final determinations expected later in 2026.

Corporate Update

Shareholder transactions

On 13 March 2026 Arqiva announced the completion of the sale of Macquarie Asset Management's 26.54% stake in the Company to funds managed and advised by Polus Capital Management ("Polus") (the "Transaction"). The Company also received formal notice that, following completion of the Transaction, a fund advised by IFM Investors, a minority shareholder in Arqiva, has agreed to sell its 14.84% holding to Polus (the "IFM Sale"). The IFM Sale completed during May 2026 and Polus's combined equity interest in Arqiva is now 41.38%.

These transactions further consolidate the Company's investor base and demonstrate Polus's confidence in the Company's long-term fundamentals.

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

Board Update

David Stirton and his alternate (Drummond Clark) stepped down from the Board in May 2026 in connection with the shareholder transactions and Sarah Munby was appointed to the Board. The Board Chair (Patrick Tillieux) resigned due to personal circumstances on 30 June 2026. Simon Duffy was appointed as Chair of the Board, effective 1 October 2026.

Cost Action

During the year, the Group commenced a significant transformation programme designed to support the Group's revised strategy and reposition the business in response to changing market conditions. The programme is intended to improve operational efficiency, simplify organisational structures, create a more agile capability-led operating model and establish a sustainable cost base aligned to the Group's long-term strategic objectives. The programme includes substantial workforce restructuring, organisational redesign, capability consolidation and associated transformation activities.

Energy Hedging

Arqiva had historically been protected from volatility in energy prices through long-term forward energy purchases. In line with its long-term forward energy purchase policy, Arqiva has hedged 90% of the anticipated energy usage for the year to 30 June 2027 with 54% secured for the following year to 30 June 2028. Arqiva's hedging strategy continues to outperform the DESNZ benchmark (21% lower than the benchmark in the 2025 calendar year).

Capital Expenditure

During the three-month period ended 30 June 2026, the Group incurred the following capital expenditure:

£m	**3 months ended 30 June**		
	2026	**2025**	**Change**
Growth Capex – contracted	8.0	7.5	+0.5
Growth Capex – non contracted	2.0	1.9	+0.1
Maintenance	8.6	8.2	+0.4
Total Capex	**18.6**	**17.6**	**+1.0**

Contracted growth capex primarily relates to the Group's major projects including the continued rollout and enhancement of the smart energy, water metering networks and delivery of broadcast services.

Growth capex increased compared to the equivalent prior year period, primarily driven by a reduction in CSPN change requests as we discussed the renewal of the Smart DCC contract. This was partly offset by increased AMP8 water site builds, as well as the roll-out and delivery of smart energy networks technology improvements.

Non-contracted growth capex decreased compared to the prior year period. The Group continues to scale-up product development to compete for and deliver on new water smart metering contracts alongside system improvement work to simplify operations between Cellnex and Arqiva for site management.

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

Financing

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

The Group's junior debt was downgraded by Moodys from B1 to B2 with a negative outlook effective 28 April 2026. S&P's rating of our junior debt remained at B with a negative outlook effective 26 June 2026 throughout the quarter.

Acquisitions and Disposals

There have been no relevant acquisitions or disposals other than pursuant to or in accordance with the Obligor Transaction Documents since the previously delivered Investor Report.

RATIOS

We confirm that in respect of this investor report dated 30 September 2026, by reference to the most recent financial statements that we are obliged to deliver to you on a semi-annual basis in accordance with Paragraph 1 (Financial Statements) of Part 1 (Information Covenants) of Schedule 2 (Covenants) of the Common Terms Agreement:

- Historic Net Debt to EBITDA for the relevant Test Period ending on (and including) 30 June 2026 was 3.22;
- Historic Cashflow ICR for the relevant Test Period ending on (and including) 30 June 2026 was 3.71;
- Historic Cashflow DSCR for the relevant Test Period ending on (and including) 30 June 2026 was 1.72 (together with (a) and (b) above, the **Historic Ratios**);
- Projected Net Debt to EBITDA for the relevant Projected Test Period commencing on (but excluding) 30 June 2026 is 2.85;
- Projected Cashflow ICR for the relevant Projected Test Period commencing on (but excluding) 30 June 2026 is 3.91; and
- Projected Cashflow DSCR for the relevant Projected Test Period commencing on (but excluding) 30 June 2026 is 2.12 together with (d) and (e) above, the **Projected Ratios**).

We confirm that:

- each of the above Ratios has been calculated in respect of the relevant Test Period(s) or Projected Test Period(s) or as at the relevant dates for which it is required to be calculated under the Common Terms Agreement;
- no Ratings Downgrade Event has occurred within the Senior debt group;
- no Modified Net Debt to EBITDA Ratio Breach has occurred;
- no Default or Trigger Event has occurred and is continuing; and
- the statements set out in this Investor Report are accurate in all material respects.

CURRENT HEDGING POSITION

We remain in compliance with hedging covenants.

Yours faithfully,



Alastair Cochran

Chief Financial Officer

Signing without personal liability, for and on behalf of

Arqiva Financing No 1 Limited as Borrower